Operizion The easy way to make money trading stocks !

just follow the <u>colors</u> to step in and step out !





Thank you very much for requesting this e-book.

Please read my story on the following pages

and take advantage of it!

Good luck!

www.desizzion.com

Chris Dijkhuis



Rule 2

Don't forget Rule 1

Warren Buffet





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From big steps backward to small steps forward.

My path to: 'GOLD'

"What are we going to do with that money?"

Years ago, when I bought out my life insurance and suddenly had a sum of money at my disposal, 41,340 euros and 25 cents to be exact, suddenly the bank, which I had never heard from until then (except for a reminder when I was once again in the red), came at me like a fly on a pile of shit, asking, "What are <u>we</u> going to do with that money?"

Excuse me, "we?" I thought it was my money.

Anyway, back then, I thought the bank knew better and had my best interests at heart. So I agreed to the proposal to invest in bonds.

Bonds

Bonds are safe I was always taught. Not so. In my case, I had three bonds, 2 of which were perpetual.

A perpetual bond is a bond that does not need not be redeemed, thus has no maturity date.

Moreover, there is a relationship between stock prices and those of perpetual bonds. Dream BIG. Start small. Act NOW.

Robin Sharma

The best time to plant a tree was 20 years ago.

The second best is NOW.

Chinese Proverb



This is knowledge I gained in retrospect only when, during the credit crunch, the value dropped considerably. For fear of losing everything, I sold them and left the remainder in the bank. At least there it didn't decrease.

Better than the Index

But it didn't grow anymore either. Interest rates were so low that I looked for other ways for a return. Who could do that better than a wealth management guy?

You guessed it: that wasn't a success either. After two years, my capital had dropped several percent again.

Excuse from the asset manager: but we did outperform the Index. Hooray!

Of course, that didn't get me anywhere. Later I read in an article that a large proportion of asset managers are doing worse than the index. You probably know the story of the chimp who made a higher return than the people who "know about it"!

Asset managers earn from managing your portfolio anyway, regardless of the results. All the more reason to do it yourself, manage your own money. It is still true that better returns can be achieved in the stock market than money in a piggy bank or in the bank.

But how do you do that, investing?



Trading is all about probability, NOT prediction.

Fools make predictions.

> Winners focus on Risk/ Reward

How do you do that?

I faced that question, too. To begin with, I decided to gain as much knowledge as possible.

A lot of knowledge is available for free on the Internet. I did that and when, after a lot of reading and studying, I had some basic knowledge, I thought it would be better to take courses. That turned out to be a waste of money because I hardly learned anything more than what I already knew.

Ok, then start down the investment path. But how do you know which stocks to buy, when, how much and when to sell them again?

That turned out to be quite difficult and most of the time I was left with stories from the news or advice from this or that person.

But it just remained gambling on a rise in the stock. Buying and hoping. Not a very successful strategy. I kept looking for the "holy grail," a way to guaranteed success. Of course, there isn't one because no one knows for sure.

Nice promises

Yet, looking around on the Internet you come across, especially from American "gurus," all kinds of great stories, success stories and beautiful promises, such as:

"Imaging growing \$300 to \$21000 in just 3 short weeks"

or:

"gains of just \$1078 in three days, \$7679 in eight days"

or:

"Collect fast cash, like \$5400 in 7 days or less"

Trading is a business. Think of wins as revenue and losses as expenses.

Warren Buffet



Trading without stop loss is like driving without brakes. You'll eventually crash.

"2700% in less than two months"

of:

"\$100 turns into \$15417



Producing outstanding results in the process – gains of \$16,764 in <u>1 hour</u>... \$2,938 in 15 days... \$1,077 in eight days... \$2,026 in 21 days... \$2,074 in 12 days... \$7,679 in three days... and plenty more.



Trade Some of the Fastest Moving Stocks-for Pennies on the Dollar!

Collect Fast Cash Like \$2,863, \$4,110, and \$5,401 in 7 Days or Less!

"How To Increase Your Account 863% In Less Than 6 Months..."

All wonderful promises and very enticing!

Still looking for the 'money making machine' I accepted many of these offers. Most came in the form of a newsletter covering one or more 'stocks' each month that were guaranteed to bring success. An occasional one was successful but those wonderful promises were not met. Again, this cost me a lot of time and and a lot of money. Subscription costs to these newsletters ranged from \$59 to \$499 a year, at least the ones I subscribed to. There are some that cost \$995 or even more annually. But I really thought that was too hefty.



Pattern

And yet I did learn something from it and it is this: nobody knows. Nobody knows whether the price of a particular stock will go up, down or stay the same the next day. There are only three possibilities:

Go up, go down or stay the same ("sideways").

An expensive lesson to learn that nobody has a crystal ball! But I kept watching price movements, charts, indicators, etc., and at some point I saw a pattern.

