

Black Jack Rules

Before going into a Casino:

- 1) The goal is to have fun playing. Gambling is a losing proposition, if you aren't having fun that is the time to get up from the table.
- 2) Know that your odds of winning are about 49% assuming the rules of the house are in your favor. Learn the specific odds of the game based on rules for that casino. Any machine I have ever seen with the game of blackjack has curtailed rules to make the game heavily stacked against you , I avoid these machines.
- 3) Don't pay to learn - be sure you understand the game completely before sitting down to play at a casino. This is why I only play Black Jack.
- 4) Respect the game, the money, and the serious situation you are in - the casino is there to make money off of you that is why they are nice to you so that you will forget all those things and just "have a good time". Don't ever get too comfortable.
- 5) Have a Plan B. If you meet your winning goals or lose the allotted funds within the first 10 minutes, go do something else. Come back later if you want to play more.
- 6) Have a set amount of money in mind that you want to lose. I try to have at least 20 bets available to play with. That means if you are playing at a \$10 minimum bet table you need at least \$200 before you sit down. If you play with less you won't be able to sit through 2-3 losing hands before winning hands come your way.

Before Sitting Down At The Table:

- 1) Locate all of the Black Jack tables available to play at and find out the minimum bet. These days casinos will have a higher minimum bet on the weekends, like \$25. You need \$400 - \$500 to play at these tables. Go earlier in the day or on a weeknight if you want to play with less, ask the pit boss they can tell you the off peak times.
- 2) Look around and notice the expression on the faces of the players at the table. Before you commit to a table be sure the players are winning or at least not losing badly. I have found in my experience that I am more likely to win where others are already winning.
- 3) Avoid very drunk people, they are there and they get ticked off when they lose (and they will).

At the Table

1) Learn the basic strategy of the game, take a cheat-sheet card with you if you don't have the soft hands memorized. Play perfect basic strategy, do not deviate from this. You will win more often and more consistently and when you lose a hand you will take comfort that you followed the best odds to win.

2) Don't trust the dealer or anyone else to know the correct play, be true to your own understanding of basic strategy.

3) Money management

a) Start with a set amount, your stake will be for example \$200. Do not ever take more money out of your pocket, this is your "stop loss".

b) If you lose your whole stake, stop playing. If you lose 50% then win that back + 50%, stop playing. If you win 100% of your stake, stop playing.

4) Betting Strategy

a) If you bet 1 unit (ex \$10) and win, double your bet. If your 2 unit bet (ex \$20) is a win, bet 3 units (\$30) and take back your original bet of (\$10).

You are now playing with the house's money at 3 units (this is called the hump shot). If you win that, start over with 1 unit.

b) Play with 1 unit at a time until you win a hand. With any loss start over with 1 unit.

This Betting Strategy allows you to bet more when you are winning and minimize losses when you are losing.

5) Constantly reassess your position, the action moves fast. Notice your mood. If you are agitated, consider moving to another table or leaving. I stack my money on the table in measured piles to show my original stake, winnings, half the stake, whatever helps me track how much money I have.

Follow Up:

1) If you have won, go and buy yourself something nice with your winnings! Do not go back to the casino and give it back! If you really want to play more, play with a lower stake and lock in profits.

2) If you have lost, go and buy yourself a consolation prize of minimal cost and shake it off! Debrief your experience with your buddy and evaluate all the positive things in your life. If you have played correctly, following your rules you should be okay with a measured loss.

Niagara Falls:

Starting in 1999 a casino was built in the Niagara Falls area and I started taking trips up there with my sister. I remember when we got there the first time I had a casino book and I ripped out the page with the Black Jack full basic strategy table before I went in. Back then there were still a couple of \$5 tables that we waited to play at because that seemed like SO much money. The problem was everyone else wanted low limit tables too so as soon as we got comfortable we moved over to the \$10 and \$15 tables. The point here is *we got comfortable playing at lower limit tables before playing with higher stakes*. Back then I seemed to win every time I went, at least one of the 2 nights we were there. I can remember winnings of \$700 at a \$15 table which is incredibly lucky. I kept the Canadian currency and this became my bankroll. We went up there twice a year and I kept playing, developing my game and getting comfortable at the higher limit tables, up to a \$25 minimum bet. If I would win, I would play at lower limit tables or stop playing. After we played, I would debrief with my sister and think about what we could have done differently, mistakes we made, etc.

The High Roller Room:

Each time we went to Niagara Falls we walked by the high roller room and dreamed of the day we would play there, \$100 minimum per hand (wow!). Finally, I decided for my 40th birthday I would take the plunge and go for it. I had \$2000 Canadian dollars built up from prior year's winnings and that is what I decided I was willing to lose at the big boy's table. By that time we had been going for 11 years and my game was perfect and solid. I was VERY nervous, but I didn't make any mistakes or stupid plays like standing on 15 and 16 against a dealer's 10 card showing. By the way no one else at that table played incorrectly either. They all knew the game as well as I did and they played solid basic strategy. The mood was more serious and respectful of the game and the surrounding people. Did I win? I'm happy to say I hung in there through a \$1,500 loss, but kept playing through all the way back up to \$2900, a \$900 gain. Others at the table wanted me to stay but following my money management (Plus I was completely drained at 1:30am) I left with my winnings and didn't play anymore that weekend.

Some Final Points On managing your losses:

- * Plan the evening around time at the casino and it is highly recommended to take a buddy with you that knows the game as well and can handle being in a casino. Don't let losses ruin your evening.
- * Don't ever take more money out of your pocket when you have lost everything you started with. The one time I did this I lost hundreds more dollars so I learned that lesson well (now I won't even complete a final bet with \$5 more). That one-time decision you make BEFORE you start playing is your stop loss, this will keep you from getting caught up in the chaos and emotions once you are in the game.
- * Play with the house's money. Start with a smaller amount and once you are winning, increase your starting bet (see betting strategy above).
- * Walk away - Only so much money can be made, eventually the odds will "regress to the mean" and the more you play the more the house advantage looms.

* Control Yourself - If you find that you can't sit through losses or you get very angry or depressed when you lose money, this game is not for you. If you are risk averse and can't get past the anxiety of seeing your money quickly move around a game table in the form of round, colored game chips - this game is not for you.

On Correct Casino Play:

* Don't pay to learn how to play - find a book or google around the internet. Stand and watch other people play and learn from their mistakes. Find someone you respect to teach you how to play because there are a lot of bogus players out there.

* Most people don't play correctly - that is why the game still exists. Be the exception!

Parallels to Trading:

A trader reading this will see similarities to trading strategy for sure. Hopefully a living can be made trading unlike the game of black jack where unfortunately the game can't really be beat. Even the famous MIT card counting team members said they were able to make more money in their corporate jobs leveraging their education than playing black jack - that was one reason why the team broke up.

Some things about trading are not the same such as the casino environment, the social aspect, and most importantly, the fact that there is no fundamental analysis in black jack or any other casino game. In addition, every hand of black jack is a unique event, technical analysis data does not exist. You can calculate mathematical odds and probabilities but there is no cumulative data.

Summary:

I could say a lot more about this little game, casinos, even vacations associated with black jack. The mental challenges, developing your "game", risk tolerance, and the kind of person you are determines if gambling OR trading are activities that right for you.

S.B

I hope this is of some help in developing your trading plan and or emotions about trading. I learned a lot from reading this consolidation about Black Jack.

My special thanks to my trading friend, S.B., who submitted this article and will remain anonymous

***To Successful Trading,
TraderShark***