

# TRADER'S STORY

Get to know your fellow traders. YTE speaks to trader **Rae Delai**

**R**ae Delai is a full-time trader who works part-time as an educational assessor. She's an avid traveller who proudly owns a pottery and ceramics business. Currently residing in Atherton, Rae used to be a full-time nurse.

## **How and when did you first become interested in the markets?**

We had very little money when I was a child. My dad's business went broke when I was four and mum often says they didn't know where their next meal was coming from in those days. This left an impression and I was determined to set myself up to be independent and financially secure. I read every book I could find on wealth creation like *'Think and Grow Rich'*; the *'Rich Dad, Poor Dad'* series and many others.

In the book *Rich Dad, Poor Dad*, the author states that he has absolutely no faith in the 401(k) system in the US, which made me think I had better not rely on Australian superannuation in retirement. I have always seen my Super Fund as a bonus, not a given.

When I was about 23 years old, I went to a lighting store in Cairns. The most spectacular chandelier I had ever seen was hanging from the ceiling almost to the floor. I stood there admiring it and soon a shop assistant came over and in the course of conversation told me that a young man about my age had just ordered three of them. They were over \$3000 each!

I had just bought my first house for \$50,000, so the idea of spending that amount on three light fixtures just blew me away. She then told me he was a share trader and was buying them because "he could afford it". This was the beginning of my interest in trading.

The other big reason I wanted to learn to trade derives from my desire to beat a core belief that I was not good enough. So, as well as the books on wealth creation, I was obsessed with self-help topics. I have tried everything from hypnosis, homeopathy through to past life regression and kinesiology, to try to battle subconscious blocks and sabotaging patterns. I knew all consistently profitable traders have clear trading minds, so my trading journey would ultimately assist me in my mission to dissolve negative thought patterns.

Also, one of the midwives I worked with in 1987 was very wealthy and she would often talk about her investments. She used to sit in her car for 15 minutes before a shift and read the paper and research stocks. So, I tried reading the paper and did not have a clue what it all meant. But, I desperately wanted to. It was around this time the chandelier incident happened.

## **And then what happened?**

Then life happened for a number of years. One day I woke up and had a husband, three children and chaos reigned. Getting to bed

before midnight with all family members still alive was the only achievable goal I could manage. Around that time my trading portfolio was in the hands of an Accounting Wealth Management and Capital advisory firm.

## **How have you been able to learn and educate yourself about the markets?**

After the GFC I made the decision to take full responsibility for trading myself. I began to seriously research some education by scouring the internet. I found a website called "Home Trader", which had a brilliant graphical representation of how a stop loss works. I remember thinking, wow that one technique would have prevented the huge losses I suffered in the GFC, and this is on their front page. I wonder what else I could learn. I kept looking until I found Wealth Within. Two things really stood out for me when I looked at their website. The first was the name which I really understood, having a self-help background, and the other was having the Diploma status. I was a Nurse Educator at the time and I was familiar with the standard necessary to maintain that status. Having a Diploma is not about getting a certificate, it is about ensuring you get outcomes. So, this course was a safe bet. I called and spoke to a dynamic and personable young man and signed up on the spot.

## **Did you make mistakes when first starting out?**

All of them! The hardest thing for me was following the rules. I did not realise how strong my desire to break the rules had been and now Wealth Within were telling me that following solid rules is how you trade successfully. So, what did I do? I made up my own rules, none of which worked very well. I battled with my psychology and lost until I found a blog by Cathy Eck called Gateway to Gold. This has literally changed my life and I am now able to let go of the negative chatter I was experiencing and the need to rebel against rules. I went back to the course rules, and my trading has improved greatly since then.

## **Would you define yourself as a discretionary trader, a mechanical trader or a combination of both?**

My aim is to be a mechanical trader and trade with very little emotion. As I grow as a trader, I am finding that following my trading rules is becoming easier. I am also learning how to step up from being completely mechanical and incorporating the 'art of trading' into my trading approach, which I have found makes the rules more effective. This is a real skill and calls for a lot of reflection on past trades.

## **Who have been some of your mentors and role models? What impact have these people made on you personally as well as on your trading style?**

My mentors have all belonged to the Wealth Within family.



