
A Personal Million Dollar Story I Don't Mind Sharing

Posted by ttt - 2007/11/05 05:25

A Personal Million Dollar Story I Don't Mind Sharing

I aspire to be a millionaire!. Yes.. a millionaire. But then who doesn't?

Way back in June 2006, I started planning my route to a millionaire's club. Way back then, I did not know whether I was an investor or a trader. This seems to be the first question a newbie has to response when chatting for the first time in the talkandshare.com. Now I know I am a trader because I despise tying up my money in the stock market if it is not growing daily.

I began trading/investing going against two in stock market. Firstly, I used an overdraft facility of RM200,000. at any one time I did not exceed RM180,000 so that when the monthly interest was added to the account, it did not exceed the limit. Secondly, I traded/invested in warrants only, and only one warrant at a time.

In late November 2006, with the Bursa CI trending upwards plus a little knowledge in Fundamental Analysis and almost zero in Technical Analysis, I bought 1,050,000 units of TA-WB @ 14 sen/unit and started planning on my PDA what to do when I gained RM1,000,000. Hmm.. I am a normal human being. Before I slept each night, I would check and revise the plan. Many a times, I raised the target price because I needed more than a million to fulfill my immediate needs as a new millionaire.

Every trading day I started work at my workstation at 8.30 am, took a break from 12.30 pm to 2.30 pm, and stayed back until market closed at 5.00 pm monitoring my million-dollar-to-be TA-WB. I chose TA-WB because of TA Enterprise's solid fundamental. Furthermore, there were share buybacks at that time by none other than the spouse of the Executive Chairman of the Company. "When Datin bought back mother shares, the company must be going for the better", I reasoned. When the price reached 19 sen I told my wife I made a paper profit of RM50,000. She begged me to take profit. RM50,000 is a lot of money, she said. I told her my target was RM1,000,000.

The price kept creeping up. It reached 21 sen. I was happy and excited. Then the price started falling. It's ok for the price to oscillate as long as its overall trend is up, I told myself. Gone were my happiness and excitement. When the price came down to 15 sen, I panicked. Sell or hold, sell or hold I asked myself. Finally I sold @ 13.5 sen. I lost RM6,800. Not only that, the interest on the overdraft kept adding up, RM1,200 a month. Later I found out that the price I sold was the lowest that day. It closed @ 15 sen.

I was not to be beaten. I believe that during a bull market it is not that difficult to gain from stock market. I believe that it is a matter of choice and timing. I scrutinized all the warrants available, checked their exercise price and expiry date, and the health of their mother shares. During the second week of January 2007, I entered the market again. This time I purchased 1,020,000 units of Asiaep-WA @ 13 sen/unit. With the TA-WB experience still fresh in my mind, I disposed all of them @ 22.5 sen the following week with a gain of RM94,900. Not bad, I told myself. If I could repeat it ten times I would achieve my target.

Late January 2007, I bought TA-WB again. This time 700,000 units @ 24 sen/unit. The next day the price of TA-WB refused to rise, so I sold @ 23.5 sen. Again I lost, this time RM5,370. I had no luck with TA-WB although I believed that TA Enterprise Berhad was a strong and profitable company with diversified business. I immediately bought Ancom-WA the same day, 350,000 units @ 22.5 sen/unit. This time I was lucky again. The warrant price gained the next day with high volume, and I sold all @ 31.5 with a profit of RM30,683.

By then the Chinese New Year was fast approaching with a two-day break, 19-20 February 2007. I was contemplating whether to buy and hold over the two-day break or to buy after the new year when daily volume on Bursa started to increase. Not to miss the bull market, I finally decided to buy and hold. So on 14 February 2007, I purchased 1,200,000 units of Insas-WA @ 17 sen/unit. It closed @ 20 sen. The next day it opened @ 21 sen, went up to 24 sen but closed @ 21 sen. On the last day before the break, it opened @21.5 sen and went up to close @ 28 sen. I smiled to myself, happy that I had made a good decision.