I came to the conclusion that, and frankly this is an open door, there is no point in looking for or chasing "the big hit".

As stated earlier, that remains: gamble, buy, hope.

Small profits

Each price development consists of the previously mentioned three developments: up, down or sideways.

A stock price never goes only up or only down. There are always fluctuations.

I take advantage of these fluctuations, raking in small profits that, when added up, lead to larger profits.

This does not mean that every "trade" yields a profit. As long as the number of times profits exceed the number of times losses.

In addition, I keep losses low by having a fairly tight stop loss.

I created a calculation model where it is easy to see how your capital can grow, simply by entering the base amount and the desired growth rate.





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@PinkyPrint			
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end month 02		31,80	561,80
end month 03		33,71	595,51
end month 04		35,73	631,24
end month 05		37,87	669,11
end month 05		40,15	709,26
end month 07		42,56	751,82
end month 08		45,11	796,92
end month 09		47,82	844,74
end month 10		50,68	895,42
end month 11		53,73	949,15
end month 12		56,95	1.006,10

Gold

As mentioned, at some point I saw a pattern, elaborated on it and called it: 'GOLD', an acronym for:

'Green-Orange-Light Blue-Dark Blue'.

These are the colors of the indicators I use.

From the pattern and order of the colors I read when to buy and when to sell. It is not a system of buying and holding for an extended period. The GOLD system assumes short periods and grabs small profits.The great advantage of this is the fact that the emotion is taken out of it

Anyone who has ever bought a stock knows it: you buy a stock and as long as it goes up, everything is fine. But when it starts to fall, the hesitation starts: should I sell or wait a little longer. Maybe it will rise again. But if it

continues to fall, you think: if I sell now, I'll lose too much, so I'll wait a little longer. Until it has fallen so far that you think: let me sell now before it is worth nothing at all.

Everyone has gone through this cycle:



The same thing happens when a stock rises in value, then you think: I'll wait a while before selling, maybe it will become worth even more. Until it goes down again and you are in doubt again. And this happens again and again when you don't decide in advance when you get in and when you get out.

With the GOLD system you know in advance when you get in and when you get out.

No emotion and you don't have to think about it!

Investing or trading

Suppose you had bought some funds in November 2013, held them for three years until November 2016, the returns would have been:



Philips:

+13,9%

Pretty nice profits, of course, and also a way to get a better return than in

a savings account. But investing also means not getting greedy. See for example Air France KLM: if you had taken profits earlier, your return would have been much higher. The occasional downturn should be tolerated (see IBM example) and should not make you nervous.

If you look at the chart afterwards, it's easy what you should have done!

Investing can be a lucrative activity in addition to striving for returns, as long as you don't think of it as a hobby. Investing is serious work that can also be fun at the same time.

Okay, so we were talking about buying stocks, holding them for a long time and then selling them at (hopefully) a profit.

I do it differently now. I buy and sell on short notice. My "holding period" varies from 5 to 12 days. Sometimes shorter, sometimes longer. This results in small gains but, of course, occasional losses.

As long as the gains exceeds the losses. As for losses, I use very short stop losses to limit losses. Such a short stop loss usually works out well, because a stock often continues to fall after the stop loss. This limits losses, but also gives the opportunity to re-enter at a lower price.

In practice, we find that a price <u>drop</u> is usually <u>fast</u> and a price <u>rise</u> is often much <u>slower</u>.



Only invest

money you

can

afford to

lose!



So it is important to take your losses quickly.

So a short stop loss usually works out well, but sometimes it doesn't, i.e. the loss is limited, but sometimes the price goes up again after a short fall and then you miss the boat. Too bad, but at least the loss is limited. On to the next opportunity.

In my "GOLD" system of swing-trading (short periods), I have found that holding a stock longer does not always contribute better profitability.

This is open-ended: the goal is to hold a stock somewhere between a low point and a high point. This does not necessarily have to be the lowest point and the highest point. For that matter, it is also impossible to determine when the lowest point is reached or the highest. It doesn't always have to be: buy low, sell high. It can also be: buy high and sell higher. As long as you buy lower than you sell.

That holding longer does not necessarily yield greater profitability is shown in the following diagram:



The green bars are gains, the red losses and the blue line shows the number of days.

Clearly it appears that profits are highest in the first few days and losses are smallest when accepted quickly.

So taking profits quickly and accepting small losses quickly. This resulted in the following:

72 transactions in a 6-month period.

Holding an average of 11 days. Shortest: 1 day. Longest: 28 days.

38 closed with a profit, 34 with a loss.

Largest gain: 24.3% Smallest gain: 1.2%

Biggest loss: 12.4% Smallest loss: 2.8%

Average win rate over 11 days: 0.96%.

Over a year, that's 31.8%

So far my way to: 'GOLD'

If you are curious about how the GOLD system works go to: www.desizzion.com

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