

JR Romero



momentum
EXPRESS
Virtual Trading Floor®

JR Romero: A Trader's Story

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About JR Romero & This Ebook



JR Romero is the Leader of [T3 Live's Momentum Express Virtual Trading Floor® service.](#)

He has been a trader since 2001, specializing in technical scalping and news flow analysis.

JR attended Columbia University, where he majored in Computer Science and History.

Before he became an independent trader, he was a software engineer, and a trader at several major hedge funds in New York City.

His unique equities trading style combines chart analysis, news flow, and intermarket relationship studies to generate high-probability ideas.

JR is also a passionate trading educator, and he takes every opportunity to turn real-world market events into actionable lessons.

JR now trades out of Idaho, where he lives with his wife and 3 children.

This eBook is a transcript of an extended interview with JR from January 2023.

You can watch the video version on YouTube [right here.](#)

Now turn the page to hear JR's unique story, which took him from Argentina to Brazil to New York to Idaho.

Interview Begins

Please note: this interview was edited for length and clarity from [the original video interview](#).

GW stands for Greta Wall, who hosted the interview.

Now let's jump in:

Greta Wall: I want to start from the very beginning here. Tell me about your childhood.

JR Romero: Thank you for having me. It's a pleasure to be with you today. I was born in Argentina in the late seventies during the military junta. My parents were political exiles. I grew up in Brazil and moved to the United States in the late nineties.

GW: What it was like growing up in Brazil, and then emigrating to the US?

JR: I had a pretty free-range childhood. If I was indoors, I was eating, sleeping, or injured. I had a wonderful childhood with lots of friends, and not a lot of schoolwork. But it was a really remarkable time.

GW: What was your family like?

JR: We have a long history of entrepreneurship in my family. My grandparents and great-grandparents were all business owners. My father was an economist and a business owner. He was also a very active investor, especially in the forex markets. And my mother was a dance therapist and educator.

I have one sister who lives in Uruguay with two children.

GW: So you didn't spend a lot of time inside as a kid. What were your hobbies?

JR: I was a pugilist from a very early age. I was very much into karate and judo. And then in my teens, I got pretty heavily into boxing. And I've been getting punched in the head ever since!

GW: Do you still box?

JR: The mileage caught up to me. I'm in my late forties, so I only hit things that don't hit back.

I do the heavy bag and light sparring, and I enjoy coaching my children. Both my sons are avid enthusiasts of boxing and kickboxing. So I'm trying to pass the torch on.

GW: Did you come to US with your parents from Brazil or on your own?

JR: I left the house at 17. I was a snowboarder and traveled around for a couple of years. I couch-surfed quite a bit. And my girlfriend at the time had a college application to Columbia University. I stole it from her (with permission), applied, and got in.

So I came here at 19.

GW: You said your dad was an investor. Did he introduce you to trading and the markets?

JR: No, not at all. I was a computer engineering major at Columbia University, and then I worked for a hedge fund on the technology side. And through my interactions as a contractor, I was hired by a very important hedge fund.

There I became really enthralled with the traders and how they saw the world, how they constantly analyzed probabilities about everything. They would take bets on what time the pizza guy would get there, down to the second.

They built algorithms to figure out which restaurant would deliver faster, so I was instantly hooked.

And I had a couple of people that took me under their wing within that organization.

That's how I was initially introduced to trading.

GW: Tell me more about that transition from the IT side into the trading side.

JR: I was immediately paired with the quants because of my computer science background. But I was sort of bored by it. I understood what they were doing.

I was more fascinated by technical analysis, charting, and economic catalysts. It was fascinating to watch how trading decisions were made.

And I asked to be trained and I was given a shot to participate in that. Eventually, I started trading on my own.

It was a real struggle at first, going from institutional to private trading. You don't have risk managers looking over your head. You don't have team meetings. You don't have that kind of support.

When you go from trading institutional money to your own money, it's a very different feeling that's very hard for some traders to adjust to.

GW: When you look back on your early days of trading for yourself, what would you say was the biggest mistake that you made?

I was an acute sufferer of the Dunning-Kruger effect from my early days.

(Editor's Note: The Dunning-Kruger effect is a psychological phenomena which occurs when a person's lack of knowledge leads them to overestimate their abilities)

I had a strong foundation in math and science and a keen understanding of technical analysis.

After a couple of years, I thought I was really a good technician.

