

# TRADING LIFE

Meet FX trader, **Bradley Gilbert**.

**U**nlike many of those who dreamed of dealing rooms and a trading career, I didn't know anything about the foreign exchange market until after I graduated in Economics at university. Sure, I loved to punt, but

the horses and sport were as far as it went. I never owned shares and never had a real interest in the stock market either. However, I happened to be playing rugby with a few guys who were in the 'game'. After a chat about what they did (which all went over my head) they convinced me that I had all the attributes to become a successful forex trader: I was confident, good with numbers, a team player, a risk taker and I was able to handle with ease situations that created pressure. So I applied for a graduate trading position at Citibank. There were one hundred and sixty applicants. Two months and five interviews later, I landed the job. That was a huge turning point in my life.

I was a sponge for the first few years, learning all the rules, the ins and outs of the market, the terminology, and how to carry out transactions in the wholesale market. Within three years I was making more money than senior traders who had been around for years. I had outgrown the Sydney trading desk. I was promoted to senior dealer status and transferred to London in 1995.

This was a great move, although it didn't seem so at first. The London market is bigger and louder and the traders are far more aggressive. Being the only foreigner in a fifty-man trading team, I was quickly put in my place. I sat in the shadows of the top dogs for a good six months, quietly going about my business and observing their every move. I was looking for an opportunity to show my wares. The chance came suddenly, when one of the senior guys was off sick. I got the chance to quote the USD/YEN book for the day, and that turned out to be a defining moment in my career.

I was thirty minutes into the day when the Japanese Minister of Finance, Eisuke Sakakibara, (Mr Yen) made some outrageous comments about the level of the Yen. I was

caught long US Dollars and the currency had dropped over 100 points in seconds, I was down well over 300K. A small group of senior traders was laughing and I heard one of them say, "This will put him in his place." That was all the motivation I needed. It was now or never! After the dust had settled some eight hours later, I walked out of the dealing room to a standing ovation. I had turned my initial losses into a half-million pound profit. I had officially arrived in the big league.

Over the next thirteen years I worked in New York, Tokyo, Singapore, and Hong Kong and finally returned to Sydney. I learnt to become resourceful and my trading became more dynamic as I endeavoured to stay ahead

themselves. Patience, discipline and control of your emotional state are imperative if you want to be successful. Thirdly, a trader needs structured trading methodology, incorporating stringent capital management and a precise trade plan. Having a precise trade plan should remove the emotions of fear and greed and set you up for continued growth in the market.


My twenty years of experience have taught me that knowing when to trade and when not to trade is integral to success. Staying out of the markets in illiquid volatile conditions, during inexplicable events and in particular when the currencies are in uncharted territory can lead to significant improvements in your overall performance. Traders in investment

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of the pack and on top of the game. The key factor that stands out for me is that all the traders I met and worked with incorporated the same basic trading methodology. Successful traders don't use any secret strategies; they use the same simple strategies as everyone else. They are just quicker to modify and adapt them as market conditions and driving forces change, keeping them ahead of the market.

I realised there are three major components to successful trading. Firstly, you have to understand the market, the participants in it, and how it all works. In today's market, 95 per cent of traders are speculators. Thus it's no surprise that most traders new to the market lose their money. It's the wholesale market, the remaining five per cent, that controls the entire market. You need to know how they trade. Secondly, it's the trader

banks are not trading all day long. I can spend most of some days reading newspapers and otherwise occupying myself to avoid placing 'bored trades'. Good traders make fewer trades, not more.

Anyone can learn to trade the forex market. Just remember that understanding the market and staying in control are key to making your trading a success. 

**Bradley Gilbert** has been an FX trader for 20 years, 17 of which were for investment banks. He is currently the Managing Director at Traders4Traders and CEO of Forex Capital Management. For more information see [www.traders4traders](http://www.traders4traders) and [www.forexcapitalmanagement.com.au](http://www.forexcapitalmanagement.com.au).

