

# TRADER'S STORY

Get to know your fellow traders. YTE speaks to trader **Zoran Kresovic**

**Name:** Zoran Kresovic

**Age (if you agree to it being published):** 32

**Work status:** I work full time and trade.

**Occupation:** Equity Analyst & Assessor

**Past occupation:** Investment Operations Analyst at BT Margin Lending.

**City/town or Country you live in:** Melbourne/Australia

**What do you trade:** Nowadays, I only trade the Australian XJO200 Index. I have traded ASX shares in the past.

**Number of years trading:** Approximately 7 years

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

My friend, who you would call a "speculative punter" introduced me to the share market after the GFC in 2009. I was so intrigued by what he showed me that it set me on a path to what I thought at the time would be quick and easy returns. Being young has advantages, but it also has drawbacks. Up until that point in time I really did not understand the risk I was taking and what the right way was to go about becoming a good trader.

## **And then what happened?**

I listened to my friend's advice and bought some penny speculative shares. Looking back, I realise that I really had no knowledge or idea about what I was doing. As my results were mixed, I soon realized this was probably not the way to survive in the game. Therefore, I sold the lot. However, this experience led me to thinking that there has to be a better way, or as I call it now- the "educated way". That said, I still continued to buy and sell penny dreadful and speculative shares with the mindset of wanting to become an overnight millionaire.

Since those early days, trading has become part of my DNA. Today I live and breathe the share market and whilst my beginnings were not ideal, I must say I am still very thankful to my friend for introducing me to this profession and to

what has essentially become my obsession and way of life.

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

In the early days, I did what most people do and read a few of the trading books around. However, whilst the books were good, they really did not satisfy my hunger to learn, as I needed something far more structured and detailed, especially given I wanted to retire early! I searched around and found the Wealth Within Institute and completed the Diploma of Share Trading and Investment. I did this course for two reasons, the first is, the course is accredited and this meant it gave me great technical and fundamental knowledge, delivered in the detailed, structured manner which I desired in order for me to successfully trade the market. The second reason is to get a formal education that would give me opportunities to work in the funds management industry. I also completed their Advanced Diploma, which took my knowledge to a whole different level again, as it showed me how I could maximise my profits and overall returns. I found the whole experience very enjoyable.

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

I definitely made mistakes! When I started I made plenty and to this day I still do make some mistakes and that is normal. However, I now treat them as an opportunity to learn. I have reduced my mistakes to a minimum. To me, it is not about making mistakes, rather it is about not repeating the ones you have made already and sticking to your original plan that you know works.

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

Whilst I was trading shares, medium to long term on the ASX, I was trading with a purely mechanical approach, as this really helped me focus and gain the necessary experience I needed at the time. One thing I

have learned is to have structure and a plan because without it you can get lost in a trade and make costly mistakes. I was fanatical at the time and back tested every stock I traded, so I had that mechanical approach in order to keep me in line with my psychology and be confident enough to stick to my rules. Nowadays, I trade XJO200 Index on a short term basis and I take a combination of a mechanical and discretionary approach, as my experience is enough that I can do this successfully. So my trading style has slightly changed over the years. In trading the XJO200, the liquidity of the market I am trading and its timeframe dictates that I need to be more discretionary (where experience guides decision making).

## **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 trading mentors have to be Janine Cox and Dale Gillham at Wealth Within as they helped me a lot. I appreciate not only their knowledge, but also the time they both put into helping me so that I could become a better trader and analyst. Janine adds a completely different perspective on things than other traders, whether it is to do with psychology, technical analysis, or risk and money management. Her knowledge and experience is second to none.

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

My trading style is really position trading based on Dow Theory, Gann Swing Theory and Counter Trends, in combination with Pattern and Price Analysis. I really love pattern breakouts in combination with Gann's 50% rule. It is so simple and yet so profitable, in fact my whole trading style is simple and easy to do. What is really important for me is the overall direction of the market, as trading short term can mean you get caught in the micro moves. Here I look at Trend Theory and Elliot Wave to really give me the bigger picture, or the edge over the rest of the market.







