



There's definitely a lot of stuff to learn about patterns – Elliott Wave, Gann TradingLevels® and volume – all are just part of the basics of charting, but it remains that you need to get your head around surfing short. Simply because there is more shorting to come, and besides all losses come from corrections of different degrees.

There are even patterns you need to understand in your own head as psychology in trading plays its part – be it market or your own world – the road to trading is a road into yourself. It's a space to be proactive not reactive, as that ancient dude said 'Know thyself', do an analysis on your own thoughts if you can catch them.

So what is selling short?

I suggest start reading the history and the different mechanics. Using Wikipedia type in 'short selling'. A good dose of history will put you in a good position with the concept and its variations.

How can I sell something I don't own?

A friend of mine would explain it like this: It's raining outside and I need to pop out, so I ask the secretary if I can borrow her umbrella. "Sure", she says, and off I go. Along the way I pass a chap selling umbrellas for five dollars.

I arrive at my destination and buy what I need and proceed to walk out through the doorway where I stop to open the umbrella and found a woman staring longingly at the umbrella, she says "Will you take ten dollars for your umbrella?" "Well sure" I say, and simply pick up another one on the way back off the chap selling umbrellas for five dollars, thus making five dollars on selling something I didn't have or own.