But I found out there is a vast difference between being proficient at reading charts, and actually being a trader.

That transition was very difficult and very painful. And it led me down some rabbit holes that took some time to untangle.

But, eventually, I figured out a trading style that fit me, and a methodology that worked for my personality,

And it's been a great ride ever since.

GW: On the flip side, what was the best thing you did in your early days of trading?

JR: Asking for help was the best thing I ever did.

And the second best thing I ever did was to realize early on that as a trader, you are truly on your own.

No one else possesses your same personality profile, your same characteristics, and your same view of the market.

And I realized that to be successful, I needed to develop my own sensibility, my own strategy, and my own approach to markets.

GW: So you mentioned earlier that had mentors at the institutional firm you were working for. Tell me about those mentors and how they guided you.

JR: A lot of it had to do with helping me to better understand technicals.

But the most important thing, and this is one of the things I really try to help younger traders with, is developing a general understanding of markets.

A lot of people have this technical analysis myopia where they hyper-focus on 1 or 2 signals.

And they're looking at that in a complete vacuum, ignoring the breadth and dynamics of the market.

There's a lot of different variables and not having not having those things in check really makes trading the markets very difficult.

I call it developing a nose, a scent for what's going on.

I'm not an intuitive trader.

I'm a very analytical, right-brain kind of person. But you have to develop a nose for what actually happens in the markets.

It's a feel.

You can look at specific quantitative variables and understand them. But you need a holistic type of understanding of what's going on.

That increases the probabilities of finding trades.

GW: Do you have any trading heroes? And if so, why do you look up to them?

JR: How long do we have?

The biggest living influence on me was David Weiss.

But the person I've looked up to the most is Richard Wyckoff, a pioneer in understanding markets and sharing that knowledge to help us learn how things work.

He was the ultimate tape reader and market analyst. And he's really truly one of my heroes as far as trading is concerned.

GW: I want to know about your routine. So take me through a day in the life of JR Romero, the trader and the VTF® leader today.

JR: I wake up early around 5 am. I like to get a really strong read on the futures markets and the Asia session.

And I look at the relationships that really help determine the direction and the names that I'm looking to buy.

For the past couple of years, we've been in a very data-driven market with sensitive moves to externalities and external macro data.

So having a very clear understanding of what those relationships are, that's incredibly helpful.

I curate my charts, and I tend to trade a basket of about 20 stocks.

So I take a lot of time to make sure I map out levels and perform some solid multiple time-frame analysis.

From there, I go through the news because we do a lot of event-driven trading. Then I get ready for the call we do every morning.

GW: so what keeps you motivated at this point in your career to keep doing this day in and day out? What are the things that you love about trading?

JR: I love markets. I love what they do. And I love what they don't do. I find the dynamic fascinating.

I love the preparation. I love the execution.

And I love putting the puzzle pieces together in real-time.

It just never gets old.

To be successful in this business, you really have to have a love of markets. It's very difficult to profit as a trader and ahead if you dread coming to work every day. It requires a tremendous amount of focus.

GW: What made you fall in love with this and really gain that relationship with the market?

JR: Every person is drawn to certain values in terms of their lifestyle. I was never able to have a boss. Since early in my career, every business I've been involved with has been my own. I run three other companies, and one of them is a startup.

So I'm constantly involved in activities that are highly entrepreneurial. I love feeling the independence of being my own boss, and I love enterprises where you eat what you kill.

You're responsible for your success and failure, and trading is the ultimate example of it.

It's the type of job where you can come to work six days in a row and end the day with less money than you started with. The markets reward success and punish failure in the most extreme ways.

That's just fine by me.

GW: We've talked about what you love about trading. What are the hardest things about trading for you?

JR: The hardest thing about trading is that it can take a real toll on your family. There's a lot of highs and lows in this in this field.

And there's not a big emotional or financial safety net.

GW: How do you balance that out and keep that from becoming an issue?

JR: When I figure that out, I will let you know. It's a constant battle.

Exercise and making time for family is really important.

I have a real type-A personality. I'm a consummate workaholic, and I love everything I'm doing.

Just being able to hit the pause button and spend time with my wife and children is the cure.

GW: On a different side of that same coin, what is the most frustrating thing about trading?

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JR: The most frustrating thing about trading is when you find yourself trading in the wrong mindset.

When you're not executing well and you're not applying discipline properly. That really affects your risk management.

