

## Price-less Lessons From My Interview With Peter L. Brandt

The Internet has truly made the world a smaller and a more accessible place. In 2013, I stumbled across world-renown trader, author and owner Peter L. Brandt, on Twitter @PeterLBrandt and his blog. I sent him a request for him to join one of the most elite South African trader groups on Skype.

We had some fantastic chats over the next couple of days. There are words of wisdom that are far too essential to let them slip by.

I've collated some of the timeless lessons Peter L. Brandt shared with me. I hope you enjoy the interview and find it useful for your trading career.

### Who is Peter L. Brandt?



**1976** - Peter entered the commodity trading business with ContiCommodity with the goal to trade proprietary funds.

**1980** - Founded Factor Trading Co., Inc. Peter was mainly involved in producing market research and engaging in trading proprietary funds. One of his institutional trading clients was Commodities Corporation (CC) of Princeton, NJ. During then, it was one of the world's largest trading houses.

**1990** - He published his first book- *Trading Commodity Futures with Classical Chart Patterns*. This book is considered a classic by many traders.

**2011** - His 2nd book, *Diary of a Professional Commodity Trader*, was published by John Wiley and Sons. This book became Amazon's no. 1 ranked book for 27 weeks. He was named among the 30 most influential persons in the world of finance by Barry Ritholtz' website, *The Big Picture*.

**Timon:** I've never met a trader who trades long time-frames on Forex and commodities, do you believe technical charts can be used to predict market movements?

**Peter:** I absolutely positively do NOT believe I can predict the markets. I absolutely positively do NOT believe charts are predictive tools any more than a MACD, COT, Moving Averages or anything else. My win rate is historically around 38%, although I made some changes to the system in an attempt to boost that to 45%. Generally, 100% of my profits come from 10% of my trades. It is a matter of trying to keep the other 90% from being a net loss.

**Timon:** I agree with no one being able to predict the market movements, however, I believe in probability predictions. If there is a breakout to the upside, there is a higher probability for the market to continue moving in the direction of the breakout. What is your take on when unfavourable markets bring about a 15% or more drawdown on your portfolio?

**Peter:** Drawdowns come with the territory. The question to always ask for discretionary traders is, whether their trading rules are out of sync with the markets? If they are out of sync with their rules? or both? If I know the problem are my rules being out of sync with the markets, I will never stop trading because I cannot time my rules. I may cut back on the size during a losing period.

**Timon:** As my trading mentor and dear friend Igor Marinkovic (@Alsitrader) says, *"Your biggest drawdown is still to come and so is your biggest winning streak."* What are your thoughts on risk management principles?

**Peter:** As a general rule — very general rule — an excellent trader with a great grasp of money management should have an average annual ROR that is 1.5 to 2 times their worst drawdown, over the past three or five years. For me, this is mandatory.

**Timon:** Do you believe that breakout patterns are timeless strategies, and what do you believe could cause them to fail?

**Peter:** I do NOT believe that patterns are as valid as they once were due to the advent of electronic exchanges and High Frequency Trading operations. However, I must qualify this statement. Most patterns fail, especially on shorter durations. A weekly pattern is made up of many daily patterns that failed and morphed into a larger pattern.

Even daily patterns are made up of many hourly patterns that morphed, which are made up of many 15-minute patterns that morphed etc... — I call it 'Chart Morphology'. The trick is to determine which patterns are real and which patterns are more likely to morph. Sometimes a market reveals itself by failing. It is because of morphology that I seek patterns that are 10 to 12 weeks or longer. I'm also not worried about markets changing so drastically that all conventional systems stop working. The reason is my belief that markets are and have always been driven by fear, greed and money flows. These things will always be the same.

**Timon:** Yes, that's why I don't believe in Holy Grail systems. I believe in finding the system that suits your personality and risk profile. Along the way, one should not feel scared about making mistakes, but be sure to avoid them from being too costly. What would be your final feedback on trading in general?

**Peter:** Sounds like you are well on your way to a long and profitable career trading. Mistakes are the tuition charged by the markets for learning. Unfortunately, the markets often decide the tuition rate, not us. Hence, I only risk 0.5% per trade. You have to develop your own style. I have never met another truly skilled trader who has copied his or her style from another trader. This is true from a tactical standpoint, but from a money management standpoint most skilled traders think very much alike.

# Final Words

If you have a trading question, suggestion or you'd like to share your feedback, you are welcome to contact me by emailing

[Timon@TimonAndMATI.com](mailto:Timon@TimonAndMATI.com).

Read about the **MATI Trader System** programme by [clicking here](#).

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**NUMBER,**

**LOCATION** and with the words

**"YES – I'll attend"** and I'll give you details on when and where the event will take place.

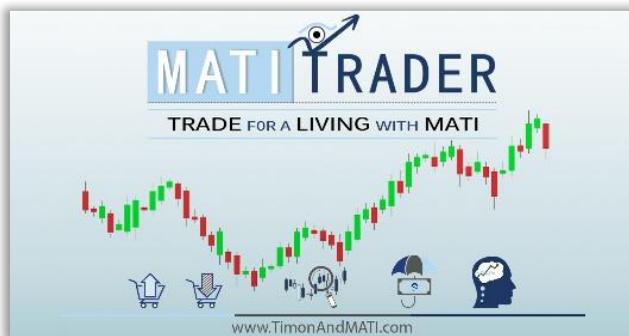
Until next time, trade well.



Timon Rossolimos

Founder, **MATI Trader**

PS: Join our Facebook group today with over 4,400 aspiring traders!



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## ABOUT THE CREATOR

Timon Rossolimos – professional trader, author, speaker and entrepreneur – brings you what he has had the honour of sharing to over 257,000 people since 2003, everything you need in one place to trade for a living.

## OUR AIM

To empower, create and grow a life-time community of the most passionate and aspiring ***MATI Traders***. This way we can all look for high probability trades to profit and live a lifestyle of financial-freedom from the ***MATI Trader System*** and other trading strategies.

## WHY MATI?

MATI stands for ***Momentum Automatic Trading Indicator***. You'll learn strategies and tactics that uses **MOMENTUM** to **AUTOMATE** breakout **TRADING** signals with just one **INDICATOR** – price action.

## WHAT YOU NEED

You need to sign up with a broker and have a good internet connection. However, there is one trait you need to have to make this worthwhile of your time – **PASSION**. Without passion, we don't guarantee you'll be a successful trader. That's why Timon is looking for a small but dedicated community to be a part of this opportunity.

## FINAL WORDS

It's now up to you to take your time to learn, earn and better your financial future through trading the world markets.

## CONTACT US

If you have a trading question, suggestion or you'd like to share your feedback, you are more than welcome to contact Timon by emailing [Timon@TimonAndMATI.com](mailto:Timon@TimonAndMATI.com).

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### These resources will show you:

- ~ The best markets and times to trade.
- ~ A proven 20 year old trading strategy that works on highly traded markets.
- ~ When to enter and exit each trade with precision.
- ~ How to increase your win rate and prolong your winning streaks.
- ~ How to gain confidence and develop a successful trading mindset.
- ~ How to work anywhere in the world and live life on your terms.

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