

Letters to my Broker

P.S. What do you think
of the Market?

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SAMPLE

INTRODUCTION

by Clem Chambers

There are only a tiny number of copies of this book that have survived the 93 years since it was printed. I bought it from a dealer for a significant amount of money to add to my collection of books on the market.

I was not expecting such a hilarious classic.

In 1928 Eddie Cantor, the great American comic of his time, is reputed to have said, “My broker told me to buy a stock and that I’d sleep like a baby. I did. I wake up every three hours crying.” He may well have added other baby-like behaviour to the punch line but that hasn’t come down to us.

This book is in the same humorous vein, but not only is it a piece of hilarious writing, it is packed with market insight.

The amazing thing about this ancient book about the stock market is that it is so fresh and so relevant. It could almost be a modern satire.

It seems so impossible that a 90-year-old book could be so

relevant today and feel so contemporary that it feels like it should be a modern hoax. Can so very little have changed since 1919 that you can appreciate Joe's letters to his broker as if they were emails sent from a smartphone?

But **Letters to My Broker** is no hoax. This book, that catalogues the out of control behaviours of a trader, is a record not of today's market gamblers but of a speculator from just after World War I ended. It's a different world from today's high tech one, but not it seems for the trader.

For all the online trading technology, the overarching regulation, the thousands of educational books on investing, traders behave now exactly as they did 94 years ago. What is more, the results, losses and how they occur seem unchanged. It is like some steam-punk fantasy, without the fantasy.

I don't laugh at much; if something is funny I normally can raise a smile, but this book actually made me laugh out loud. It is perhaps the wicked way the author sends up himself (or perhaps his customers) with pinpoint accuracy, or perhaps, like all great satire, the way it strips away pomposity and humbug to reveal the sorry truth, which hits my funny bone. Yet it is not the humour wherein the value of this book lies. It lays out the behaviours that cost so many novice investors and would-be traders so much of their hard earned capital. These losses were real then and are real now. They are as significant as they are unnecessary.

Goldman Sachs employees have been known to call their clients "muppets," which translated in trader speak means clueless participants. In the markets, clueless participants are lambs to the slaughter. Trading is a game of winners and losers and muppets don't stand a chance.

Letters illuminates this and gives insight into the mistakes of the novice.

It's hard to start in the market and not be such a lamb to the slaughter. This book gives you a master class in how muppets behave and what can happen to them. Novice and experienced investors can

all benefit from this master class.

In the City of London, I recently saw a banner outside a poker room. It read, “Beginners welcome.” That was also surely the case in 1919.

It doesn't need to be like this, but as this book shows, for the last 100 years at least, private investors have been falling into the same traps.

I decided to republish the book through ADVFN Books as ADVFN is a haven for private investors and traders. The world needs this book back in print before it is lost forever.

At the same time I decided to annotate the book and bring a perspective to the text while adding various insights to focus in on crucial issues.

Joe, the book's protagonist, is a wealthy man, but his Wall Street dealings aren't going the way he planned. Driven by the excitement of trading and the lure of easy money he is prepared to constantly come off on the wrong end of the deal, chasing the illusory market killing.

Joe isn't a tragic figure, not at all. He is a man who will never starve. He has skill, determination and smarts. He has built a small fortune in the rag trade. If he loses his shirt he can sew another. Yet somehow he can't get to beat the street and instead takes a thumping from the market time and again.

He is not a quitter, he is not sorry for himself, not for a New York minute.

This is New York in 1919. There is no safety net. There is no regulator. There are no insider trading rules. Wall Street is the Wild West, and meanwhile the Wild West is also still the Wild West. There is no one to go crying to if you lose; there is no social safety net. If you get ruined, you get ruined.

Yet for all the difference in times and safeguards, Joe behaves like any iPhone wielding day trader punting today on Pink Sheet stocks in New York, AIM in London or Mothers in Tokyo.

While generations have come and gone and the world has

changed dramatically, the psychology, behaviour and fate of the “short life trader” has been left untouched.

This is a book to laugh with and to learn from.

It encapsulates all the emotions you will feel and many of the behaviours you will be tempted to follow. Through it you will meet the market scams that still haunt stock markets today even with the untold oversight set expensively to save us from such fraud.

It will tell you how not to invest and trade, which is as good as telling you what to do when it comes to overall profits.

Letters From my Broker is the classic investment book that nearly vanished from the record and I'm proud to bring it back for your enjoyment.

It is both a treasure and a treasury.

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Available in paperback and for the Amazon kindle.