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# Futures Truth Magazine

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# Critical Evaluation of Live Futures Trading Rooms

By: Dr. Dean Handley

## Trade Room Evaluation:

1. All the glitters is not gold
2. Check track record
3. Try before you buy

1. **All that glitters...:** Do a Google search - there are 150+ live futures trading rooms; I have been a guest member in 83 rooms (at least 75-100 trades in each; often > 500). Many have well developed marketing programs – they glitter – do not equate effective marketing with effective trading. In fact the converse is often true; the better, best (very best) live trading rooms may have little or no marketing maneuvers; they just trade.



2. **Check track record:** With 150+ rooms to choose from, the onus is to eliminate early and eliminate often. Look at their track record; if a room trades futures, it has a track record and you wish-want-need to (re)view it.

a) **No track record:** Many live rooms do not have or will not provide track records, claiming to be educational rooms. Understood; however, my position is the same as Albert Einstein: a thing that has not been measured cannot be understood. I set aside rooms devoid of historical records.

b) Inadequate track records: Subjective descriptors do not help: “80% successful trades” sounds impressive but if composed of four \$50 winning trades and one \$200 stop out loss, then 80% success yielded \$0 P/L. I see “15 winning trades”, I think: 15 out of how many? Winning how much? If I cannot transpose their historical statements into a P/L, I set these rooms aside.



c) Adequate track records: The best track record clearly states: entry price & time, stops, targets, number of contracts and the final P/L for the trade. The best trade performance record I’ve seen is Beyond Profile.com; nearly as good: DayTradeToWin.com, TheTradingClan.com. My advice: always look yourself.

3. Try before ...: All rooms offer free trials, low cost short-term guest passes and standard monthly memberships; accept these and observe:

a) Trade numerics: Ideally I want exact: entry price, targets, stops, and contracts; narrated, typed or displayed. The most exact trade numeric is when you see the trader’s dome – 100% transparency (OrderFlowEdge.com). However, exact numerics can be accurately narrated (BeyondProfile.com) or displayed on a price chart (Alpha Wave.com). Most rooms use buzzers, bells, sound files, text message (buy, buy, buy; consider buying) to indicate trade entry; not accurate in my experience.



b) Formation of the track record: Compare your direct observations of trade numerics & P/L with how that trade goes on to be entered into the official track record. I have found substantial discordance between the “official track record” and my own record; most often involving more favorable entries and exits leading to a superior P/L for the trade room over my P/L. I become suspect and set these rooms aside.

c) Consistency: Contretemps behaviors (snoring, irascibility, diatribes, and hubris, claiming to be God) are irrelevant; incautious trading is not. I observed a head trader lose \$19,600 in a single trade on the ES, starting with 2 contracts and adding until at 50 contracts short before he closed out. Not acceptable, but not rare; I have seen 3 different head traders go rouge/revenge in their live trading rooms.

d) Ambience: Some rooms are halcyon and only typing allowed. Others engage in light banter, jocularity and trader camaraderie. Some trade half day – others all day. Some allow you to open a microphone; most not; virtually all have only a text chat box. Most trade only 1-2 contracts, some up to 6-10. Also the vast majority trade sim – get used to it. Most celebrate win trades (songs, wave files, etc) and ignore losing ones.

I have been in 83 rooms in the past 2 years; personally the only ones that achieve a consistent and substantial profit is Beyond Profile, Alpha Wave and Trader Shark; collegiately I recommend that for any room you observe, record and evaluate; otherwise ....



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