of money. A while back, I bought Fractal Finance software, a TradeStation plug-in, from the author of an article that appeared in a Stocks and Commodities magazine. It didn't work the way he wrote in the article and I corresponded with him for a while. He promised me a new set of indicators two months ago and I still don't have the set.

But other times...the new ways may be useful and you won't know unless you investigate them. For example, I read 'Dynamic Trading Indicators' by Mark Helweg & David Stendahl and found some great ideas in it. It is at the forefront of new indicators using probability and/or chaos theory. So you never know. You go to the seminars and see what you can get out of them. If I sit back and assume that I have everything, even the "holy grail", what will happen is my tools may just stop working as the market learns and evolves. The principles will not stop working but the way the principles are used will stop working simply because too many people use it.

CP: What do you teach - the principles or the setups?

RB: I teach everything. More importantly I teach a way of thinking. The students need not use my methodology. I have students who use P&L (Drummond Geometry). They started with my stuff but were uncomfortable with it, so they went off and did P&L and they think it is wonderful. A student who is a doctor uses only Robert Miner's methodology. I suggested P&L to him but he hated it. The main thing to develop is a probability mindset thinking; most people need help to acquire it.

I hold nothing back. I teach the way I trade, the way I use setups, trend identification etc .Then they acquire a way of thinking and they go out and develop their own unique way of trading.

CP: Do all the students make it as traders?

RB: Not all students graduate for two reasons. Some are looking for certainty in the market and they cannot handle the uncertainty. They continue to search for that elusive indicator/system/theory that will give it to them. The other reason is totally unrealistic expectations. I had one guy coming to me saying that he was very conservative and he only wanted to make 50% a month. If he found a way to make 50% a month, I would like to know it! I would be happy to make 50% a year, let alone 50% a month.

CP: What is essential in today's market?

RB: There is a need to understand principles and the decision making process. Traders do not spend enough time studying how they make decisions which is a central part of trading. There are a lot of new ideas on how decisions are made. Example, as a trader you probably heard about keeping emotions out of trading. However, the newest theory, coming from the science of neurology, says that's wrong. Emotion is a very necessary part of learning. What we need to do is keep it under control. You can't divorce trading from emotions and even if you found a way to do so, you would not be as a good trader as you could be. There is a lot of stuff out there that people don't use and they should. That's why I read a lot, not just trading books. I read books on psychology, science and anything that may affect or influence me.

CP: How about NLP (Neuro Linguistic Programming)?

RB: In fact, I am a master practitioner of NLP. NLP has also evolved a lot. In the early days, NLP focused on the behaviour only and not the core problems – from the 'change the behaviour and the problem is solved' school. Then they found out that changing the behaviour and not fixing the core problem resulted in other behaviour that reflected the same problem. Nowadays there is a lot of NLP literature dealing with core problems like 'tackling limiting beliefs'. NLP is extremely useful as it teaches a set of strategies for imparting successful skills from one trader to another.

Each of us has core fears and drives. Ultimately, successful trading will depend on whether or not our core fears will prevent us from trading well and to what extent our core drives will assist us to trade well.

CP: How about intuition?

RB: I am very big on intuition. If I try to divorce my emotions from my trading, it will not work. I tend to be more emotional than logical. I just have to keep my emotions under control.

Like today, I took a British Pound position, thinking that the up trend is about to change. But the price action after I took the position has been equivocal. So intuitively I look to bail out and then look for reasons to support or reject the intuitive decision. If I do find reasons contrary to my intuitive response, I have to find a way to reconcile the two if I am to take or remain in the trade.

I would like to make a very important point about the decision making process. From what I have read, human beings make decisions emotionally first. I have been trading for the last 30 years and have seen most of the patterns. There is very little in a normal market that surprises me. So it only makes sense to use my intuition and that is an emotional decision. If I make an emotional decision, then I have two choices. One, my rational process will justify the decision so I will listen only to those reasons that support my decision and block out those that do not. That's no good. That's the rationalization process and not the way to use your reason.

The alternative is to look at the information in an objective manner. I don't block out information that doesn't support my position. I look at all the information and then come to a logical conclusion. Ideally that conclusion will support my intuition.

Essentially we start with an intuitive process and then look at the rational side. Most human beings make decisions that way but they don't realise it. I have seen traders looking for systems to take out the emotion from trading. They are actually making an emotional decision upfront when designing the systems.

CP: Let's talk about your funds management?

RB: About the 1990s, there was a niche in the market place. Banks were starting to outsource their FX (foreign exchange) trading and I decided to fill that niche. I was lucky. I picked up a few banks. We had some very good years and a few very bad ones. I managed large enough funds but not many clients. Because of this, I could catagorise the clients. Example, the clients would tell me how much they were comfortable losing and I'd tailor my trading to their comfort level. Between 2000 and 2001, I had the worst drawdown period - so deep (for me) and for so long. My most conservative client lost about seven