

"I am never wrong! - or am I?"


Trading Insights

Trading Insights

"I am never wrong! (or am I?)"

Robert Brain
(Brainy's Share Market Toolbox)
October 2025







"The share market can seem mystical and almost like black magic; but with the right support and assistance, it just seems like magic."
Robert Brain



© Copyright 2023-2025, Robert B. Brain, Brainy's Share Market Toolbox — www.robertbrain.com Version 3

Introduction

What do these things have in common?









© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 2

Introduction


What do these things have in common?

- Sudoku puzzle – "I must finish it!"
- Trading/investing – "Is it a buy? should I sell?"
- Elephant stampede!
- Tight rope walker;
- Martial arts – who is the real boss?
- Crossword puzzle – striving for 100% completion and perfection?




© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 3

"I am never wrong! - or am I?"


 Introduction


What do these things have in common?

HINT:
It's to do with human nature and personality traits and cognitive bias.



QUESTION:
Are you in control of yours?
(it can affect your trading)


 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 4


 Introduction

Today's focus:

***"I am never wrong!
(or am I?)"***

When trading / investing, have you ever found yourself convinced that your decision was right, but felt that maybe it was "not right"?

 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 5


 Introduction

Today's focus:

***"I am never wrong!
(or am I?)"***

When trading / investing, have you ever found yourself convinced that your decision was right, but felt that maybe it was "not right"?

Many novice investors / traders find themselves in a quandary: they can't find the "perfect" trading system that wins 100% of the time!!

 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 6

"I am never wrong! - or am I?"

Introduction

New traders / investors

Research has shown that something like 80% (or even 90%) of new traders go out backwards.

- How does this happen?
- How can we avoid this?

© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.brainyshare.com

Introduction

Blue chips – What could go wrong?

- Have you ever bought blue chip shares, such as Telstra?
- And wondered, in hindsight, if that was the right decision?
- And watched the share price sink, week after week, and month after month?
- Like in the following example...


© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.brainyshare.com



"I am never wrong! - or am I?"








Introduction

Telstra – What went wrong?

- There was a large loss of capital.
- Was the capital loss worth it?
- Did the dividend payments compensate?
- Should we have sold it?
- Why didn't we?
 - "Blue chip stocks are safe – they're 'great'";
 - "I didn't know when to sell";
 - "I had no Exit Strategy or Stop Loss strategy to protect the capital".


© Copyright 2023, Robert B. Brain – Brain's Share Market Toolbox – www.raketobrain.com


"I am never wrong! - or am I?"

 Introduction

Today's session

- 1) How feasible is a 100% winning strategy?
- 2) Have a look at personality traits, including *humility*;
- 3) Consider cognitive biases:
"I'm always right" and the over-confidence bias;
- 4) What sort of trading metrics are reasonable?

 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 13

 Introduction

About... Robert Brain



Nimble Short term Investor


consultant, educator and part-time* share trader
web-based sharemarket-support business


- Many years experience as trainer, presenter, conference facilitator (*Scouts*)
- Share Market – active 15+ years* (slowly at first)
- Chartist ie. technical analyst (ATAA member and former director)
- Provide support and tuition to traders and investors **Brainy's Share Market Toolbox**
- Member Mensa
- Engineering Degree (structured thinking with an eye for charts and diagrams)
- 30+ years – professional experience (IT and management)
- **No AFS license!** (Can't give advice)
- **BullCharts software** (convenor Australian BullCharts User Group and authorised reseller with special pricing)

* - Not yet enough capital to live off the proceeds of trading (after trading as a hobby until a career change in 2008).

Conflict of interest?

 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 1


 Introduction


About... Robert Brain


Nimble Short term Investor

consultant, educator and part-time* share trader
web-based sharemarket-support business

- Joined ATAA in 2006;
- Sat through about 60+ guest speaker presentations;
- In 4 years, learned a lot about technical analysis;
- "Wow! Is that a part of technical analysis?"
- Then prepared and ran seminars to provide support and tuition to traders and investors about the markets, and the traps, etc. and to provide a 4-year condensed learning into a one day seminar.
- Then the GFC hit! – More lessons to be learnt.