**TRADING HAS CHANGED MY LIFE. I HAVE QUIT MY 30 YEAR PLUS CAREER WHICH WAS DEFINITELY IMPACTING ON MY FREEDOM. I HAVE COMMITMENTS TO SUPPORTING OTHERS, MY OWN TRADING AND MY POTTERY BUSINESS, WHICH ARE A JOY TO ME AND ALLOW ME A LOT OF FLEXIBILITY. I NOW GET TO SPEND A LOT MORE TIME IN MY POTTERY STUDIO BEING CREATIVE.**

Dale Gilham, Janine Cox and Kay Rutkis have been wonderful role models and patient mentors. I am blessed to have other graduates of Wealth Within courses to talk to about trades and also wonderful friends who completed their studies with me and live close by in Far North Queensland.

**Can you give us a brief overview of your trading style?**

I am a technical analyst. I am working towards being very disciplined in my trading, with a system for everything. What I mean is that I make regular time to look at the market, sectors and stocks and I drill down to develop or modify my watch list. I like being organised and having checklists. For example, one of my checklists ensures that I have documented each trade completely before placing another. I have found that as my systems develop, I am far less impulsive and more aware of the risks involved with each trade.

**Is there any one trade (win or loss) that had a profound effect on your development as a trader? If so, what did you learn from the trade?**

I bought Fortescue Metals Group (FMG) back in January 2019 just before it took off. That was the very first time I had ever been in the right place at the right time. That trade has done wonders for my confidence and now my lofty trading goals seem possible.

**Can you tell us about your best and worst trades?**

I learnt a lot from a trade in Brambles BXB. I entered in 2016 and then didn't follow my exit rules when it fell. Then it gapped down so I bought some more, thinking it would come back to fill the gap. You know the old theory of dollar cost averaging? But then it gapped down again. This theory actually increased my risk. I told myself it was not a trade, it was an investment and still hold the stock today. Lots of big lessons there.

**Would you classify yourself as a short-term or a long-term trader? What advice would you offer to people getting started as traders on the relative merits or otherwise of each?**

I am a medium-term trader, so a trade can go for a few weeks up to 18 months. I trust Dale Gilham's experience when he says (over and over) that short term traders are often not as profitable as longer-term traders. I believe traders starting out will find it easier with a longer time-frame. This gives you more time to make decisions about your trades.

**What markets do you trade, and which markets do you prefer? Do you have a favourite, and why?**

I am happy to stick with Australian stocks. There are hundreds to look at, all with different personalities. I can always find enough that will suit my portfolio goals. I would like to trade gold at some stage in the future. This has been a long-term desire.

**What makes your trading style different from others? What sets you apart from other traders?**

My "Big Hairy Audacious Goal" (BHAG) is a bit different. I attended an "Art of Trading" workshop some years ago and was encouraged to set a BHAG. Although I set myself a very big picture goal at that time, it has taken until this year for me to have the confidence to say that I will achieve it.

**Do you have a favourite trading rule?**

My most important trading rule is 'follow your trading rules'! My favourite rule changes as my skills improve. I loved learning about and applying Dow Theory to start with. Lately, I am enjoying the power of counter-trends.



**Ed Seykota says, “Everybody gets what they want from the markets.” What do you ‘get’ from the markets?**

During high school I believed my ultimate goal in life was to be independent. I now realise what I really want is freedom. The markets give me the opportunity to be the master of my own destiny. I have learned the hard way that if I don’t put in the work to properly back test and analyse stocks, as I have been taught, then I don’t do as well with my trading. The market demands respect and reminds me if I get off track.

**How has trading affected your lifestyle?**

Trading has changed my life. I have quit my 30 year plus career which was definitely impacting on my freedom. I have commitments to supporting others, my own trading and my pottery business, which are a joy to me and allow me a lot of flexibility. I now get to spend a lot more time in my pottery studio being creative.

**What books, seminars and courses have you read or attended, and which would you recommend?**

I strongly recommend gaining a trading education before testing yourself against the market. I completed the Diploma of Share Trading and Investment and the Advanced Trading Strategies Course with Wealth Within. This knowledge has given me a solid grounding and a lot of confidence.

I suggest the Gateway to Gold blog may be very helpful for your psychology. I no longer follow any self-help or new age practices since discovering this very sensible, down to earth approach that actually works.

**What does the future hold for you?**

Oh freedom! That is the ultimate prize. Realising my BHAG will give me enough financial security to help my kids and travel the world if and when I want. I see myself developing as a trader and also as a ceramic artist, and probably in ways that I can’t imagine today. I also have no plans to retire ever! I will always be working – trading and making pottery. 