And there's days where you end up green on the day, but you don't feel good about yourself because you know you didn't execute properly. And that is usually a harbinger of disaster to come.

So those are the things that sometimes dampen my mood.

GW: When you're coming off a day when you're not trading well, do you approach the next day with a totally clean slate? Or do those feelings linger?

JR: The problem with having a day where you don't execute well is that it really starts to affect your mindset and your psychology. And that's a cumulative effect in both directions.

It's an injury like damaging a ligament or tendon.

You're not going to come back the next day without feeling that bruising.

And the more you go down that path, the more damaged that metaphorical ligament becomes. So the main goal for me is to make sure that I'm doing the right things and cultivating the right behavior, to buttress my mindset as much as possible.

One of the best things successful traders do is cultivate proper behavioral management constantly. They may have green days or red days, but their mindset always oscillates within a zone of safety.

If you're behaving erratically and not managing your emotions, you're not managing your behavior.

It's going to be very difficult to analyze the market without the bias that's being imposed by those behaviors.

So when I don't trade well, I'm concerned about that bias seeping into my trading, and obfuscating the reality of what's happening in the markets.

I know it sounds a little esoteric, but some traders might be able to relate.

GW: You mentioned this mantra among traders to take your emotion out of it and just be totally analytical.

But where do you put yourself on the spectrum of 100% mechanical to flying by the seat of your pants?

JR: I've never met a trader who can trade without emotions.

I think you should trade with as much emotion as humanly possible.

You're not a machine. You're not an algo. You're not a robot. You're a human.

You just need to learn to manage your emotions, not suppress them. So that in the big giant fruit bowl of emotions, you can pick from them.

It's not the emotions we feel that count.

It's what we associate with the actions that are occurring, and the third-order effects of those actions.

A lot of novice traders will have a red day and associate all kinds of negative emotions with that day.

They did everything right that day. They traded like a professional.

But the setups didn't work. The laws of probability kicked in.

Then maybe the next day, they trade like a manic and have a beautiful green day and associate lots of positive emotions with that experience.

But in reality, it should be the other way around.

Choosing which emotions you take a bite out of is much more important.

I'm trying to suppress those emotions.

GW: So what would you say is a more impactful feeling for you the feeling of losing or the feeling of winning?

JR: The most impactful feeling for me is feeling a lack of control over my behavior.

I don't like losing.

I like winning.

The thing that has terrified me the most is losing control. I've seen traders who can't manage their emotions and behavior.

You can engage in some very dangerous compulsive habits that lead to financial disruption, personal destruction, and everything else.

So that's what I try to avoid at all costs.

GW: Tell me about the worst day that you've ever had in trading, and how you recovered from that.

JR: I was trading Research in Motion (RIMM) back in the day. And they had some really bad news and I had very heavy size.

I knew my risk management was off.

I knew that I was in the wrong trade for the wrong reasons, and I stayed with it.

So that loss was particularly painful.

GW: What made it hard? The loss of capital or the you feel like you were trading with the wrong strategy?

What made it hard was that I was completely overextended and engaging in behaviors that I personally frowned upon.

They say the market is a forward-looking mechanism.

But as a trader, your performance is a forward-looking mechanism.

We draw internally all of these different trend lines for how we're doing.

And seeing that kind of behavior produce those kinds of results created a real panic. And that's why it was such a terrible day.

GW: What would you say is the best day you've had so far in your career of trading?

JR: That's a hard one.

I derive the most satisfaction from trades that I plan really carefully.

Where I see trade many days or hours before it happens, and I'm seeing things develop very clearly.

And my emotions, my behavior, and my technical analysis are totally in-line.

I'm in the zone and my nose is attuned to what's happening in the market.

And I have a very solid execution.

It's hard to describe, but when all of that comes together, it's very satisfying.

GW: Reacgint to news flow is part of your strategy. How did you develop that skill? And what tools do you use day-in and day-out that allow you beat others to the punch?

JR: There's two types of news flow that we trade.

One is breaking news, where you obviously need a very, very elevated edge on the rest of the market.

And for that, we've developed our own tools.

We also have some very expensive news feeds.

Ultimately, you have to be looking in places where other people don't so you can get that chronological edge.

But then the other really important part of news that a lot of traders overlook is just understanding those basic internal and external market relationships.

So if the Bank of Japan does something, you know how that's going to affect all the correlated currencies, the bond market, and equities.

