

Interview with a Trader: David Williams

David Williams has been a CQG customer since 1991. He demonstrates his unique spatial relationships forecasting at www.pagetrader.com. He can be reached at david@pagetrader.com.

How long have you traded? My trading began in April of 1990. I have continued trading almost everyday since then, which totals 13 years, so far.

How did you get started? In 1990, I began looking for a way to use my capital to generate income. I stopped in a brokerage house and was assigned a very charismatic broker. Although I was interested in zero coupon bonds, he encouraged my interest in trading, and helped me understand the basics.

What did you do previously? Beginning in 1979 and running to 1990, I had success owning and building three companies in Las Vegas, Nevada. These included a nationwide mail order printing company, a long distance operator services telephone company, and an engineering firm that designed and built telecommunication switching systems. At their peak, these companies employed approx. 600 people. I had no interest in, or exposure to markets during this period. Although I greatly enjoyed these businesses, by 1990 I was fatigued, and began to unwind and sell my companies. I intended on using this period to relax, recharge my batteries, and wait for something to catch my interest. While investigating ways to generate income, my broker encouraged my interest in trading and understanding markets.

What are your likes and dislikes about trading? I began trading to earn money, which I enjoy, but over time, I became deeply interested in the market movements themselves. Although difficult to verbalize, it appeared to me that market movements were purposeful in some way, that each of the movements was actually doing something, completing something, satisfying something. That 'something' became the focus of all my attention.

How much personal trading do you do? I watch the S&P everyday. However, coming to the office with the idea of making \$3000 today, or any amount, for that matter, is foolish. In fact, I focus entirely on remaining out of the market. I trade by exception only. When the surface mind is allowed to flirt with every trade, a powerful natural sense is obscured. Losses soon follow. To a trader, everything looks like a trade.

What has been your most successful and unsuccessful trade? My largest single futures gain occurred on Oct 3rd. of 1997. This trade produced \$118, 425. My largest futures loss was approx. \$40,000, in that same year.

What tools/methods do you use to help you with your decision making? My first tool is CQG, which I have used for about 13 years. I am especially impressed with CQG/WIN. It's a remarkable trading product.

Early on, I bought every system, seminar, and book about trading. I experimented with all of them. Later, I began looking at the markets more independently. As a teenager, I scored high in a visual intelligence test for spatial relationships. In this test, you were shown pictures of odd, flat, unfolded structures, and then required to show what those structures looked like when folded in three dimensions. Slowly over time, as I began to view markets more directly, this latent skill began to express itself in my market approach. I demonstrate spatial relationship forecasting daily at www.pagetrader.com.

Have you used any products beside CQG? I have seen and worked with other systems, but have stayed with CQG since the beginning.

Do you see yourself still trading 10-15 years down the line? Yes, I do.

Where do you see us? Your product is at the top end of the spectrum.

What is it about your personality that you think makes you a good trader? Nothing about my personality has helped my trading. Learning to trade has been a series of lessons on how to stop employing my personality in the markets.

I will tell you a story. The markets were difficult for me right from the start. My success in other areas did not help my trading, and within the first few years, I had lost over \$400k. Rebounding emotionally from these setbacks became more difficult. My early years in the markets were a difficult period for me.

During this period, a very close friend named Marta persisted in asking me to trade an account for her. She was unaware of my continuing market losses, and could not afford to lose her money. Against my better judgment, I finally agreed to trade for her. After opening her account, my senses came to me. I decided to let her money sit, hoping she would ask for it back soon. The thought of losing her money due to my ineptitude was unthinkable. I had no intention whatsoever in trading it. I put her account out of my mind. A month went by.

One day, after taking a particularly painful early morning loss, the market quickly reversed strongly. I was angry about this, and while complaining to myself "here I am losing money, getting flushed out at the lows, chasing trades" etc, I looked at the screen, and immediately realized that the real market opportunity was right in front of me now. The low was in. My emotions were surging, the market was running, the move was on, and I suddenly remembered Marta's account. A very calm voice inside said "This trade is good enough for Marta's account." I picked up the phone, and in my first original market move, I put her into the market. That trade went on to make ten percent on her capital. I was so amazed at my certainty in placing the trade, so elated at the increase of her account; I promised myself I would never trade her account again.

A month later however, a very similar set of events occurred. Painful losses on my part, sudden realization of the market's position, a compelling entry for her, and another 5 % gain in her account. Month after month this occurred. Something inside of me was operating very differently with her account than with mine. By the time the first year ended, while never intending to put her money at risk, the account was up 99.5 % on her original capital, with one \$350.00 loss. My personal account was in a shambles during this same period.

I traded like an expert where no loss of capital could be tolerated, and worse than anyone with a screen and some indicators in my own account. I continued trading for Marta for a total of 2 1/2 years, with the same results: 103.73% gain in year two, and a 74.6% gain for the six months remaining. She was living off the gains in her account during this period, something I had never been able to do with my own account. I now understood an important truth: You are only entitled to what you understand from the markets. Everything else is just gambling. At that early stage in my trading, I foolishly gambled my own account, but resolutely remained out of the market with Marta's account. Because I wasn't attempting to 'trade' her account, when a real market opportunity came along I recognized it, and acted correctly.

Do you feel you are getting better at trading and why? Yes, because I work at it. The ability to forecast a move, and the ability to trade that move, are two separate and distinct skills. One requires understanding of markets; the other requires improving your response to markets. Both go hand in hand, and both are skills that can be improved.

What effect has trading had on your personal life? It ended it.

Is the joy of winning as intense as the pain of losing? At the beginning, very much so. As you grow in skill and understanding, very much less so. Winnings become earnings, and losses become expenses. Luck also plays it's part in any endeavor, including trading, and occurs naturally. Reliance on luck is gambling, however. If you treat trading like gambling, you get gambling-like results.

Who are your mentors and why? I was impressed by [Edison Gould's](#) work, among others.

What are your thoughts on the future of the economy? I try not to think about it.