 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 1

"I am never wrong! - or am I?"

ATAA General Disclaimer

The ATAA provides general material and information through presentations and publications with the aims of promoting the theory and practice of technical analysis and assisting its members to become more competent technical analysts.

Any material or information provided is made available for general personal use and education only. The ATAA makes no warranties as to the accuracy or completeness of any information provided. The information provided does not constitute financial product advice. The ATAA makes no recommendations to invest in any financial product nor to use any particular methods of investing.


It is strongly recommended that you seek independent professional advice before making any financial decision or proceeding with any investment. The ATAA directors, affiliates, officers, employees, agents, contractors, successors and assigns, will not accept any liability for any loss, damage or other injury resulting from use of the information provided.

The information provided may include views and statements of third parties and do not necessarily reflect the views of the ATAA. The ATAA has taken all care to ensure that the material presented or published is based on information from sources that are considered reliable but takes no responsibility for the relevance and accuracy of this information. Further, the presence of any third party material does not constitute an endorsement of the material itself nor any associated organisations, products or services.

Introduction

Important Notice — No Advice!


- This presentation does not include any advice.
- For proper advice, your personal financial situation needs to be considered.
- This presentation is pure education, only for your general awareness.
- There are no recommendations to take any action, or to invest any money in any way.
- Always consult a properly licensed advisor before making investment decisions.



© Copyright 2023, Robert B. Brain — Brain's Share Market Toolbox — www.robertbrain.com


Introduction

Important Notice



© Copyright 2023, Robert B. Brain — Brain's Share Market Toolbox — www.robertbrain.com


"I am never wrong! - or am I?"


 **Setting the scene**

S.T.E.M.

In some fields of endeavour, there is only one right answer, and other possible answers are wrong.


- Engineers, mathematicians and scientists are trained to search for "the" correct answer;
- Examination questions involving number crunching typically have just one correct answer;
- This produces a mindset among professionals where only one right answer exists;
- This does not sit well with market traders.


 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 19


 **Setting the scene**

S.T.E.M.

Question:
Can we have a show of hands:
Do we have any engineers, mathematicians or scientists in the audience today?



 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 20

 **Setting the scene**


Novice (common) trader mistakes

A lot is said of the common mistakes that newer traders and investors make:

- Investors – long-term buy-and-hold approach
- Trading without a plan (clear objectives, universe)
- Trading too much (forgetting about brokerage costs)
- Inappropriate position size (too small or too large)
- Not understanding the chosen market / asset class
- Too many positions to monitor
- and one more common one...

 © Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 21


"I am never wrong! - or am I?"

 **Setting the scene**

Failing to accept the decision was wrong

A common trading / investing mistake:


- Not having an Exit Strategy;
- Not closing a position when the Stop has been hit;
- *"It's a blue chip stock, and it will come back";*
- *"I don't want to close the position now, it will be a loss";*
- *"I will sell when it gets back to my buy price";*
- *"Surely the loss cannot get any bigger".*

 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com 22

 **Being humble**





 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com 23


 **Being humble**

Martial arts and humility


Have you studied any martial art?
(eg. judo, karate, kung fu, taekwondo, Tai Chi, etc.)

- Humility is one of the key values that are taught;
- A humble student listens to the instructor and does as requested;
- Humility keeps the student receptive to criticism and to opportunities for improvement;
- Humility empowers self-control.




 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com 24


"I am never wrong! - or am I?"

 **Being humble**

What is Humility?

- The quality of having a modest or low view of one's importance;
- Some people believe:
"Humility is a very important human trait that all people should exercise in their daily lives."
- Being humble means you aren't too big for any lesson that may come your way. Some people say humility is even more important than confidence;
- You become more in tune with your weaknesses;
- You can more easily understand where to improve.