Having that kind of understanding of how all of these relationships correlate, and getting that news in real time gives us a huge edge in equity trading.

Now that the market is less liquid and dynamic than 2020, having that understanding and being able to employ it gives us a huge edge.

GW: How have you seen the market change from 2020 to now? And do you think this is a more normal type of market cycle?

JR: We've had these boom and bust cycles ever since markets existed.

It's very possible that we may have another lost decade in certain sectors.

If you look at stocks like Microsoft, Cisco Systems, Verizon, how long did it take for people to make money after opening positions in 2000?

Certain sectors of the market could be sideways for 5 or 10 years.

But I do think, not not just to quote Jim Cramer, but there are constantly bull markets and sectors that are breaking out.

Our job is to go where the dynamics lend the best opportunities in the market.

GW: During that cycle of 2020-2021, did you make any adjustments to your own personal trading style to keep up with what was going on?

JR: Not really.

It was one of the craziest times I've ever seen, but it didn't really change how I trade.

I was just taking much larger size because it felt like shooting fish in a barrel.

Trading is not sexy.

It's not like what a lot of people from the outside world think.

It's a series of transactions that are done very analytically with risk-reward-probability analysis.

I call those three points the Three Amigos.

It's a never-ending series of series of decision-making points where you're employing those three variables and deciding what to do, based on technical analysis.

There there were certain months in 2020 where I would catch myself with 10 times bigger size than usual

I had sort of a gut-check moment where I had to ask myself, "why are you taking this kind of size? Because the trades and the opportunities are here? Or are you getting caught up in the euphoria?"

I think I was sizing for the right reasons, but it was a very unusual time.

GW: New traders who started trading in 2020 or 2021 are experiencing their first bear market/down cycle. What's your long-term advice for those traders to make this a career?

JR: I tell my traders to make this your Rocky IV moment.

Especially if you lost money. I tell people, this isn't the time to give up. It's time to regroup.

You know the famous Rocky IV training montage where he goes into the cabin in the middle of the Russian tundra.

That is where we are. We're in the winter in Russia.

In certain respects, this market has a ton of amazing opportunities.

But it's been a much more challenging market than the raging trending bull run we had for 12 years.

I tell people to capitalize on the current situation. Learn the ropes, learn your craft, hone your skills, and really begin to understand markets.

A lot of beginner traders are obsessed with setups.

They're obsessed with charts.

They're obsessed with YouTube.

It's like drinking from a firehose, right?

Everyone on their sister has YouTube channel on trading.

It's insane.

So what I want to see people in my room do, as part of their professional development, is to really learn how markets work.

I don't really care what strategy they trade. As long as they understand how market structure works, how to properly to read a chart, and how to understand order flow.

At that point, you have the fundamentals. Then you need to find a strategy that works for you. And that's a very lonely process.

I tell people that trade under me that this is the part of the job that I can't do for them. No two people trade alike.

You're going to have to find out what your style is, and that is where the bulk of the work is.

That's where the heavy lifting is. The hours you spend after the market closes sifting through your trades.

So you understand what you're doing, how you're doing it, and how to improve.

That is something every trader has to do for themselves.

GW: So you mentioned your room. Tell me what it's like to have hundreds of traders act on one of your ideas.

JR: It's bizarre to be talking into a microphone to hundreds and hundreds of people all day long.

I love the traders in the room. We're a very tight-knit community.

We've formed many wonderful friendships.

And it's a highly interactive experience.

Everyone calls out ideas and shares setups all day.

So it doesn't feel like one of those services where you have just one person sending out trade alerts.

I consider my job in the room to be head technician.

I'll share a lot of trade ideas.

We cover the e-minis, certain futures, markets, currencies, and equities.

My goal is to provide as much information I can to people who may be hyper scalpers, intraday traders, or swing traders.

And we have a wide variety of different trading styles in the room.

Now, I take a lot of trades intraday and people follow me on them.

It's an experience that you become more accustomed to, but it's still kind of weird.

The problem is that two people can't have identical risk management & tolerance plus the same view on the market. So there's no guarantee of success.

GW: How has your own trading style changed since becoming a mentor for traders who joined your room?

JR: I don't think my trading style has changed.

I have a very specific methodology for trading.

It's layered so I'm looking at the market structure underneath everything.

And then I'm looking at price action and patterns.

It's a very individualist type of approach to trading.

