



Successful Trading Requires A Checklist

Phil Storer Recommends a 3-Part Evaluation

DALLAS (February 18, 2010)... Long-time stock and commodity trader Phil Storer says using a checklist in trading helps you learn from mistakes so they aren't repeated and also builds good habits that result in success over the years.

"I've found that in order to enhance discipline and consistency it's very helpful to create a checklist that is specific to your method and suitable for your trading personality," says Storer, who is based in Dallas, Texas. Long-term returns will likely be disappointing unless you stick to a regimen, he adds.

His own willingness to buckle down and keep a checklist followed a series of market beatings that were his "reward for a lack of discipline," he says.

Storer's checklist, explained in *Chalk Talks for Traders – Easy Xs and Os from a Proven Market Pro*, has a three-part agenda including a pre-trade evaluation, making the trade itself, and then a post-trade analysis, or a "look back". His generic list is intended to help traders develop ideas to customize lists of their own.

"Keeping track of how each trade plays out will help you understand that trading is an exercise in *probabilities* set in a random environment," Storer says. "We constantly strive for perfection. Unfortunately, we are participating in a contest that won't allow it. If we blame ourselves for what we think is failure, the result will be personally degrading and will lead to even more failure."

Instead, it's wise to take a proactive approach along the way.

In a pre-trade evaluation, you ask what is the direction of the market's trend? Where do I enter and what is my profit potential? What is my risk and does the potential justify it? Can I afford that risk?

As for the trade itself, you should ask: what is my plan for entry? Have I placed a protective stop (which is mainly used to limit market risk to a specific amount)? Where should it be? Has anything happened to justify moving that stop? Also, have I placed a priced order at my target price?

In the last phase-- or the "look back--" you might be tempted to pass on performing an evaluation if the trade was a winner. But you should still decide: did I get my target price? And if not: why? Also, did I manage my protective stop correctly? What would I do differently next time?

If the trade lost money, you can learn from it by asking: did I get too close with my stop? Did I exit because of emotions? Was the target price hit? Was I in line with the trend?

Storer says his book and checklist offer some of the best tools for trading you'll ever find in one place. The point of the list is to help traders build good habits, which are especially needed when trying new strategies. He adds, "you, the trader, are in charge of your level of success in the end."

Storer specializes in customized plans to meet clients' requirements, using the discipline and techniques that have directed his own buying and selling over the decades. He is also the author of *Tricks of the*

Futures Trade, A Guide to Futures Trading by a 25-year Survivor.

Storer is the director of trading for the commodity division of Dillon Gage Inc., a full service brokerage firm based in Dallas, Texas.

MEDIA ADVISORY:

For a review copy of *Chalk Talks for Traders – Easy Xs and Os from a Proven Market Pro*, or to arrange an interview with Storer, please contact: Jo Trizila, TrizCom, at (972) 247-1369 or (214) 232-0078. To pre-order *Chalk Talks for Traders – Easy Xs and Os from a Proven Market Pro* go to:

<http://www.chalktalksfortraders.com/> .

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