

Risk Control and Money Management - Bennett McDowell Discusses the 'Truths' About the Markets and the Importance of Risk Control and Money Management.

In an interview with InvestmentConnection.com, Bennett McDowell discusses the importance of risk control and money management while trading in today's markets. Bennett also discusses the 'truths' about the financial markets - price and volume.

(PRWEB) July 22, 2005 -- In an interview with InvestmentConnection.com, Bennett McDowell discusses the importance of risk control and money management while trading in today's markets. Bennett also discusses the 'truths' about the financial markets - price and volume.

Bennett McDowell is the President and CEO of TradersCoach.com. TradersCoach.com has been a professional trading organization, trading system developer, and has helped traders improve their trading skills. TradersCoach.com is unique in that it was developed by a trader for a trader. Bennett has also created his own trading system which trades "the Realities of the Market" while maintaining risk control.

Here is a sampling of the interview (the rest of which is available at http://www.investmentconnection.com/int/stock-trading-system_6.html):

IC Question: You know we talk about price and volume quite extensively. Why do the consider these to be the "Truths" of the financial market?

McDowell: Well, both price and volume really cannot be distorted. It's a fact; it's a truth of the market provided that price and volume have not been manipulated. They are absolute facts of the market. Compare that now, Walter, to like an indicator developed by man that actually distorts. All indicators are really a derivative of price and volume and therefore, actually distort the realities of price and volume to some degree and that's why most of them are lagging indicators.

IC: Why is risk control and money management so important when trading the financial markets?

Bennett McDowell: Well for starters, it keeps you from going broke! Seriously, all trading systems, no matter they are mechanical or even based on some fundamental information will have a periods of draw-down, which is nothing more that a series of consecutive losses. Risk control in conjunction with money management allows you to incur trading losses without the risk of ruin. So, therefore money management and risk control are key elements of success regardless of which trading system you use. So they are very, very important.

For the full audio interview with Bennett McDowell visit:
http://www.investmentconnection.com/int/stock-trading-system_6.html

InvestmentConnection.com based in Los Angeles, CA conducts audio and video interviews to help give investors the tools they need to succeed in a variety of markets.

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