Having to vocalize what I'm doing to traders who may have never traded that way was really challenging at first.

But the advantage of having to explain what you're doing is that it crystallizes things in your mind.

So it's been a positive experience.

GW: How did you get involved with T3?

JR: I was a customer, and eventually started leading my own VTF®.

I met great friends here when I joined the community.

So when the opportunity came up for me to run a room, I was happy to work with my friends.

It's been a very positive experience.

GW: What is your favorite thing about leading a VTF® room and working with all of these traders every single day instead of working solo all by yourself?

JR: Pulling traders out of slumps is by far the best feeling.

You help someone end a vicious cycle and find what they need to be doing.

So they find their voice in the market and finally succeed.

It's incredibly satisfying, and it's the only reason I do it.

GW: We've talked about good trades, we've talked about bad trades.

Tell me about the funniest thing that you've seen happen during a trade.

JR: It was the **LinkedIn** (LNKD) IPO. My roof caved in and fell on my head, mid-trade.

When I was in the trade, I got kind of knocked out.

And then a rafter fell and hit the F12 key on my keyboard to close me out of the trade.

I took a profit!

GW: Well after that happened, what do you do?

I started wearing a helmet!

GW: So you were in the IT side of things before you got into trading. What did coding teach you about trading?

JR: Being a GenXer, I came up with C and Java, which are not modern development languages that people use for algos, like Python.

What I learned, especially from C, is to really organize my thoughts.

I've always been an analytical person.

But with computer programming, you need a very clear outline of what you want.

So that was really beneficial in terms of developing a discipline for breaking down information, and developing analytical skills.

GW: There's lots of conventional trading wisdom out there. What piece of conventional trading wisdom should people ignore?

JR: That really depends on the trader.

For example, diversification is important for people who are not experts in the product they're trading.

But if you have a very strong grasp of what you're doing, diversification can hurt more than it helps.

It depends on the kind of investor you are, what your risk profile is.

But I've ignored all kinds of advice.

The biggest one is to try to trade without emotions.

That is one of the stupidest and most harmful statements that's ever been made.

Show me a trader who can trade without emotions. I'm still looking for that unicorn.

GW: We're all human, and I feel like emotion can give a trader an edge if you know what to do with it. So how have you been able to use emotions to your advantage?

JR: I sit on a chair for 8 to 10 hours a day, looking at markets.

If I were to turn off my emotions for 40% of my life, then that would make it a joyless existence, I mean, who wants to turn off their emotions for half of their living, breathing moments?

That's not something I want to do.

There's a difference between stoicism and a complete lack of emotions.

But the idea that you can just turn those off at five o'clock is ludicrous.

Harnessing your emotions can give you a huge, huge edge. Not just trading, but life.

Mindset is developed through the proper management of emotions and behavior. If you need to come in on any given day and trade professionally, you have to practice those virtues through trading.

You can't develop a proper mindset without putting your emotions into gear, hitting the clutch, and then hitting the gas.

You have to be able to manage which emotions you engage, and which emotions you disengage. It's not about turning off emotions.

Most traders are living in what I call Plato's Cave.

The allegory of Plato's Cave is that we all live in a dark cave without a clear view of the outside world.

And we're unaware of what reality looks like.

Beginning traders never know whether their decision-making algorithm is correct.

Sometimes they take a trade for the wrong reasons.

But they flipped a coin and they made money.

So now they're reinforcing bad habits without realizing they are bad habits.

But as the laws of probability will have it, they'll start losing.

They were once rewarded for making bad trading decisions. And now they're being punished and it creates a great deal of confusion.

The same is true for the opposite.

Traders who make good decisions and lose money feel inner turmoil and confusion. It's very toxic and confusing.

You only know what good and bad decisions look like if you develop clarity.

Once you're out of Plato's cave, you can choose which emotional response to engage in so that you can finally break the cycle of associating taking losses with terrible things.

GW: Tell me about the light-bulb moment in your career. That moment when you said "I know what I'm doing, and this is for me."

JR: I had a couple of really bad drawdowns and my mentor pulled me aside and kind of rebuilt me as a trader.

This was when I started trading my own capital.

And it was a mental reset because I didn't have that exoskeleton support from the institution.

It was just me.

And I kind of fell apart.

If I funded an account for a trader (and I wouldn't do this for legal and other reasons), I know they would treat that account very differently than they would their own money.

