



Trading with the woman's touch

■ *Nazila Jafari was born in Iran and spent part of her childhood in the United States and the United Kingdom. At the early age of eight, her grandfather introduced her to the stock market. Currently she lives in Germany and is a full-time trader as well as trading coach. She is well known in the trading community since establishing a large following on the Internet. Some people might regard Jafari's trading style as unorthodox. Although it includes systematic elements, her method has little to do with an automated approach. She stresses her trading is not systematic, but does include systematic components that help her to stick to her rules. Gut feeling plays a major role in Jafari's trading and, as she points out, is a factor that distinguishes women from men.*

Jafari says it's important for her to begin the day with a trading plan. This includes not only knowing when to buy or sell, limit losses and take

profits, but also includes slots for leisure time, for instance taking an extended break during the trading day. She also might include plans to continue trading the US markets in the evening. Jafari claims that her percentage of winning trades is more than 85%.

She attributes that astonishing performance to knowing when to call it quits, either if her trading day gets off to a bad start or if abundant success comes early. She emphasises that trading is a profession well suited for women. She uses words like gut feeling and intuition differently than the typical tough-guy trader just focusing on discipline, discipline and more discipline. Another remarkable fact is that Jafari likes to share her knowledge with others. She works as a trading coach and even dreams of opening a trading-platform or trading-education centre some day. Visit www.m4ft.com for more information.

TRADERS': How and when did you first start trading?

Nazila Jafari: My father owned a contracting business that included an accounting department. As a child, I was lucky enough to see and learn how the administration of money works. My grandfather, who was a notary, was my role model. Very early on he discovered my interest in trading. When I was eight years old he gave me books to study and I was allowed to trade every so often. When I was 24 I started to get involved in futures and options, and since 1997 I have been working on my trading strategy.

TRADERS': You started trading at the age of eight? How and what did your grandfather allow you to do?

Jafari: In the beginning, he would discuss his decisions with me, and later on he gave me some money from his account with which to make my own decisions. This gave me the chance to gather some real life experience dealing with money. Of course, he gave me a lot of support and advice. Back then charts programs and real-time data didn't exist. I called our broker twice a day to inquire about opening and closing prices. I made notes and drew my own charts by hand. My first trading instruments were gold and the US-Dollar. Later my family and I lived in the US and Great Britain, which enabled me to pursue and develop my interests even further. For me the stock market report on the evening news was fascinating. I even kept a diary to make notes of what would have happened, had I invested in one or the other stock the day before. After becoming more and more involved in the administration of my father's company, my grandfather gave me my own account to trade.

TRADERS': What was your most positive experience in regard to the stock market?

Jafari: To me the stock market represents life, a mixture of anxiety and euphoria. That taught me how to deal with life's highs and lows and to simply make the best of it.

TRADERS': What was your worst experience, and what did you learn from it?

Jafari: Every successful trader experiences unpleasant phases, mostly caused by emotions. I learned to trade markets as they are and to eliminate emotions, as well as my own opinion. First and foremost, this means to disregard all forms of news reports and political speculation while trading. Here you should try to remove the influence of external opinions.

TRADERS': How do you succeed in eliminating or controlling your emotions?

Jafari: It is not easy to trade in an unemotional manner when you have no real plan. We are human beings and, depending on the type of day we are having, either in a good or bad mood. In order to suppress emotions we need a system, which makes decisions for us. Thus, we are not at risk of letting emotions or opinions obscure our trading. I listen to music in order to relax and avoid trading on days when I can't get a grip on my emotions.

TRADERS': Was it a long process to attain an emotional calm or is that simply your personality?

Jafari: It was not easy at all, and I am constantly working on improvement. But I do believe that most of the time you are nervous when you are badly prepared or try to trade under pressure. In a case like this, it is helpful to have faith in yourself and your work, and trade because it's fun. Really, nothing can happen if you consistently stick to your own rules. Also, a coach can help in restoring confidence. I received a great deal of confidence from my coach. He helped me analyse my decisions and avoid mistakes.

TRADERS': Can you be a bit more specific?

Jafari: Whoever invests in a market without a plan, will not know when to cover his position and may quickly suffer a devastating loss. Like other traders, I am a human being and consequently suffer from emotions. The first step to controlling your emotions is the realisation that you possess them (happiness, euphoria, fear, panic, etc.) and knowing that they may obstruct your trading or trigger wrong decisions. The next step is to prepare a trading plan and stick to it constantly. This requires a lot of self-confidence, confidence in your own analysis. Whoever starts getting weak will have doubts, stray from the chosen plan, and start making mistakes. In the next step I started optimising my trading and developed a system suitable for me. The advantage is that I follow specific trading procedures without thinking about them – I just push a button. If I still try to stray from my plan and start getting emotional in my trading, I simply turn off my monitor or leave my office.

TRADERS': Which other traders or trading books influenced you the most?

Jafari: I've read many books about technical analysis and worked together with some Swiss traders. I quickly realised, that I had no chance of earning money if I was going to do the same things everyone

else was doing. I had to find a new way for myself – a trading strategy that fit me. I visited many seminars and realised again and again that I could not understand many of the complicated technical charting methods - or at least was unable to implement them. Everyone tries to forecast the future using various methods: indicators, oscillators, Elliot wave, etc. I tried these methods and realised that my losses were even greater than before. My trades were either too early or too late, and I always depended on methods that did not work at precisely the right time. Instead, I should have concentrated on the shares themselves. Many of these methods work in theory, but not in practice – when using real money. My grandfather always said, "The profit lies in the purchase." I knew how to interpret this advice for our company, but how was I to implement it in the stock market? Only one paradigm, not the opinion of other people, seemed reasonable to me: "Trade what you see." This is why my entry takes place where the market determines it, without indicators, etc.

TRADERS': Would you please outline your trading strategy for us?

Jafari: That is a difficult question on which I will need to expand a bit. Over the years I traded almost everything that markets and brokers could offer. Negative experiences, like errors in my own money management or an unacceptable risk/reward ratio, as well as technical problems or blackouts of trading platforms, and the worldwide political commotion had given me enough to think about. I was in need of a trading approach that would eliminate unintentional risks and give me the peace and quiet to concentrate on what's important. Stressful phone conversations with my broker only caused stress and used up my energy. The turbulent political and economical situation often kept me from sleeping at night. Now I trade exclusively intraday and do not hold positions overnight. ...