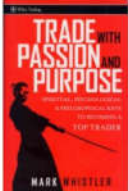
 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com 26


 **Being humble**


About humility

Mark Whistler, *"Trade with Passion and Purpose"*, 2007:

- *"... humbleness isn't just a trait of those who have fallen, it's a characteristic of the great, of those who are purpose-centred without ego."* (p49)
- *"... remember that remaining humble is one of the most important aspects of making sure we keep our egos in check. If we live solely on ego, we have fallen into the unconscious trap of not being able to see the emotions that are causing us to make irrational decisions."* (p156).




 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com


 **Being humble**

About the humble trader


- *"The market is a great humiliator"* – if you make a mistake when trading in the markets;
- When investing, humility is a secret ingredient that can contribute to success;
- Will more easily learn from their mistakes;
- Will more easily learn the lessons from Mister Market;
- Will more easily admit to being wrong from time to time.


 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com 27

"I am never wrong! - or am I?"

 **Being perfect**

Perfectionism


 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com 28


 **Being perfect**

Perfectionism?

- Do you play Sudoku, and/or crossword puzzles?
- Do you:
 - give up easily? or
 - do you stay involved until it's 100% completed?
- Do you spend a lot of time on it?
- With crosswords, do you go searching for the answers so as to complete the puzzle?

	6				1
1	7		6	5	1
6	2	3		5	9
		3			2
4	8	9	7		3
9		6			4
			7	9	4
	5				7



 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com 29

 **Being perfect**

Perfectionist

Spending excessive time on something, can be a symptom of:

- A simple desire to complete the task;
- A feeling of achievement in completing the task;
- A desire for perfection;
- Fear of failure, or admitting you're wrong;
- Failure to accept you're not perfect;
- Craving approval and recognition;
- A part of your life's journey.

 © Copyright 2023, Robert B. Brain — *Brainy's Share Market Toolbox* — www.robertbrain.com 30

"I am never wrong! - or am I?"

 **Being perfect**

Perfectionist

Striving for perfectionism in trading and investing is not a good idea:

- Trading is not a perfect science;
- Trading is more of an art, with many right answers;
- We are playing the odds, using many of our tools, strategies and the principles of technical analysis;
- And the activity of trading/investing is just not perfect.

© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com

 **Being perfect**

Perfectionist? – How to address

- Accept that we won't get 100% of our trades / investments "correct";
- We can't have 100% success in the markets;
- There will be losing positions.

© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com

 **Blue chip stocks – the truth**

Blue chip stocks can be disappointing...?



© Copyright 2021-22 Robert B. Brain — Brainy's Share Market Toolbox

"I am never wrong! - or am I?"

Blue chip stocks – the truth

What does “blue chip” mean?

“Larger companies with a long history of profitability and stability.”



ie. no guarantees about anything!
Source:- www.asx.com.au

© Copyright 2011-22 Robert B. Brain – Brainy's Share Market Toolbox – www.robobrain.com

Blue chip stocks – the truth

Are “blue chip” stocks worth it?

- Blue chip stocks tend to be large to very large market capitalisation stocks;
- They are heavily analysed by brokers and analysts;
- They are heavily focused on by many investors;
- Share price movements from day to day are not huge (unlike for small or medium cap stocks);
- Share price performance from month to month and year to year is often not very good.

But maybe you don't believe me?

© Copyright 2011-22 Robert B. Brain – Brainy's Share Market Toolbox – www.robobrain.com

Blue chip stocks – the truth

Are “blue chip” stocks worth it?

- Many “mum and dad” investors invest in blue chip stocks.
- Brokers and analysts analyse blue chip stocks and produce buy/hold/sell recommendations.

© Copyright 2011-22 Robert B. Brain – Brainy's Share Market Toolbox – www.robobrain.com

"I am never wrong! - or am I?"

Blue chip stocks – the truth

Have you seen a list of “blue chips”?

Have you ever seen a list of “blue chip” stocks?

Ask your broker to give you a list.

Or, ask ChatGPT for a list, and it will list the stocks in the S&P/ASX 20 index.

That is, there is not one finite list.

© Copyright 2011-22 Robert B. Brain - Brainy's Share Market Notebook - www.ROBRAIN.COM

Blue chip stocks – the truth

Blue Chips — disappointing?

