

## FOCUS, FOCUS, FOCUS

New month, new goals right? NOT. Rather new month, same goals. Our goals every month at All About Trends are always the same.

1. Protect your account
2. How am I going to get my \$4,000, \$6,000, \$8,000 worth of gains this month.

These are the only two things that are ever on All About Trends' mind -- regardless of what's going on in the markets I might add. This is where our focus always is and yours should be too!

One of the ways we do this is by focusing upon "**What Is The Total Value Of My Account?**" We focus upon that and that alone because at the end of the year that is how you'll have known you are successful.

What won't be paid attention to is how many companies do I own that are "good" companies. We've said it before and we'll say it again a company is only as good as its stock. If the stock is going nowhere, what's the sense in risking our capital. It's all about money in motion and keeping it in a positive motion.

Sure some months will be great and some months you'll have to work as hard as you ever have just to get the 1st down. But alas, it all works out.

Was last year a positive year for you? **If not, what are you going to do to change that!** Is your account stacked with issues you are down in hoping they'll come back? Folks, I don't think GE is coming back anytime soon.

While on the subject of losses, I hear it all the time "I don't want to take the loss." When I hear this I go huh? What do you mean you don't want to take the loss? You've already got the loss. Selling it or not makes no difference. A loss is a loss. Please keep in mind, I'm not construing that you should go out and jettison all your losers right away, but over time start to cull the weak sisters per se.

One of the reasons we've had good success is because we sell our losers quick and move on to the next one. This is what being focused on **how am I going to get my \$4,000, \$6,000, \$8,000 worth of gains this month** does. It keeps you from being bogged down with losers and living in the land of "The Slope Of Hope". If you keep hanging on to your losers what ends up happening is you end up with a whole portfolio of just that -- LOSERS. What also happens is that your whole account ends up being subject to "The Mercy Of The Market" -- not a good thing. Aren't you tired of that? It's depressing, we know. We've been there and from the sounds of the street right now a lot of people are there.

Another thing that tends to happen is that in the area that you are making headway in it gets dragged down by the losers and non performers, then you end up spending a lot of energy fighting the current just to keep you're head above water.

Again I'm not construing you go out and get rid of all your losers just yet but start to slowly get rid of them on rallies. Eventually you'll get to the point where you are sitting with a lot of cash and looking for the trade that's going to add to the bottom line on the total value of your account. It's a process folks and isn't going to happen overnight.

Think about this for a moment, what IF you were basically 100% cash, what would your state of mind be? Really think about that statement, feel it, what would your stress level be like? Would the cat be still getting kicked when you come home? I think not. A big part of this whole thing called the stock market is a state of mind and always staying in the most positive state of mind (contrary to what most think about money management) **YOUR STATE OF MIND IS YOUR MOST IMPORTANT ASSET.**

### **New Year's Resolutions**

Now that the first of the year New Years Resolutions have already been forgotten for most just as they do every year around this time now it is a good time to bring them front and center again.

**"IS 2010 THE YEAR [YOUR](#) PORTFOLIO TAKES OFF?"**

### **FOUR SIMPLE STEPS TO GENERATE CONSISTENT PROFITS IN 2010**

To achieve consistent gains in today's market, you **MUST** have a plan and trade your plan. This means you must know what kind of an investor you are, must have a plan, must know what to look for and how to trade it **and have only one goal: to raise cash in your portfolio.** These are the elements that make for successful stock market investing.

The four resolutions below will help you do so with confidence and excitement knowing that following them will indeed make 2010 the year your portfolio takes off.

### **RESOLUTION #1: I WILL CREATE A PLAN BASED ON WHO I AM AS AN INVESTOR**

Before you can create a plan, you must determine what kind of investor you are. This is an absolute must!

WHAT EXACTLY ARE YOU TRYING TO ACCOMPLISH WITH YOUR INVESTMENT DOLLARS?

