[Read Part-II Here](#)

Throughout history, individuals have been drawn into the more speculative stages of the financial market under the assumption that *"this time is different."* Of course, as we now know with the benefit of hindsight, 1929, 1972, 1999, 2007, and most likely 2019, were not different - they were just the peak of speculative investing frenzies. Of course, if you went through one of the more recent bear market drawdowns, there is an important distinction, as my colleague John Coumarianos recently penned, *"You're Different This Time."*

> *"Even if you sailed through the 2007-2009 market meltdown without undue worry or panic-selling, the next downturn could prove more visceral if retirement is closer at hand and starting to seem like a realistic possibility. It?s not fun to see your portfolio drop from $500,000 to $225,000 when you?re 45. But it?s way worse to see your $1 million portfolio drop to $450,000 when you?re 55 and beginning to think serious thoughts about the when and how of your retirement.* ***The losses are the same (in percentage terms); the ages are different.?***

So, what can you do? In the media, there is a select group of investors and portfolio managers that are revered for the knowledge and success. While we idolize these investors for their respective *"genius,"* we can also save ourselves time and money by learning from their wisdom and their experiences. **That wisdom was NOT inherited, but was birthed out of years of mistakes, miscalculations and trial-and-error.** Most importantly, what separates these individuals from all others was their ability to learn from those mistakes, adapt, and capitalize on that knowledge in the future.

> **Experience is an expensive commodity to acquire, which is why it is always cheaper to learn from the mistakes of others.**

Importantly, you will notice that many of the same lessons are repeated throughout. This is because there are only a few basic *"truths"* of investing that all of the great investors have learned over time. The next major down market cycle is coming, it is just a question of when? These rules can help you navigate those waters more safely, because *"you're different this time."*

10-Trading Rules From Todd Harrison

1. Respect price action but never defer to it. 2. Discipline always trumps conviction. Following a set discipline removes the emotional bias of conviction. **3. Opportunities are made up far easier than lost capital.** 4. Emotion is the enemy of trading. 5. It's far better to *"zig"* when others *"zag."* 6. Be adaptive to the market. Failure to adapt leads to extinction. 7. Maximize reward relative to the risk taken. **8. Perception is reality in the marketplace.** 9. When *"unsure"* - trade small or not at all. 10. Don't let bad trades turn into investments.

21-Trading Rules From Paul Tudor Jones

1. When you are trading size, you have to get out when the market lets you out, not when you want to get out. 2. Never play macho with the market and don?t over trade. 3. If I have positions going against me, I get out; if they are going for me, I keep them. 4. I will keep cutting my position size down as I have losing trades. **5. Don?t ever average losers.** 6. Decrease your trading volume when you are trading poorly; increase your volume when you are trading well. 7. Never trade in situations you don?t have control. I don?t risk significant amounts of money in front of key reports since that is gambling, not trading. 8. If you have a losing position that is making you uncomfortable, get out. Because you can always get back in. 9. Don?t be too concerned about where you got into a position. **10. The most important rule of trading is to play great defense, not offense.** 11. Don?t be a hero. Don?t have an ego. 12. I consider myself a premier market opportunist. 13. I believe the very best money is to be made at market turns. 14. Everything gets destroyed a hundred times faster than it is built up. It takes one day to tear down something that might have taken ten years to build. 15. Markets move sharply when they move. 16. When I trade, I don?t just use a price stop, I also use a time stop. 17. Don?t focus on making money; focus on protecting what you have. 18. You always want to be with whatever the predominant trend is. 19. My metric for everything I look at is the 200-day moving average of closing prices. 20. At the end of the day, your job is to buy what goes up and to sell what goes down so really who gives a damn about PE?s? 21. I look for opportunities with tremendously skewed reward-risk opportunities.

25-Trading Rules From Jim Cramer

1. Bulls, Bears Make Money, Pigs Get Slaughtered **2. It's OK to Pay the Taxes** 3. Don't Buy All at Once 4. Buy Damaged Stocks, Not Damaged Companies 5. Diversify to Control Risk 6. Do Your Stock Homework 7. No One Made a Dime by Panicking 8. Buy Best-of-Breed Companies 9. Defend Some Stocks, Not All 10. Bad Buys Won't Become Takeovers 11. Don't Own Too Many Names **12. Cash Is for Winners** 13. No Woulda, Shoulda, Couldas 14. Expect, Don't Fear Corrections 15. Don't Forget Bonds 16. Never Subsidize Losers With Winners 17. Check Hope at the Door **18. Be Flexible** 19. When the Chiefs Retreat, So Should You 20. Giving Up on Value Is a Sin 21. Be a TV Critic 22. Wait 30 Days After Preannouncements 23. Beware of Wall Street Hype 24. Explain Your Picks 25. There's Always a Bull Market