**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?**

Yes, most definitely. Prior to my studies I was trading a speculative share called Prima Biomed (PRR). I made money on the stock and so, as can sometimes happen, I got emotionally attached. I thought I was a super trader but I didn't know what I was doing and I listened to other people.

I followed posts on a chat forum, which didn't help as I was reading comments from people who I later found out, were trying to ramp the stock up. Rooky mistake!! But after reading some posts I purchased the stock again. What happened? An announcement came out the day after I bought and I took a 70% loss as the stock gapped down. I was so devastated and disillusioned that I almost gave up share trading altogether. In the end I, stuck through that tough time and on the night decided to make a psychology plan to make sure this would not occur again. I still follow the plan to this day. What did I learn? Well, I learned to never ever take tips, get emotionally attached to a stock, listen to the herd on chat forums, or trade something that I don't understand or feel comfortable with. That caused me to draw a line in the sand. If I seriously wanted to be a , I knew I had to acquire more knowledge.

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

The worst trades were the ones I traded without a plan and rules and an example that comes to mind is PRR. These trades taught me the most, whether it be a lesson about the application of my rules or style of trading, or psychology, as was the case in the PRR trade.

Over the years I have done a lot of good trades, however, the ones that stick in my head most are the ones that I have executed, managed, and closed to perfection. Therefore, it's really hard to pick one specifically, as my measurement is not about how much profit I make but about trading well. One example of a good trade was when I was shorting the XJO200 Index in May 2015 during all the hype about Greece exiting the Euro. I had a trailing stop loss as the market was falling heavily. I topped up my original position to capture further profit

on the way down. That was a real success for me and a test of extreme discipline, as I had to exercise my strategy properly in order to maximize my profits and not cut this winning trade too early.

**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?**

Nowadays, I classify myself as a short term trader as the length of my trades can vary from intraday to a few weeks. However, in the beginning of my journey, I was primarily focused on medium to long term trading in order to build my confidence in the market. Only upon being profitable and hitting my yearly targets and goals did I start reducing the timeframe and begin to focus on short term trading. as that was my ultimate goal at the time. My advice to people that are interested is- "knowledge is power". Make sure you get a good education, not just any education, so you actually learn to trade. Also, new traders should primarily focus on bigger timeframes when trading so they can build confidence in the market. As the saying goes "the market will always be there but you might not".

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

As I said, I was trading ASX shares as I was learning and developing my trading style. However, nowadays I prefer to only trade the Australian XJO200 Index as it is highly liquid, fits my strategy and gives me the results and lifestyle I want.

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

I am really structured in my approach, and having spoken to lots of traders over the years, it seems the majority are not the same but rather more hit and miss. I cannot say that I am a guru, but I have learned a lot. I would have to say that my level of knowledge and experience really sets me apart. I also like to surround myself with experts and likeminded people such as my mentors.

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

Yes. I love pattern break outs, be it a flag, rectangle, or pennant, and I use these in combination with Gann's 50% rule. I find these very powerful, easy to apply and very profitable.

**Ed Seykota says, "Everybody gets what they want from the markets." What do you 'get' from the markets?**

I get a lot of satisfaction through trading well, and this means following my plan. So I guess I love the challenge and success I get from it. I truly believe everyone can get from the market what they want, as we all have different motives and beliefs.

**How has trading affected your lifestyle?**

Trading gives me flexibility in my everyday life to focus on my hobbies such as yoga, fitness, and catching up with family and friends. Knowing that I have flexibility and that I am not tied into something I don't like is quite a good feeling. I can choose to trade and work part time if I wish, and I believe this is a great achievement in today's busy society.

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

My favourite book is "The new Market Wizard" and I recommend people read it, as there are a number of different top traders interviewed, each with a different perception and style of trading. In regards to education, the Diploma and Advanced Diploma of Share Trading and Investment with Wealth Within is absolutely phenomenal and it provides you with all the necessary tools and strategies to use in your trading kit, plus you get great support from the team.

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

I truly believe that the sky is the limit for me. I am doing what I love (trading) and right now can't see myself doing anything else. I also love mentoring and helping other people achieve their dreams. I want to do more of that. At some point, I would like to manage a hedge fund or trade at a dealer's desk. In the meantime, I am enjoying my life because I have the flexibility that fulfills me. 