Do you have a plan? What exactly is that plan? The days of "buy any stock and it will go up" are long gone and by the looks of things, they aren't coming back anytime soon. In today's market, you **MUST** have a plan. But the plan just can't be any old plan. It must be one that is based on who you are as an investor and what you are trying to accomplish. So who are you?

Are you an investor?  
Are you a trader?  
Do you go long only?  
Do you go short only?  
Do you do a combination of long and short?

These are all questions YOU have to ask yourself. YOU have to **DEFINE WHO YOU ARE** before YOU can develop a plan. That said, if you're long only, then in times of downtrends, you must be prepared to sit in cash or face some difficult times with your investments. If you're short only, then in times of uptrend's, you too will have to sit in cash or face difficulty.

You've arrived when you get to the point where market direction doesn't matter. Your plan should take into account both sides of the coin. You should no longer have to ask:

Is the market going higher?  
Is the market going lower?

Your answers to the above questions should be "Don't know, don't care, I invest in what I see, not what I think, feel or fear." But how do you get to that point?

You get there because you have a plan, are planning your investments and trading your plan. This is done according to the kind of investor YOU CHOOSE TO BE. The way you plan your investments and trade your plan defines the kind of investor you are.

### **RESOLUTION #2: I WILL INVEST IN WHAT I SEE, NOT WHAT I THINK, HEAR OR FEAR**

To be successful in today's market, it all comes down to understanding that you **MUST "Invest in what you see, not what you think, hear or fear."** This means turning off the TV and staying focused on understanding what kind of chart patterns make for successful investments and to have the confidence to pull the strings when they trigger.

For us, we look at three types of chart patterns:

Uptrend patterns  
Downtrend patterns  
Changes in trends patterns

And that's all we look for. We don't care what xyz analyst said about a stock, what Cramer had to say in last night's Lightning Round or if we didn't like the service we got at this company's store. None of that matters. All that matters is what the chart is telling us and what we do as a result. The chart patterns that lead to significant gains are the same whether you are a trader or an investor.

### **RESOLUTION #3: I UNDERSTAND IT'S A MARKET OF STOCKS, NOT A STOCK MARKET**

How do you make money consistently month over month regardless of market direction? How do you make money being long when the market had the kind of year it had in 2008, which featured some of the worst months the market has had since the 1930's?

The answer is simple. **It's a market of stocks, not a stock market.** Like we said in Resolution #1, market direction shouldn't matter. **All that matters is finding stocks that have completed set-ups ideal for significant gains and doing what the chart tells us.**

Even in the most raging bull market, a sector or two may suddenly fall out of favor and then we'll start seeing topping signs on the charts of the industry's leading stocks. This means it's time to go short -- even though the overall market is going up.

#### **RESOLUTION #4: BEFORE I INVEST, I KNOW MY STOP LOSS AND MY PROFIT EXIT POINT**

That's how to do it in today's market. We don't invest in anything without looking at the chart and determining our stop loss and the point we will exit with a profit.

For example, we have a simple rule: Buy at support and take profits at resistance. Before we make an investment, we look at the chart to ensure we are buying it at support or support is within 5-10% of our buy point. **There are patterns out there everyday that allow you to get in at the lowest point possible where your downside risk is minimal.**

We also look to see where the stock may encounter resistance and make sure we know what that point is and that it is far enough away from our buy point for us to reap a profit that makes the capital risk worthwhile. If the stock is in new high territory, we'll look to take profits, or a portion of our profits somewhere between 10-15% of our buy point.

We don't try to hit a grand slam. The key is to hit singles and then move on and hit another single. That's how to achieve consistent profits with little risk. And you do that by knowing up front where your exit point is.

Keeping it simple, understanding charts and using the charts to buy right and sell with a profit avoids making mistakes based on emotion, greed or misinformation.

To learn more, sign up for our free newsletter at [www.allabouttrends.net](http://www.allabouttrends.net).