

How I became a professional financial trader

As an introduction, my name is Graham Aldous (*Aldy* to friends/family) and this is my story (from Jan 2000 – to date) of my journey to becoming a professional financial trader. I have always worked part-time at trading, I have absolutely NO desire to ever work full-time, so trading the markets suits my ambitions fine.

I have referred to my *market diary/log* that I have kept since I started trading, to make sure dates etc. were reasonably accurate.

To those of you who do not know who I am, I was the first person to train as a trader using Nick's "Evening" trading system, which his son (Max) has re-named *Trade With A Day Job*.

I first met Nick (Markets Mastered) through a mutual friend at a party one evening in Burnham-on-Crouch (Essex) where I still live (part-time) and Nick had a house at the time. This was then January 2000; I was newly married, 34 yrs old and working in London at a small insurance broker connected to Lloyds of London. My day started at 6am with a train to London, and I was usually back home just after 5pm after working a straight 9 hours without a break

My prospects were ok, and probably one day I would become a partner, but that was probably 20 years away. I always had in mind that I needed a second income to be able to live the type of life I (and my darling wife) had always dreamt of. I had tried to build up a small property portfolio from when I was younger, and at the time I had 2 flats in the town which I rented out for a small monthly income. That was as far as I had got in my money making schemes.

The night of that party I was talking to Nick's best friend, a builder called Richard, about an idea of selling my 2 flats and buying a building project he had found to develop and hopefully make some extra money. It was at that time that Nick introduced himself and we began talking of other ways of earning extra money when being tied to a full-time job that you could not afford to give up.

Nick had been trading full-time for a few years at that point, and suggested that learning to trade may be an answer to earning some extra money while keeping my job in London. This appealed to me, as I was never very comfortable about selling the property I already had and risking it all on a large tumble down house that would need constant supervision when restoring.

We had a good chat that evening and I put it to the back of my mind as the more we talked about it, the more I thought I would not be able to learn to trade. I had met bank traders while out in London on Fridays evenings, and they all seemed far too clever to me. There was also talk about needing a computer to trade, and at that time, I must admit, I did not own one. I used one at work very rarely, so knew the very basics, but

the thought of basing a business on one daunted me slightly, so due to all those reasons, trading part-time was put on the back-burner so to speak.

About 2 weeks later (end of Jan 2000) I met Nick again (by accident) in the *The Anchor* pub, and we started talking about part-time trading again, although I did express my concerns about starting a business that is run completely from a machine I knew virtually nothing about. When we parted company that night, Nick said he would enjoy designing a simple trading system that would work in the evenings, be easy to learn for a computer phobic and so suit my situation. I must admit at the time, my wife was more interested than I was in the idea, I was having a stressful time at work, so my mind was on that and not on extra money-making ideas.

At work the next day, I mentioned the idea to some colleagues and they all seemed to think it was an ideal business to be run from home part-time, and encouraged me to give it a go. This enthusiasm finally made me decide to give it a go, and I went round to Nick's house that evening to see if we could get started on the concept.

Nick had already designed the basics of what is now the "Evening" trading system the previous week, had back-tested it for 12 months and was then involved in forward trading it. He had a strategy that he used to day-trade the FTSE already, but this new one was completely different (and I now know) a lot more simple. I have since found out he had a friend who worked on the Chicago Mercantile Exchange many years previously, and the two of them worked on the strategy on a 3 day trip Nick took to New York that January. (He only told me this a few years ago!) I cannot remember the name of this ex-trader but he was a floor trader on the exchange and he traded just the S&P500 index for 15 years – so he had a lot of experience on the workings of the instrument.

It was now the beginning of Feb and it was decided that while Nick worked on the testing, I would spend the next 2 weeks learning how to use a computer and also gain knowledge of the IG Index trading platform. The guys at work were a great help, and we all spent the next fortnight on that project and hardly any normal work went on! I also spoke to IG Index, and they invited me up to their offices (which were near Buckingham Palace at the time) and I spent 9 hours there – spread over 3 days – getting used to their trading platform. Nick came up with me as he knew Stuart Wheeler, the boss of IG at the time. Two of the traders there also got involved in the testing, and in later years (before they moved offices) Nick did do some training evenings there. I have written in my diary – Thursday 10th Feb 2000 ~ *"too hung-over to go to work after a night out with Nick, Stuart Nigel and David (2 IG traders) at Stringfellows in Covent Garden"* ~ a night I will never forget. I also remember Stuart going on afterwards (at 3am) to play poker, which is his full-time hobby/job now!