Come 21 February 2007 after the Chinese New Year break, Insas-WA opened gap-up @ 30.5 sen and went up all the way to close @ 53 sen. I was ecstatic at the paper gain of RM427,500. The following morning it went up to 58 sen before it succumbed to selling pressure and closed the day at 47.5 sen. I did not sell, hoping for it to go up further. The next day it opened at 47.5 sen and went down to 40 sen before closing at 43 sen. I sold the following day @ 43 sen with a gain of RM308,000.

On 27 February 2007, Bursa CI experienced a sharp drop. I then decided to take a break and went to Singapore for a holiday.

Looking back, TA-WB reached a high of RM1.21 before the sharp drop. Had I held to 1,050,000 units of TA-WB I bought

in November 2006 and sold @ above RM1.15, I would have achieved my target of gaining RM1,000,000â€!. Sigh.

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Posted by Tarzan - 2007/11/05 05:45

There are always opportunities in a correction. In KLSE (not KLOFFE) I normally will trade half of value of what I will normally buy in a plunging market. Somehow I am more upbeat in a falling (not drifting) market. My experience has been it takes me quarter the time to make the same amount of money I would make in a up market. I hate drifting down market. I love plunging market when fear roams. Steven Vines (a finance journalist) shared the same experience as me in his book Market Panic (rm60+). This is a good free time easy reading. NO FA NO TA.

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Posted by Ben - 2007/11/05 16:00

Marvelous!

You have already covered more than 40% of the journey to your millionaire club. At the speed you are going, you will be there sooner than you expect. I wish you all the best and a safe and prosperous journey.

I can see that cutting losses quickly is your intelligent move. And though you let your profits run, you did not let it run its full course. Hence you missed the best of the dishes. Now that you have knowledge of TA and FA, I believe that you are going to make very much more. Keep doing your homework well. And as long as you are able to keep your loses small, your risk is minimized.

I am really glad to know that in your case, losing money is the beginning of winning money. Generally, it's the other way round.

Cheers and all the best.

(In your article, you stated late November 2007, this I think should be late November 2006).

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Posted by ttt - 2007/11/05 16:11

Thanks Ben, corrected, and thank you for your guidance and encouragement.

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Posted by KcL - 2007/11/06 00:38

yo ttt, very exciting article, thanks for sharing. they say the 1st million is always the most difficult one, the next one will be easy.. heheh.. I don't know :shrug: and I hope you will update us when you make it..kekeke

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A Personal Million Dollar Story I Don't Mind Sharing

Posted by ttt - 2007/11/06 02:33

Yo KcL.. surely will do...discreetly.

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A Personal Million Dollar Story I Don't Mind Sharing

Posted by Philip - 2009/04/14 18:24

ttt, i am very inspired by the story.

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A Personal Million Dollar Story I Don't Mind Sharing

Posted by pssoon - 2009/04/18 20:22

hi.

I must salute you ttt. Making money with "opm'(other people's money , in this case bank's money) .Congratulations. I admire your courage and wisdom because you know when to hold and when to fold. Reminds me of "deal or no deal".TV series. I wish you a safe road to further prosperity!!

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Posted by Steven Jack - 2009/12/16 19:56

I am very much appreciate on your interesting story. I am really enjoy to read this.

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A Personal Million Dollar Story I Don't Mind Sharing

Posted by Deon Lee - 2009/12/17 02:28

Hi,

Excellent story - as you always provide and inspires me to come again and again. There is one more valuable resource I'd like to share with others viewers. Thanks....

penny stocks <http://www.talkandshare.com/images/fbfiles/images/Stockegg.JPG>

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A Personal Million Dollar Story I Don't Mind Sharing

Posted by Wan Keong - 2009/12/26 08:28

wow.. this is really interesting..

i am new in share trading, hope can know more about your success story..

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A Personal Million Dollar Story I Don't Mind Sharing

Posted by Jenny Ponting - 2010/04/13 03:33

Best of luck in your journey to become a millionaire!!

one thing i noticed in your story is, never fall in love with a stock, sell when you think is right. guess you have done that mistake with your first purchase

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A Personal Million Dollar Story I Don't Mind Sharing

Posted by Jeremy - 2010/04/13 04:20

Yes, never fall in love with a stock. And sell your stock when you love them most.

