

1. Please, can you tell us something about your personal background (age, education)?

I started like a local journalist at 14 years since in those days my passion were the newspapers. I was attending the liceum at that time and after the school exit in the afternoon I was used to spend several hours in the local newsroom. My “special” job at the beginning of the career were police stations, where you get fresh news about car accidents or if you are luckier omicide stories and bank robberies, and funeral chambers in hospitals. My best friends in those time where gravediggers since they always had good news about suicides or people that sadly died leaving no money for their 10 little sons, let’s say they always had sad stories to write. Readers like sad stories. Then at 16 years old I was promoted to “politics” and I was used to attend the local municipal council, that works like a parliament and like a parliament is corrupt or inefficent or far away from the day to day reality of the people. Local municipalities are attended by thieves (the minority) and real idiots (the majority). But nobody will never write it. At 18 years old I promoted again and I started working and the local Court of Justice so in that period my best acquaintances were not gravediggers but drug addicts, bank robbers, cheaters, little countryside mafiosi. I think that journalism gave me a wonderful perspective on society and over all a capacity to quickly understand what cannot be written on a newspaper page but it is reality. After the University of Economics I eventually realised my dream and thanks to a recommendation I found in a casual way ( a friend of a friend, like in the movies ...) I went to Rome with a good place as an economic journalist in one of the best Italian financial magazine. This job lasted less than 6 months: when your father is an entrepreneur, you come from a land of entrepreneurs like Modena (Ferrari, Bugatti, Maserati, etc.), when most of your friends and acquaintances are entrepreneurs, it is almost impossible to obey orders. After 6 months I dismissed Top Trader – Report was born.

2. When and how did you begin with trading? What was “your personal trigger”?

I remember in 1989 I was sitting in a disco when I was 18 years old and a friend of mine (later on he became and he still is a succesful merger and acuisitions entrepreneur) started talking about trading and technical analysis. Since my parents were in a position to manage quite a lot of money belonging to my all familiy and they asked my help it was natural to start with an interest in the financial markets. The “personal trigger” in trading was to understand that with a computer and a price series I was a market player like a financial guru in London or Frankfurt. If like a journalist you will have always someone above you, the publisher, like a traders you will have above you only the markets. Since I have been working in a newspaper for 10 years under command of some chief editor or corresponsand, since I have been servicing 2 years in the Italian Army like a Lieutenant, I know how heavy is to obey when you have freedom in your heart.

3. What was your most positive experience in trading?

I think that trading is a very special issue: here know how can beat character and even if is seems impossible it is very easy to collect and ammass know how. When I say that it is easy it does not mean that everybody does it. Top Trader – Report is the history of a cumulative know how process that involved many people: we start sharing our experiences in 1997 and we still do. It is curious that those that stole our experience or used our company just to enter the market now they are dead or they run marginal businesses. In 1997 Top Trader – Report was born like a bridge among traders, but “real” traders, we did not and we do not accept fake traders. At those times we were

used to upload the settlement reports issued by the brokers since we were putting our mouth where our wallet was. Readers knew it and it is why they esteemed us: they knew that if we were wrong we were losing our money on the markets. Since those days we have changed since nobody put in doubts we are real traders and it is why we built up our reputation in Italy. On the website we were exchanging our experiences without any hesitance and many of the Top Trader Championship winners came from the ranks of Top Trader - Reporter the opposite: they joined after they won and after they understood what really was Top Trader – Report .

4. Which was the most negative one? What did you learn from this?

**“On ne prête qu’aux riches”** was used to say André Mazerat, the famous director of Crédit Lyonnais. The same is for trading: only rich people will get money from trading. To make money on the markets you should already have money in your pockets. This is very sad but it is reality. Anyway there are exceptions: there are quite good traders around that they started with the famous 10.000 euro but were lucky or good to start trading covered warrant in 1998 in Italy or stocks in US markets in 1997 so they made a fortune and now they are trading normally futures. This is very common. But do not think that you will make money if you have a family, a wife, a son, 10.000 euro in your account and a part time job.

5. How would you summarize your concept of trading / strategy?

**I am old, white hairs, quite a large belly, I spent 10 years on the markets so if I do not have trading systems that tell me when to enter or exit the market I would be dead now. Everyone has his own experiences in trading and for me making every day decisions would kill me. It happens I trade in real time during real money seminars in a discretionary way and on an intraday time frame but frankly speaking this is not my trading since many years and I do not believe I could do it every day and even I would not stay all my life in front of a computer monitor. It happens also that I make money during real time real money seminars but my attention is not very deep so that if I would make intraday trading in a discretionary way for more than 3 days I would lose all my money.**

6. Which special techniques of analysis do you work? (Candlestick, Indicators, Counts)

And why?