I do remember at that time the spread betting companies demo trading platforms were quite useless, so it was decided that I would 'paper' trade instead. I picked up the manual on the Saturday 12th Feb and spent the weekend reading it over and over again, until the concept was firmly embedded in my mind. There were two things to watch for on the chart, and when they happen together, that's the signal to get ready for a trade.

One of these ‘things’ was happening around 35% so I just had to keep in mind whether it was occurring at any time or not. That’s what made this strategy so simple, and even then when I was a complete novice, it was easy to realise when there was a possibility of a trade signal. Looking at my diary, I would say that learning the first bit of the system took around 3 days of watching the charts, and the 2nd bit of the equation meant learning a sheet that Nick supplied to me (now part of the manual) and I developed a strategy to commit it all to memory, so that took another 3 or 4 days of working with it.

Anyway when the markets opened on the Monday, I took the day off (sick) and spent the whole time in front of a live charts of the S&P500, Dax, Dow Jones 30 and FTSE watching the price movements around at Nick’s house. At that time, he had a bank of 6 screens in his office, so it was very easy to watch all the charts at once. I must point out that for the “Evening” system you need watch only ONE chart, that’s all. Certain things happened that were described in Nick’s manual, and it was all slowly coming together. Because I had learned the two occurrences off by heart by the Wednesday of that week, it all began to make sense, and the next thing I had to concentrate on was making sure my trades were executed with 100% accuracy. This means that every trade that showed up on the chart, I had to enter exactly as I was shown in Nick’s manual. This is the part that I felt needs the most practice, because you will sometimes miss a trade signal because you are doing something else instead of concentrating on the chart.

Over this first week, I was getting home a few minutes after 5pm and I was immediately switching on the computer I had just bought (£1800 would you believe – outrageous!! I had to get it on HP) and getting the chart up to watch for the 2 occurrences. My target was 15 pips per evening to start with but in that first week of paper trading I found my main problem was not being able to concentrate long enough to spot every trade that occurred in an evening. I was very frustrated and had to ring Nick to see what we could do about it. He came over on the Thursday evening while I was trading to see the problem at first hand. His solution is something I used for the next 5 years, he made me set an alarm (on the computer) to go off every 9 minutes. When the alarm sounded, I checked the chart quickly (5 seconds) and if there was no upcoming signal I just went back to doing whatever I wanted (usually reading) until the alarm went off again. It was such a simple answer and after a while, I did not need the alarm as I could guess 9 minutes quite easily.

In those first few weeks I managed 15 pips most evenings and I would say that after 4 weeks (middle of March 2000) my ‘paper’ trading had reached a level whereby I was confident enough to start using real money. When I put this to Nick, he disagreed and insisted that I carried on ‘paper’ trading for another 4 weeks, so that I was almost trading subconsciously – you know, the same as when you drive to work and you get to your destination without remembering how you got there – and at the same time I upped my daily target to 20 pips.

On the 10th of April I was ready for trading with real money. In the previous week I had placed £1000 into my spread betting account (I had saved that amount over the past 2 months while I was practising) and I had my first trade with my own money that

evening. In my trading log I have noted that I earned 19 pips at £1 per pip – my first day trading properly and my first profit (£19.00)

I am an extremely cautious person by nature (I was engaged to be married for 6 years) so it was always my intention to trade at fairly small levels and build my trading bank up very conservatively. In those first few months I was earning around £80 per week from my trading and I did not touch one penny, I kept it all in the account so I could compound my earnings.

