

**PART I**

# Reality

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## CHAPTER 1

# It's All About Reality

### REALITY-BASED TRADING AND INVESTING

Applied Reality Trading—ART—is all about reality. The foundation of this technical analysis system and software is built on the realities of the market—price and volume—and the entire philosophy is centered on facing the honest truth about your money and the markets.

Now, reality can be an elusive thing. Our perceptions can sometimes get in the way and cloud what deep down we know to be true. This is why it is important to constantly focus on looking to the heart of the matter to find the truth and the reality of every situation, market, and methodology that we encounter.

We may sometimes be seduced by illusions. As humans, it is hard to resist a charming and convincing offer of “. . . an easy profession that takes little to no investment of capital but rewards you with big profits instantly. . . .” You’ve seen the infomercials on television. Sounds good enough, don’t you think? But in your heart you know that if it sounds too good to be true, it probably is too good to be true. And it can be a tough pill to swallow when you realize that the fantasy you invested in may be unobtainable.

How about if we take a different approach? Instead of chasing fantasies (that with common sense we know are not true), how about if we follow our dreams and make them come true, and make them into reality? The distinction is that a dream is a genuine goal with realistic opportunity. It might require work and perseverance, but it is well worth the investment once you create the reality toward which you are working.

That is what this book is all about.

We want you to realize your financial goals and dreams and make them into realities by using concrete tools based on the realities of the market. You will learn about money management and risk control so that every step of the way you are on solid ground with an intelligent plan—designed by you specifically for your personal needs.

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### **TAKE ART FOR A TEST DRIVE!**

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This book offers you a unique opportunity to test-drive the ART technical analysis software for 30 days. This way, you can see how trading the realities of the market with sound risk control and state-of-the-art software can significantly enhance your trading and investing profitability.

Whether you have experience with technical analysis or not, you'll have a chance to apply these ART techniques to your own trading and financial plan. You'll see the benefits of obtaining high-probability entry and exit signals that the ART software will provide you in your trading and in your investing.

Our Applied Reality Trading clients are a diverse group, including many very sophisticated hedge fund managers around the world that use the ART software to manage multimillions of dollars. Then, at the other end of the spectrum, we have many individual investors who just want more control over their own finances by getting reliable signals based on reality. And the beauty of the software is that it works on any time frame and in any market. This flexibility enables you to change markets when you want to and to use it for both day trading and investing.

What we will do in the following chapters is take you step by step through the ART methodology and system so that you will have all the tools and knowledge you need to benefit from a reality-based financial approach and software tool.

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### **YOUR THOUGHTS CREATE YOUR REALITY**

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You will not develop the trader's mind-set, which is the "Holy Grail" to trading and investing until you master your mind!

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### **THE IMPORTANCE OF THOUGHTS**

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Our thoughts shape our beliefs, which create our reality. In trading, this has profound implications. If we think or have a nagging thought that we may fail, then we create the seed that shapes our beliefs and manifests failure, all because we just think it!

High achievers maintain a philosophy that failure is not an option and that it pays to be a winner! They think of positive outcomes and “see” themselves as being successful.

Traders and investors who experience thoughts of failure should not take them lightly. Instead, they must find out what is causing these thoughts and take action to nullify them. Traders who fear failure will ultimately fail. Traders who fear success will not succeed. If you have these thoughts, then don't trade until these thoughts are dealt with and you are able to control them. You must confront them and remove their power so they don't occupy your thoughts.

Fear of failing, or fear of success, must be dealt with and removed from your thoughts before you will be successful at anything you try and do. If fear remains in thought and is energized by emotions that cause stress and anxiety, it will have an impact on your beliefs and ultimately manifest itself as your reality. It will sabotage you until your worst fear is realized—failure!

### **IT ALL STARTS WITH A THOUGHT!**

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Your thoughts shape your beliefs!

And your beliefs in turn shape your thoughts!

Your beliefs shape your emotions such as fear and greed!

Emotions such as fear and greed are relative, based on your unique beliefs!

Fear and greed drive markets and life itself!

Ultimately, you live your beliefs, which create your reality!

Trading is nothing more than a vehicle you choose to create your reality by trading your beliefs!

So choose and protect your thoughts carefully!

### **LIVE MARKET DATA**

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When trading with the ART software, you will be using minute-by-minute live streaming data that will be delivered to you from the market on which you decide to work. There is no greater reality in the universe than your live market data.

It will tell you the current price and volume any minute, any day, and any year. There is no middle man (other than your data provider) that will distort the data, no news announcer on television to “interpret” the data for you by adding their own opinions to the formula. Nope, your live streaming market data is the real thing. You'll be able to lay your eyes on the unaltered truth.