And so I suffered from that for a little bit. I had to go back and recross that whole rubicon and learn to trade my own capital.

I just had to reapply all of the risk management and money management strategies I previously learned.

GW: Not everyone who wants to be a trader is successful. What would you say unsuccessful traders have in common?

JR: Success is not the default setting. Failure is.

I always hear that 95% of traders fail. But don't most coffee shops and clothing stores fail?

The fact that most business ventures are statistically doomed to failure doesn't mean you shouldn't try.

You have to do the right things. Trading requires a great deal of tenacity. It requires a great deal of love of markets.

And you need belief in what you're doing, like any business.

You do experience more loss aversion in trading than you do in other business ventures because you're constantly winning and losing. And you associate that with failure.

Red days are a part of trading, and it's just something that you need to learn to get over.

But it's difficult to have any business succeed.

GW: On the flip side of that, what do most successful traders have in common?

All successful traders manage risk properly. And they manage money properly.

I know this is the most conventional, boring answer there is.

It's a simple answer to a very difficult problem because of the emotions involved

But if you learn to manage risk properly, and you learn to manage money properly, what you have to work on is technical proficiency and execution proficiency.

And just the behavioral mass management component.

People call it trading psychology. I think that's a vague and stupid term.

What you're really doing is managing behavior and managing emotions.

It's behavioral management that people need to learn, and it's deeply, deeply linked to technical analysis and to money management.

Those three things are integrally linked.

I can look at a chart and tell you where a novice trader entered. I can tell you where they gave up, where they re-entered, and where they gave up again.

Having a really strong ability to manage your behavior as you analyze the markets is a skill that most traders fail to master. I think that's why they fail out of the market.

GW: For someone watching this, what is the one thing that they could do to get better?

JR: First of all, you need to get help.

This is not a field where being an autodidact is an advantage.

Getting help from people who have been through what you're going through and modeling their success is important.

After that, the biggest problem I see is people taking way too much size and risking way too much capital.

When you're risking capital in the markets and you don't have control over your behavior or your emotions, you're not just risking capital, you're risking psychological integrity.

The problem with that is, once you damage that muscle, it takes a very, very long time to recover.

There's another trope in the trading world, where you go from unconscious incompetence to mastery.

You have to really learn to size down, prototype a particular strategy, learn the execution skills, and have the ability to read charts in real-time.

A lot of traders are very frustrated because they look at a chart and say, "how did I see not that in real-time?"

It's because there are different skill levels.

A lot of technicians can look at a chart and automatically tell you where the pivots and trend lines are without drawing them.

And they have a really good feeling for what's going to happen next.

A beginning trader doesn't have that.

And moreover, they don't have the emotional discipline to be able to.

They're so overwhelmed with past losses, current emotions, and loss aversion. So making an analytical decision at that time is hard. It takes time.

That's not something that most people can learn in 3 to 6 months.

That takes years, but you know what?

Developing any successful business might take 5 or 6 years.

So traders must take a longer view and a more conservative approach to the markets.

You have to start with small size, and really prototype and do the work.

A lot of traders will spend thousands of dollars of capital taking losses. And you wouldn't believe how many people don't journal, don't follow a trading plan, and at the end of the day, don't sit down to sift through the wreckage to figure out what went wrong.

They just go back the next day, and their only concern is, "getting back to even."

That person never gets back to the event.

GW: So you mentioned things like journaling and having a trading plan.

Those are the quintessential roles of trading that experienced traders will tell younger traders that they need to do. And it sounds boring and like a lot of work.

Why are those things so important?

JR: Trading plans are important because it's the business plan of your trading.

You can't run a business without a business plan.

What makes you think you can run a trading enterprise for that one?

Your plan has to encompass all of the critical variables in your decision-making.

And they have to be rules you follow.

When you're under stress, your decision-making capabilities diminish greatly.

There are no people I know that are smarter when they're stressed and taking a big trade.

I don't know anyone who's smarter at that moment than they were 20 minutes before the trade, while they were still planning.

If you don't have that game plan going into a trade, and you're trying to figure out what to do when you've blown past your stop and you're \$8,000 in the red, making good decisions will be hard.

So a trading plan is really important. It's like a life vest.

It will help you stay out of bad decisions.

It'll keep you from expending too much capital and taking too much risk.

It's like a guiding light in the night.

You can't trade without a plan.