AMP Weekly - AMP LIMITED
AMP Weekly O=4.890 H=4.700 L=4.300 +0.160 +3.38%

AMP down 64% over 78 weeks

78 bars
78 weeks

-64%

Blue chip stocks – the truth

AMP Weekly - AMP LIMITED
AMP Weekly O=1.000 H=10.961 L=0.870 +0.130 +13.00%

AMP down 90% after 14 years!!

742 bars
742 weeks

-90.00%

"I am never wrong! - or am I?"





Blue chip stocks - the truth

Blue Chips?

At least 36 well-known blue chips fell more than 50% during the GFC, and 3 years later most were still below their highs of FOUR years prior.

See more details:
www.robertbrain.com/bluechip

© Copyright 2011-22 Robert B. Brain - Brain's Share Market Feedback - www.robertbrain.com

"I am never wrong! - or am I?"

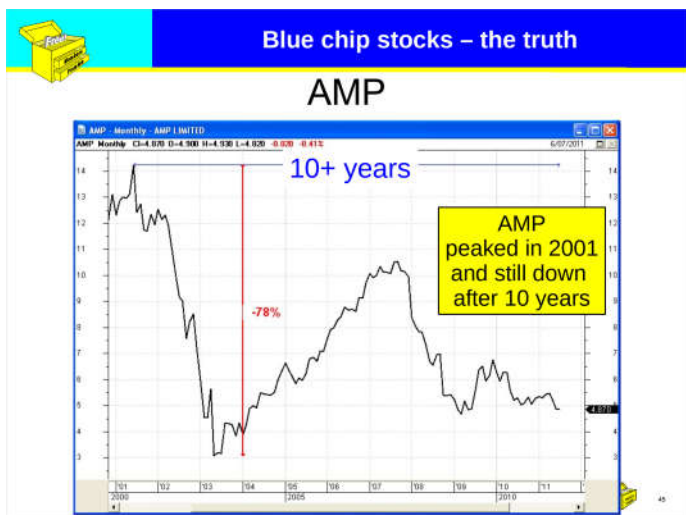
Blue chip stocks – the truth

QUESTION:

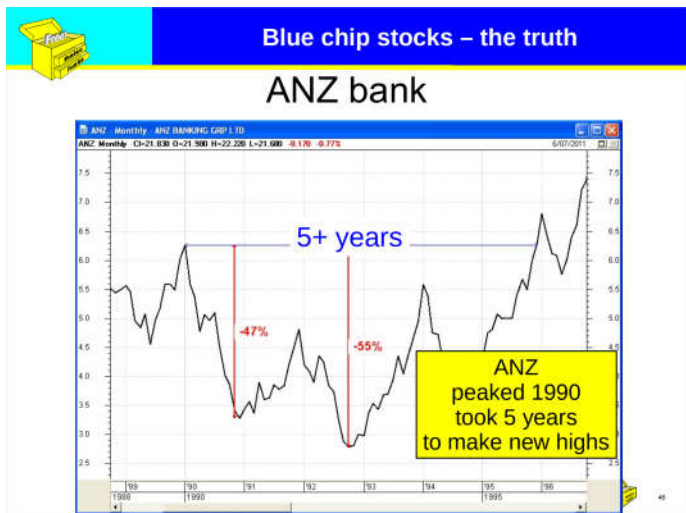
How long does it take
a *blue chip* stock
to recover from
a *bear market* fall
or a *correction*?

© Copyright 2011-22 Robert B. Brain - Brain's Share Market Foolbox - www.ROBERTBRAIN.COM





"I am never wrong! - or am I?"

