

smart investor

Review: Investment Course

Front-Row Guide to Futures Trading

By **Janee Dewart** (Published in SmartInvestor Magazine, South Africa edition – June/July 2000 issue)

IT WAS with a large degree of skepticism and fear that I arrived at the first day of RS of Houston's three-day course on futures trading. My only knowledge of futures trading at this point was the absolute fear I had resulting from others telling me that trading in futures can literally make you lose more than your shirt, or in my case, I suppose my dress.

RS of Houston is a US investment school focusing on futures trading. Its directors, Valdi Thorkelsson and Ron Schoemmel, were in South Africa because a prior student of theirs, Calvin Mackay, had literally beseeched them to run a workshop here.

The first part of the workshop was conducted on a Sunday from 9am till 6pm and my head was literally bombarded with a deluge of information.

Topics covered were:

- The psychology of trading and mastering the mind game;
- The discipline and patience required;
- Reasons why day trading is profitable;
- Setting realistic goals and minimizing risk;
- Capitalization resources;
- Understanding support and resistance trends;
- Entry and exit trade points;
- Setting and adhering to stop losses; and

- Trading by using bull and bear hooks, reversal bars, trend lines and moving averages.

Even though both parties in relay lectures delivered a vast amount of information, the interaction within the classroom allowed me to stay abreast of everything. I would have preferred having time prior to the class to work through the manual and also to view the videos, which are almost verbatim modules of the actual lectures.

The other participants received the manual and 10 hours of video footage prior to the session and were thus more prepared and able to focus on gaining greater understanding of the principles being taught. Needless to say, I went home with an overactive mind that evening.

My head full of knowledge, I was ready for the next day, which involved live trading on the US Emini S&P market.

As a result of the time difference, we met for session two on the Monday at 2pm. At 3.15 the market opened and we witnessed actual trades taking place in real time. In fact we faced a horrendous Blue Monday market and I was pleased to see that pride didn't hinder Schoemmel from taking trades which resulted in his losing a few hundred dollars.

We had been warned that you can expect to suffer losses and on that Monday we traded thrice at a loss. His honesty in elaborating on the reason why the trades lost actually encouraged everyone as we saw him make a fourth trade just before the

market closed at 10.15 that evening which almost totally restored his original position.

We retired for the evening with anticipation of our third and final session also one of live trading the next day.

Tuesday afternoon saw many eager participants now proffering their own advice and watching the trend lines and actively getting involved in trading. Schoemmel made a few trades and quickly regained his prior position, but **it was tremendous to witness a trade that turned in our favor and at the end of this day we were in fact a few hundred dollars in profit.**

There really is nothing like watching the bars form and discussing the thought patterns behind a trade. The knowledge gained from these practical sessions totally grounded my understanding.

Throughout the three-day workshop, both Thorkelsson and Schoemmel insisted that day trading is not for the weak-minded and I could see why. Being under-capitalized and wild in your trades could quite easily result in your financial ruin.

Should an investor have the diligence and patience to study and apply the methods given by RS of Houston and amalgamate this with his or her own unique personality style, then he or she has a good chance of making a success of trading on the E-Mini's.

This is not something that will make you a millionaire overnight, however. Schoemmel says: "Although learning to become a trader is a worthwhile endeavor, trading is probably the best business one can ever build so long as you are careful about your motives." It takes screen time to build your experience and your skill and nothing can substitute this.

Thorkelsson believes that if people "take nothing more than the principles of trade management and money management away from this course, they will find that the course would have paid for itself".

The principles taught can be applied to any market but I learned how to use them for day

trading on the futures market.

Investors can purchase the home study course which consists of a comprehensive manual and five videos incorporating the lectures and actual live trading by contacting Ron Schoemmel at (281) 286-9736 or by visiting www.RSofHouston.com.