I go on rants about trading plans because people trade without a plan and then can't figure out why they're losing money.

But the other equally important piece of the puzzle is making sure that you're actually doing the work after the trading day to figure out what's working, what's not working, and what you need to improve on.

If you don't do that, and you come back to trading the next day, you're going to have a lot of unresolved issues.

This is especially true for traders who take a lot of trades. When the human mind gets a stimulus, you have to resolve it.

Say you take 3 bad losses trading **Microsoft** (MSFT).

If you journal at the end of the day and write why you took each trade, you know which ones you took for good reasons and which ones you took for bad reasons.

You put the results from that experience in a box to compartmentalize them.

You have now the ability to come into the next day and adjust course.

If you had a really green day without know why because you had no plan, that's Euphoria Avenue.

And if you had a red day, but not for the wrong reasons, you can process that and manage emotions.

The next day, you'll come in with a great deal of uncertainty about what the outcome of the current day is going to be.

So you're trading the present, but with the baggage of the past. You have to digest your day somehow, and I think journaling is key.

It's one of those things that every trader has to engage in in order to properly get past that day and be able to manage their emotions.

GW: You've used this analogy a few times that trading is like owning a business. Since you've owned businesses, how has that experience influenced your trading?

JR: I started 14 businesses. Four of them have worked.

The biggest thing that starting businesses teaches you is to not let the success or failure of a certain project define you as a person.

Successful people are successful in part because they have a championship mindset.

This is true for traders. It's true for entrepreneurs. It's true for athletes.

Aristotle said if you want to cultivate virtue, you have to act in a virtuous way.

If you want to cultivate success, you have to act in a successful way with the mindset of a champion.

JR: What having several business enterprises has helped me do is to not look any single success or failure as defining, and to embrace the process of doing things well.

GW: We've talked about early mistakes you made in your career. But when you look at your career as a whole, what would you say has been the biggest stumbling block that you've had?

JR: The biggest stumbling block I've had is overworking myself.

I tend to be very passionate about markets and very engaged in all my businesses.

And sometimes, I don't know when to let the foot off the gas.

It's led to some underperformance in everything.

Multiple things suffer at once.

My biggest challenge is just learning to slow down.

I don't have a lot of gears.

GW: one of the attractions of trading for people is that it allows you some flexibility. So what does trading allow you to do in your life that you don't think that you would have been able to do otherwise?

JR: I tell my wife all the time "I can show up to work whenever I want."

Her retort to me is "then why do you work seven days a week?"

If value a flexible lifestyle, there is no better job.

Some people like to trade the open and be done by 10 o'clock.

You can enjoy a great deal of flexibility and that was me for many years.

Now, with the room, I very much enjoy helping other traders and doing market commentary.

And quite honestly, it just doesn't feel like work. It's very enjoyable to me.

GW: So you work seven days a week because you love it. But say it's 4:30 p.m. on a Wednesday. You've finished your day of trading. What do you do the rest of that day?

JR: I look through my trades. I have a ton of email from traders in the room. We do a lot of trade reviews.

And we review them together as a sort of a post-mortem

Then I have a ton of charts that I need to mark up.

And I need to prepare for the next day.

After that, I take care of my other businesses, and I hang out with my wife and kids. GW: So after the Friday close, what are your weekends look like?

JR: My weekends are great. My kids are all athletes. So they're off doing their crazy activities.

My sons love wrestling and boxing.

So they're all into that and we barbecue a lot of meat.

I'll pop up in a few cold beers and try to relax a little bit.

But I have a lot of side projects I'm constantly working on.

So I'm constantly working on the weekends, especially at night.

GW: Tell me about your wife, and how it is having her as support in your life as a trader.

JR: I met my wife in 1997. We became friendly and started studying in the library together.

One book led to another and we started dating.

Now we've been married for over 20 years.

GW: Say you have a hard day of trading. You didn't do things right and you lost more money than you needed to. Do you take those emotions into your personal life, or do you try to leave them at your trading desk?

JR: The biggest mistake a married trader can make is to hide failure from their spouse.

It is one of the most perilous things I've seen in trading.

She doesn't need to ask me how my day went. She knows just by looking at me. Talk about a nose for the markets! My wife knows exactly what's going on. And she's seen it all. She's seen the business successes and failures in the past, and she's very supportive.

She came from an Orthodox Jewish family in the Bronx and she's one of those tough-love type broads.