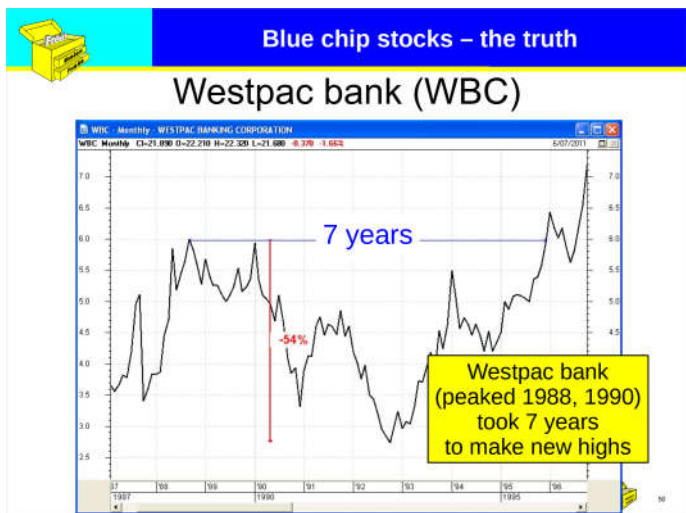






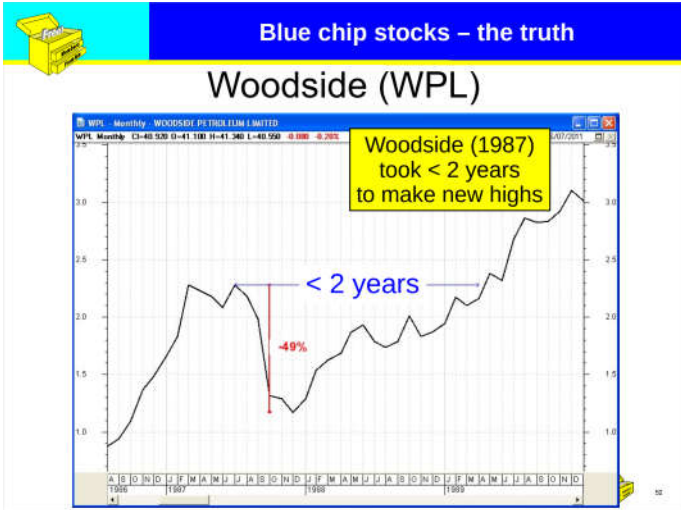
"I am never wrong! - or am I?"







"I am never wrong! - or am I?"



Blue chip stocks – the truth

How long to recover?
It might take only
a couple of years
or
many years, or even more!

**Blue chip stocks
can disappoint!**

© Copyright 2011-22 Robert B. Brain - Brain's Share Market Toolbox - www.robertbrain.com 53

Blue chip stocks – the truth

Blue chips – are they worth it?

Do not blindly follow
blue chip stocks!

© Copyright 2011-22 Robert B. Brain - Brain's Share Market Toolbox - www.robertbrain.com 54

"I am never wrong! - or am I?"

Cutting losers – Stop Loss

Should we cut loose the “losers”? (Stop Loss?)

© Copyright 2012-2022 Robert B. Brain — Brain's Share Market Toolbox — www.sharemarket.com

Cutting losers – Stop Loss

Think about this...

Look at the next slide

Would it have been safe to buy the stock ?

© Copyright 2012-2022 Robert B. Brain — Brain's Share Market Toolbox — www.sharemarket.com



"I am never wrong! - or am I?"







"I am never wrong! - or am I?"






Cutting losers - Stop Loss

Lessons?


- (1) Be careful if buying the "peaks". . .
- (2) It can be beneficial to cut the losers loose, using an Exit Strategy / Stop Loss...


"I am never wrong! - or am I?"

 **Cutting losers – Stop Loss**


Lesson 2 — cut the losers


- Aim for winning positions where the average profit is greater than the average loss.
- Even win/loss of 40% can be a winner.
- *“The first loss is the cheapest”.*

© Copyright 2012-2022 Robert B. Brain — Brainy's Share Market Toolbox — www.cobectools.com 

 **Risk management**

How much to “risk”?


© Copyright 2019-2022 Robert B. Brain — Brainy's Share Market Toolbox — www.cobectools.com 

 **Risk management**


Effective risk management

Effective risk management can include:


- Put no more than about 2% of your portfolio “at risk” (using van Tharp’s “2% Rule”);
- Have no more than 10% (or 20% max) of your total portfolio in any one position;
- Have a pre-determined Exit Strategy;
- Have a Stop Loss position in mind before making a trade;
- Accept you’re wrong and strictly enforce the Stop Loss!