By the middle of July, I had exactly doubled my account balance to £2000, which should have meant that I could then start trading at £2 per pip, so doubling my weekly earnings, but against the advice of Nick, I stayed trading at £1 per pip. I made another £500 by the end of August that year, and I then started trading at £2 per pip. I was having a monthly meeting with Nick to evaluate my progress and at our get together on the 31st August it was decided that we did not need to meet about the trading anymore, Nick was happy that the system was performing as it should, and both of us were delighted with the way my trading was developing. At that point I really felt I was a properly qualified financial trader, and to reach that stage had taken me just over 6 months, and maybe due to my caution it was a bit longer than normal, but I was happy with my progress and felt that no short-cuts were taken.

Because I was trading very conservatively, I had no problems with the amateur traders 2 enemies – **fear and greed**. I would like to note that for anyone starting off in this industry, there must **not** be any financial pressure whatsoever when you start trading with real money, if you feel you have to earn money every day, you will fail – that is an absolute certainty. You have to be totally relaxed while trade every day; I liken it to being an athlete who is '*In The Zone*' while performing. There must not be any distractions while you work, you need to concentrate on the charts and have a totally clear mind. I had a full-time job that was paying (approx.) £22,000 per year, so there was no need for me to dip into my trading account, and if I did not earn any money from the markets for a few months, this would not matter one bit. One piece of advice I would have for anyone – if they are contemplating leaving their full-time job to branch out on their own in self-employment, you **MUST** have at least 3 months wages stashed away, so that there is no pressure to earn money in the early days. When you don't have to earn – sods law says **YOU WILL!!**

By the 22nd December 2000 I had £5080 in my account and I was trading completely faultlessly, and consistently earning 20 pips per evening. I then decided that I was going to give Nick's modified "Evening" system a try, he had added a few bits to it to enable a trader to earn a bit more than the normal target. In the New Year I was going to try for 25-30 pips per evening if circumstances allowed.

The new year of 2001 started well, I was trading at £5 per pip and over January/February I was averaging £125 every evening, with hardly any losses. This was more than I was earning in London and I had to pay for train fares as well. This really made me think about life and really did cause some turmoil in my mind. I had a safe, secure job with a company that had been established over 90 years, it was virtually a job

for life, but I could also see that my home based small business (trading in the evening) I had started was beginning to give me the profits I had only dreamed about, and it was all tax-free. Should I hand my notice in and go full-time trading or should I carry on as I was?

I look back at this time in my life - and the fact that I am a very cautious, conservative person probably contributed to my indecision over what I should do about my two 'jobs'. I spoke to Nick about my problem, and he did encourage me to work for a few more months to build up my trading account and then go full-time trading plus he offered me his daytime system that he used himself. What to do??

In the end, I decided to stay with my job and just trade in the evenings after work, as originally planned. My wife was disappointed with my decision and I think we then started to grow apart as she was frustrated with my apparent lack of ambition. Looking back now, I think she could see the kind of lifestyle that we could have if I traded full-time (ie Nick's lifestyle) and desperately wanted it. By June 2001 I was still happily trading part-time but unfortunately we had separated. I had moved on to trading at £12 per pip, so I was earning around £250-£275 per evening and still compounding the money in my trading account. A month after my separation, after our house was sold I bought a flat in Wapping (East London) to be nearer to work, but I was still able to socialise in Burnham at weekends as I stayed in Nick's annexe. I truly believed I had a really good life, I was single, had a good job and more importantly, I had a small business that was growing at an alarming (good) rate every month.

Things just plodded on over the rest of 2001 and a note in my trading log says my trading account stood at £76120 on 31/12 2001 and leading up to the end of the year I had settled on trading at £50 per pip instead of increasing it in line with the amount of money in the trading account. When I started trading with real money I had dreamt of trading at hundreds of pounds per pip, but when it came to it, I really was happy trading at £50, as I did not need to earn any more. I had seen what Nick trades at, but I was not really interested in earning that much, my needs are a lot more simple than his.

During 2002 I built my account up to £100k and after that, I drew out (once a fortnight) anything over that amount while still trading at £50 per pip. In those days, I used a lot of surplus cash to put down as deposits for flats to rent out, the market was rising a lot and buy-to-let mortgages were very easy to come by – especially from Northern Rock!!

