

The very best books are those which help the trader think properly. Tactics and techniques are also important, and many books don't even cover that part of the game well. But the few that offer both the thinking and tactical elements are like fine gold. We have listed 10 books that will prove helpful to most developing traders. While not all of them possess the two important elements just spoken about, they are well worth delving into. The ones with stars have the dual elements and, as a result, they have had a dramatic effect on the way we think *and* trade.

Recommended Reading List

1. *How I Made \$2 Million in the Stock Market*, by Nicholas Darvas (****)
2. *Trading for a Living*, by Dr. Alexander Elder, John Wiley (1993).
3. *Japanese Candlestick Charting Techniques*, by Steve Nison, Prentice Hall (May 1991).
4. *How to Make Money in Stocks*, by William J. O'Neill, McGraw-Hill (September 1994).
5. *The Disciplined Trader*, by Mark Douglas, Prentice Hall (June 1990).
6. *Winner Take All*, by William Gallacher, Irwin (March 1997).
7. *Reminiscences of a Stock Operator*, by Edwin Lefever, Market Place Books.
8. *The Electronic Day Trader*, by Marc Freidfertig and George West, McGraw-Hill (1998).
9. *How to Get Started in Electronic Day Trading*, by David Nassar, McGraw-Hill (November 1998).
10. *Strategies for the On-line Day Trader*, by Fernando Gonzalez and William Rhee, McGraw-Hill (July 1999).

LAW #4: PROTECT THY MOST VALUABLE COMMODITY

As an active trader, you will be forced to deal with those occasions on which numerous brokerage downgrades, negative earnings reports, or