© Copyright 2013-2022 Robert B. Brain — Brainy's Share Market Toolbox — www.cobectools.com 

"I am never wrong! - or am I?"

 **STRATEGIES**

**Strategies
to help**

© Copyright 2012-2022 Robert B. Brain - Brain's Share Market Toolbox - www.sharebrain.com 

 **STRATEGIES**

Beware! Keep these "tips" in mind...

1. We can't be right 100% of the time;
2. A win/loss **ratio of 40%** can be a winner if:
 - losses are small and
 - profits are **bigger**;

BTW: Fighting the market is like standing in front of a herd of stampeding elephants.



© Copyright 2012-2022 Robert B. Brain - Brain's Share Market Toolbox - www.sharebrain.com 

 **STRATEGIES**

About "Mister Market"


BTW: Fighting the market is like standing in front of a herd of stampeding elephants.

If you have an opinion about a company's share price, and it is very different to the current trading, then who do you think is going to be proven correct? – **MISTER MARKET!!**



© Copyright 2012-2022 Robert B. Brain - Brain's Share Market Toolbox - www.sharebrain.com 


"I am never wrong! - or am I?"


 **STRATEGIES**

Beware! Keep these "tips" in mind...

1. We can't be right 100% of the time;
2. A win/loss **ratio of 40%** can be a winner if:
 - losses are **small** and
 - profits are **bigger**;
3. You **CAN** go broke taking profits! *
4. Let the profits run! *
5. Watch the risk and money management.


* – Not all "experts" agree.


© Copyright 2012-2022 Robert B. Brain - Brain's Share Market Toolbox - www.sharemarket.com 

 **STRATEGIES**

Calm and sensible

- Think about humility (being humble);
- Try to bring a degree of calmness and sensibility to the situation;
- Try to remove any emotion;
- Watch out for the cognitive biases eg. over-confidence, and *"I am always right"*;
- Don't automatically believe everything that we see and hear (another cognitive bias);
- Don't rush into it.

© Copyright 2012-2022 Robert B. Brain - Brain's Share Market Toolbox - www.sharemarket.com 

 **SUMMARY**

Conclusions

Trading insights: *"I am always right! (or am I?)"*

- In trading and investing, there is no such thing as "100% success".
- Accept that you will get some trading decisions wrong.
- Have an Exit Strategy / Stop Loss approach in place.
- Predetermine your exit before each trade.
- If a trade goes against you, and your stop is triggered, then exit according to your strategy.
- Do not hold losers for longer than necessary, because the loss can grow.

© Copyright 2023, Robert B. Brain - Brain's Share Market Toolbox - www.sharemarket.com 

"I am never wrong! - or am I?"

 SUMMARY

Don't forget my Toolbox

- Brainy's **Share Market Toolbox**
 - www.robertbrain.com
 - Loads of eBook (PDF) Articles
 - Info: share market, charting, BullCharts
 - Weekly Market Updates and Watch List
 - monthly e-Newsletters
- Good software – BullCharts
www.robertbrain.com/bullcharts/
- My contact details:
web site above, or phone: 0438 355 910



© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 73

 SUMMARY

THE END


See free stuff here:
www.robertbrain.com/free

Thank you.

www.robertbrain.com


or phone: 0438 355 910

© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 74

 SUMMARY

ATAA — networking, etc.


For totally unbiased and broad support:

 Australian
Technical Analysts
Association

- Seven locations around Australia
- Monthly meetings
- Lots of resources — www.ataa.com.au


© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com 75

"I am never wrong! - or am I?"




SUMMARY

EXTRA SLIDES
follow




© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com

76



Being humble

- Warren Buffett has often said – “Rule No. 1: Never lose money. Rule No. 2: Never forget rule No. 1.”
- FURPHY!!



© Copyright 2023, Robert B. Brain — Brainy's Share Market Toolbox — www.robertbrain.com

77