She's fantastic.

GW: And tell me about your kids.

JR: I have two sons and a daughter. My kids are 12, 14, and 16.

GW: Have you taught any of them about trading? And do any of them have an interest in becoming traders in the future like you?

JR: Yes. My youngest son wants to be a chef and a day trader.

And my middle son has a key interest in trading as well.

During the pandemic, they would watch the markets with me.

They're fascinated with all the squawks and my computer. It looks like the cockpit of an F-16.

GW: if you're thinking about teaching your children about trading, how would your advice to them differ from a random person in your room?

JR: two older children are very risk averse, which is probably a good thing if you're a beginning trader.

My youngest son is a total maniac. So he would be my concern.

I would really try to instill positive habits early on.

Trading with integrity is important too.

GW: What is trading with integrity?

JR: You have to have all the things that make up that power punch: the tendons, the ligaments, the bones.

You have to be unified. That's what integrity means.

Integrity is a word that we use to talk about a personal trait.

But in trading, it's having all of those elements, emotions, behavior, and analysis, all coming together to produce a clear and concise execution that follows a plan.

I deal with a lot of traders every week.

Many are not trading with integrity.

They have a plan that looks fantastic on paper, but they're unable to mold a behavior that conforms to that trading plan.

Because their emotions are so spent from years of failure or insecurities or whatever else.

So that holistic power punch never comes together. But that's really what discipline is.

And for someone who was dear to me, like my son, teaching them to trade would ultimately come down to that - bringing all those elements that are necessary to properly trade professionally.

When I talk to a trader, I can tell when a person has the right mindset and personality. They just choose the wrong entries. They have a technical problem.

Other people can be great technicians, but they have so much pent-up trauma or they have such a terrible mindset that they're unable to execute.

So they're good technicians but terrible traders, and they have to cross the rubicon to really reach that point.

GW: You love trading. Do you ever see yourself stepping back from trading and returning?

JR: That's a dreadful question. Why would I ever want to stop doing this all? You know, some people are working and looking forward to retiring every single day.

GW: But do you ever see a point in your life where you'll become less of an active day trader?

JR: When the market's really hot, I tend to trade very actively.

People talk about overtrading all the time.

When the market is there and you're doing the right things, you should trade as much as possible.

But as I've developed as a trader and gotten a little bit older, I've learned to read the market better. So there are days where I really need to just slow my roll. I take it easy and slow down.

And there are days when I really need to hit the gas pedal.

Sometimes we go weeks on end where the market is choppy and the opportunities aren't there.

So I wait.

I call it waiting for the green bus.

But as I get older, I see the appeal of swing trading and taking longer-term trades.

We take a lot of longer-term trades in the room, sometimes for weeks.

Down the road, I can definitely see myself not wanting to be scalping Tesla for a couple of minutes. And maybe I'll slow things down.

GW: So for someone who may be watching this and is interested in having you as a mentor, how can they learn from you?

JR: I encourage everyone in the room to send me an introductory email. This way we can set up a trading plan that fits their trading style and their needs. And we do trade reviews and technical critiques all the time.

When it comes to trading, psychology and technical analysis are linked at the hip.

And so we will literally do like a technical breakdown.

Our trading journals have a very specific format where I want to know how they were feeling as they took each trade.

So they can start to examine how to best mold their behavior, and link their technical analysis and their behavior. They're not looking at a chart completely disembodied from what they're feeling.

That's what I encourage traders to do.

And it's not just me. There are hundreds of traders in the room who are actively sharing their knowledge and helping each other.

They are even accountability buddies in the room.

And so when you join the room, you're joining a community, and it's very interactive.

This is not one of those rooms where we set up trade alerts, and then you're on your own.

We work with each trader to figure out where their strengths and weaknesses are, so they can start to develop a personalized strategy that works for them

GW: Thank you for speaking with me today JR. Hopefully, traders will join you to learn about themselves as traders.

JR: Thanks for having me!

About JR Romero's Momentum

VTF®

The Momentum Express VTF® gives you:

- Daily trading room access so you can get LIVE ideas and analysis from JR
- Live video, audio, and chat
- News flow ideas so you can capitalize on breaking headlines
- Technically-based short-term ideas for additional profit opportunities
- Nightly coaching sessions Monday through Thursday with replays in case you can't make it
- Access to a friendly, supportive community that shares ideas and market intelligence
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