



>: Teeka Responds

Tuesday, May 2, 2006 / Teeka Tiwari

Last week, the team here at Tycoon sent out a very flattering (and highly unusual) email outlining, among other things, some of the reservations I had about starting my own investment newsletter and continuing to write for the Tycoon Report.

To be perfectly honest, my initial reaction when I read the email was, quite literally, shock. Not only was the email itself a surprise to me, but the responses I've read from many of you were truly eye-opening.

It makes me very happy to know that the ideas I've recommended in these pages have helped many of you make enough money to pay that mortgage, buy a new computer, or get that new car you've always wanted.

But in the past week, so much has been written about me that I thought I would use my space today to clarify the story a bit.

Writing For The Tycoon Report

When I began writing for the Tycoon Report almost nine months ago, my goal was to share some of my experience, knowledge and passion for investing with the public. My hope was that I could, in some small way, give back to an industry that has given my family and me so much.

But as Dylan explained in his email to you last week, getting this off the ground was no easy task.

First, it meant that I couldn't trade the same recommendations I wrote about here in my hedge fund. That meant that I was putting myself in the bizarre position of having to watch all of the stocks I recommended in these pages go higher ? and not make a single penny for my fund!

As someone who has spent my entire career ?eating what I kill,? it was quite odd. Fortunately for me ? and I thank the good lord for this ? I'm in a financial position where I can afford to do this.

I've also seen what the team here at Tycoon sacrificed when they left lucrative Wall Street careers with the insane notion of leveling the playing field for individual investors.

And since I do believe that all great causes begin with a great sacrifice, I was more than happy to do my share.

The second hurdle I had to overcome was the actual act of sharing my advice with the investing public.

You see, on Wall Street, conducting your investment operations in secret is often the difference between making or losing millions of dollars. After a lifetime spent guarding my secrecy, just the act of discussing my ideas in public was a leap (especially when I started seeing my name quoted on blogs that I'd never heard of before).

That's why I only committed six months to the Tycoon Report. I figured that if it didn't work, no harm no foul.

But while contributing my time these past nine months I have received many emails from our readers. Many of you have shared your personal investment experiences with me.

What I've seen more clearly than ever is that the investment research available to you, the ?little guy,? is *isappalling*, and that realization has really had a huge impact on me.

Even more impactful was that I've been incredibly humbled and stunned by the outpouring of support and encouragement I received from the readers of the Tycoon Report to stay on and to start my own newsletter.

I received an especially poignant email from a member that we'll call ?M.?

?M? has metastatic melanoma and has been given a 20% chance of surviving. With two children, M's biggest fear is not having enough money to leave for their care. ?M? expressed their gratitude for the money-making ideas I have shared to date, and asked for me to stay on.

When my wife and I read this, we were deeply moved.

It's true that I help the super-rich become even richer. But what happens if you can't afford a guy like me? What happens then? What happens to the ?M's? of the world?

This is a weighty question, and one that I have struggled with and spent time with my family discussing.

I feel a sense of social responsibility to share with you what I know. If I can help one ?M? achieve his or her financial goals, it will mean more to me than any other personal goal I have even achieved.

My Main Concern Right Now

My main concern is that my approach will not translate well to the general public.

As a hedge fund manager, I never find myself in a position where I have to justify my decisions or hold anyone's hand. My clients trust me implicitly, and I have a very strict ?No Crybabies? and ?No Monday Morning Quarterbacks? rule.

The kind of trading I do generates giant returns, and along with giant returns comes volatility.

The big boys and girls that I manage money for understand this as part of the game, and accept it willingly. (Those of you who've been fortunate enough to play the OSX trade know exactly what I'm talking about.)

Can you accept that kind of volatility on the road to big profits?

Another aspect of the newsletter business that concerns me are clients who want ?action for the sake of action.?

I've learned that over-trading can kill an account faster than greased lightning.

In fact, a large part of my success comes from only trading on my terms and when the conditions are just right.

Over the last 17 years, I have honed several key technical indicators that tell me with unerring precision EXACTLY when I should be in stocks, and exactly when I should be out of stocks. ?

? but that means that sometimes I can go weeks without putting on a trade. The other side of this is that when the timing's right, I may run dozens of trades at a time.

Are you OK with a lot of activity one week and no activity the next?

Many of the instruments I trade are exotic as well.

In addition to going long and short, I buy options, commodity futures, index futures, index options, equity options, domestic stocks, foreign stocks, government bonds, corporate bonds, zero coupon bonds and currencies.

On any given day I may buy a position in the morning and sell it in the afternoon if I don't like the action.

I am very quick to sell a stock if I see the action start to turn in a way I don't like or anticipate. Through vicious experience, I've learned that the first small loss is the best loss, and have learned the importance of keeping losses small.

Many people think, ?How can you love something in the morning and hate it in the afternoon?? Their minds just don't work the way a professional money manager's does.