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Bernard Baruch's 10 Investing Rules

1. Don't speculate unless you can make it a full-time job. 2. **Beware of barbers, beauticians, waiters ? of anyone ? bringing gifts of *"inside"* information or "tips."** 3. Before you buy a security, find out everything you can about the company, its management and competitors, its earnings and possibilities for growth. 4. **Don't try to buy at the bottom and sell at the top.** This can't be done ? except by liars. 5. **Learn how to take your losses quickly and cleanly.** Don't expect to be right all the time. If you have made a mistake, cut your losses as quickly as possible. 6. Don't buy too many different securities. Better have only a few investments which can be watched. 7. **Make a periodic reappraisal of all your investments** to see whether changing developments have altered their prospects. 8. Study your tax position to know when you can sell to the greatest advantage. 9. **Always keep a good part of your capital in a cash reserve.** Never invest all your funds. 10. Don't try to be a jack of all investments. Stick to the field you know best.

James P. Arthur Huprich's Market Truisms And Axioms

1. **Commandment #1: *"Thou Shall Not Trade Against the Trend."*** 2. Portfolios heavy with under-performing stocks rarely outperform the stock market! 3. **There is nothing new on Wall**

Street. There can't be because speculation is as old as the hills. Whatever happens in the stock market today has happened before and will happen again, mostly due to human nature. 4. **Sell when you can, not when you have to.** 5. **Bulls make money, bears make money, and "pigs" get slaughtered.** 6. We can't control the stock market. The very best we can do is to try to understand what the stock market is trying to tell us. 7. **Understanding mass psychology is just as important as understanding fundamentals** and economics. 8. **Learn to take losses quickly,** don't expect to be right all the time, and learn from your mistakes. 9. **Don't think you can consistently buy at the bottom or sell at the top**. This can rarely be consistently done. 10. When trading, remain objective. Don't have a preconceived idea or prejudice. Said another way, ***"the great names in Trading all have the same trait: An ability to shift on a dime when the shifting time comes."*** 11. **Any dead fish can go with the flow.** Yet, it takes a strong fish to swim against the flow. In other words, what seems "hard" at the time is usually, over time, right. 12. Even the best looking chart can fall apart for no apparent reason. Thus, never fall in love with a position but instead remain vigilant in managing risk and expectations. Use volume as a confirming guidepost. 13. **When trading, if a stock doesn't perform as expected within a short time period, either close it out or tighten your stop-loss point.** 14. As long as a stock is acting right and the market is *"in-gear,"* don't be in a hurry to take a profit on the whole positions. Scale out instead. 15. **Never let a profitable trade turn into a loss**, and never let an initial trading position turn into a long-term one because it is at a loss. 16. **Don't buy a stock simply because it has had a big decline** from its high and is now a "better value;" wait for the market to recognize "value" first. 17. **Don't average trading losses,** meaning don't put *"good"* money after *"bad."* Adding to a losing position will lead to ruin. Ask the Nobel Laureates of Long-Term Capital Management. 18. **Human emotion is a big enemy of the average investor** and trader. Be patient and unemotional. There are periods where traders don't need to trade. 19. **Wishful thinking can be detrimental to your financial wealth.** 20. Don't make investment or trading decisions based on tips. Tips are something you leave for good service. 21. **Where there is smoke, there is fire,** or there is never just one cockroach: In other words, bad news is usually not a one-time event, more usually follows. 22. **Realize that a loss in the stock market is part of the investment process.** The key is not letting it turn into a big one as this could devastate a portfolio. 23. Said another way, "***It's not the ones that you sell that keep going up that matter. It's the one that you don't sell that keeps going down that does."*** 24. Your odds of success improve when you buy stocks when the technical pattern confirms the fundamental opinion. 25. As many participants have come to realize from 1999 to 2010, during which the S&P 500 has made no upside progress, you can lose money even in the *"best companies"* if your timing is wrong. Yet, if the technical pattern dictates, you can make money on a short-term basis even in stocks that have a *"mixed"* fundamental opinion. 26. To the best of your ability, try to keep your priorities in line. Don't let the *"greed factor"* that Wall Street can generate outweigh other just as important areas of your life. Balance the physical, mental, spiritual, relational, and financial needs of life. 27. **Technical analysis is a windsock, not a crystal ball.** It is a skill that improves with experience and study. Always be a student, there is always someone smarter than you!

James Montier's 7 Immutable Laws Of Investing

1. **Always insist on a margin of safety** 2. This time is never different 3. **Be patient and wait for the fat pitch** 4. Be contrarian 5. **Risk is the permanent loss of capital,** never a number 6. Be leery of leverage 7. Never invest in something you don't understand