**I check the markets in a very speedy fundamental way, then I apply my systems, I try to figure out the broad picture and then I also make some discretionary choices. But very few.**

7. Does volume matter for your approach?

**For stocks the volume is 50% of the broad picture.**

8. Do you mix timeframes?

**Yes, for futures daily and 60 minutes, for stocks weekly and daily**

9. Which software do you use?

**Tradestation. I am old, I know there are other good softwares around but the lock in effect keeps me from learning new programming codes. I fear that in the futures I will be forced to learn eSignal since it becomes more and more the new standard in trading systems programming.**

10. Are you a systematic trader?

**YES**

11. Where do you see the advantage(s) of systematic trading (If there is one)?

**First: in my experience all the discretionary trader in the long run are dead except some exception (Remo Mariani in Italy, Birger Schafermeier in Germany, etc.). Since I know very well the exception I know I am not an exception and there is no other solutions that to use trading systems. I know quite enough “old” systematic traders around. Second: in my experience, except in 1998 – 2000, the most money I did was with systems so I do not have other clue. If a bull market like in 1998 would happen again I will trade again in a discretionary way. But this will happen in 2010 or later on.**

12. What can trading systems do and what not?

**Trading systems can survive more than a human being, or let's say it is more likely they will do.**

13. At which point enters subjectivity the game?

**In my case very seldom and it is pure chance**

14. What is the most important characteristic of a successful trading system or trading strategy?  
**Not to be optimized with CONDITIONS. Everybody speaks about numeric inputs (e.g. how many days in a moving average) but this is not the point. Trading systems should have few rules and not hundreds.**

15. Which factors of a trading system to care of mostly?

**To have a good average trade in percentage terms (more than 1% on stocks for futures is much more complicated).**

16. Do you still look for new setups?

**I have a very stupid approach to new setups: I buy all the advisory services, books, softwares that come out and I check them. In 99% of the cases they are simply rubbish, but that 1% in the long run makes the difference.**

17. Do you optimize your trading systems and how?

**I want input that offer a wide range of profitable situations, not a moving average with 10 days that makes million and with 11 days it loses the shirt.**

18. Which markets do you trade and why?

**Eurex products and Italian stock and futures. On the CME Euro / Dollar even if it is absurd because we trade it in a daily basis and we really spend a lot of energy to place stop loss at 12.01 in the morning.**

19. How important is money management?

**If you trade few contracts zero: I do not want to be unpolite, but if you trade 4 bund per systems and you test your strategies with a changing size the resulting equity will be smoother, ok, but final net profit will be much lower. Since I am trading maximum 4 bunds per system and 4 dax when I will face the problem to trade with 10000 contracts I will think about it. But I think that this question was different: how important is risk management. That is another story because for little accounts that trade multimarket and multisystem risk management (stop loss, target price, etc.) are very important.**

20. How much of your trading-account do you risk per trade (%) ?

**We try to normalize the average trade: we want that all the systems we trade have the same average trade and the same statistical properties. We have a little account (100.000 euro) so that we have a fixed number of contracts that we trade on every futures and on every systems depending on the average trade. How many contracts in total ? They should give us a reasonable amount of money every month (we call it “the salary”) and over all they should have a reasonable drawdown that we can stand with without psychological problem. This is reality, all the rest is theory.**

21. How many winner have you per loser and what is your actual return-to-risk-ratio?

**If you take a channel breakout and then you apply it with an variable input, let’s day 10 days, 20 days, 30 days, 40 days, and then on an intraday basis, and then on a monthly and weekly basis, and then you sum up all the equity lines possibly you will end up with a portfolio equity line that is smoother than all the other single equity line. I know people that trade a single system with different inputs just to have a portfolio. This is obviously a false portfolio because there is only a system but it give you an idea of the fact the more the systems the better the equity. So if you have a limited amount of trading systems (in our case because we have only a secretary to trade them and she cannot trade more than 10 systems) and a limited amount of money (let’s say up to 100.000 euro) and a limited type of contacts to trade (bund, dax and euro / dollar) you should not focus very much on the equity line because it will be fantastic in the past but not the same in the future. Moreover it would be logic to split the number of contacts, let’s say 30% on euro dollar, 30% on Bund, 30% on Dax, but it is difficult that you trust all your systems in the same way and moreover it is not sure that, if you trade on an intraday basis, there will be congestion on a daily basis that will be very rewarding on the intraday basis. So if you make many test you will see that in those conditions it is better to treat every system and every contract like a separate entity normalizing the average trade.**

22. What differentiates you from other – not so successful – traders?

**To be successful or not to be successful it is not me that I can say. I think that beyond successful and unsuccessful traders there are “sufferance traders”, people that did not find their way, maybe they are making money, but they are suffering. I would accept to be a not so successful trader but never I would be a “suffering trader”. When I trade I want to be very confident and quite. That’s all.**

23. Which advice can you give to a beginner?

**Look for another job: there are plenty of stupid works that have a return higher than the average trader.**

24. What are your plans for the future?

**To be invited many times to Germany to hold a seminar just to have an excuse for my wife for a lonely trip.**