(I did that for about 3 years, but eventually I started leaving money in the trading account as I could not spend it all)

The problems of working full-time reared its head again this year, as my work started to suffer due to the fact that my salary was extremely paltry compared with what I was earning from my trading. My heart was not in it anymore, and I started to discuss the situation with my future with the company.

We tried a few different strategies at work in London including flexi-time and then working 4 days a week, but eventually, by September 2002 by mutual consent it was decided that I would leave work permanently.

Myself and Nick debated how my trading was going to progress, he was keen for me to trade full-time and he gave me his “*FTSE DayTrading*” system to learn. This was the strategy he was trading at the time, and although I could see he was very successful with it, I was more interested in working less after 9 years of commuting and long hours in an office making other people rich.

So on Friday 13th September 2002 (I know – unlucky!!) I left full-time employment for good. I must admit, those first few months of being at home all day really made me relax after working long hours in an office for so long. I would get up around 10 o’clock, fetch the papers, then go out for lunch (I was still living in London at that time) I would get back to the flat just before 5 o’clock so I could switch on my laptop to trade Nick’s *Evening* system. Once I was done for the evening, I would usually go out on the town for a few hours. That was my life for about 9 months, but I did eventually tire of all the going out, so it was time to change something. Around that time (June 2003) Nick had bought a tumble down property in Portugal in a small fishing village called Carvoeiro, and his builder friend Richard was going to spend 3 months out there restoring it. I volunteered to go out with Roger to live there and do some labouring as long as I could finish work in time to trade the *Evening* system each day.

To be honest, it turned into another party time, there were 4 of us out there and most evenings we were out drinking, so build progress was very slow. We probably did about 3 to 4 hrs work a day, but I was still able to trade every day (weekdays) so my trading account was building up nicely as I had no living expenses at all, Nick paid for everything in return for the building work we were doing. He would come out every fortnight to check on the work, and most Saturdays when he arrived his face was an absolute picture !! There was never as much work done as he imagined, but I don’t think he really minded, and we were having the time of our lives.

Well, in the end, to cut a long story short, the build took 9 months in the end as we ended up restoring the property next door as well. It turned out that I had met and was going out with a Portuguese girl (who later became my wife even though she is 17 years younger than me) so I was not that keen to come home. I rented Nicks place (which was now completely finished) for 6 months so that myself and Catelina (Cate) could live together while she finished college.

I obviously carried on trading each evening and during the day I developed a liking to golf, and as you probably know, the Algarve is packed full of championship courses. I was once again very happy.

Shooting forward to 2005, I had bought a farmhouse just outside Carvoeiro, which I was restoring while we lived there and Cate was a full-time sculptor after finishing her course at college. We also got married out there.

We carried on this lifestyle for a couple of years, me still trading each evening and playing golf during the day, and then at Easter 2007 we decided that we wanted a base in the UK as well, where we could live in the summer months and then stay in Portugal in the winter, so we could have sun all year round. It all worked out very easy in the

end, I bought Nick's house in Burnham-on-Crouch which he had just put on the market so I was back with all my old friends.

That is our set-up today, I still trade just Nick's Evening system, and the rest of the day is spent either sailing or playing golf wherever we are – Burnham or Carvoeiro – and my trading account has crept up steadily over the years, and now stands at £673,600 approx. Overall I still trade at just £50 per pip, but if there is a large purchase I am after, I will trade at £100 or £150 per pip to earn a bit more money. I just trade Monday-Thursday's now as I am often away for long weekends. I truly believe I have an ideal lifestyle all thanks to being able to trade the markets for a few hours each evening. Ah yes – and my wife's happy too!! Very important.

As a postscript, in the summer of 2008 while a whole party of friends were at my place in Portugal, Nick's eldest son (Max) came up with the idea of making Nick's trading systems available to a wider audience. After all, it had worked for me, so why couldn't others learn as easily? He then set about designing the website and all the associated software that was going to be needed. It was Max's first venture into self-employment, even though he was only 18 yrs old at the time. He has since added many other income streams to his media/advertising company – and he is still at University.

Thank you for reading my brief history/journey to become a professional (part-time) daytrader. If anyone is hesitating about whether to do it, my advice is.....

Graham (*Aldy*) Aldous

Carvoeiro, March 2011