

YOU ARE LIVING IN A CAPITALIST SOCIETY — SO WHY AREN'T YOU A CAPITALIST?

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There is absolutely *no* reason in our society why *any* person, even a person with a fairly ordinary level of education — a high-school education at most — cannot be quite wealthy, at least by most people's standards (well, not by Bill Gates' or Warren Buffett's standards of course).

Even a panhandler, living off the coins dropped into his or her cap by passers-by, can be a multi-millionaire within ten years, if only he or she were to make the attempt ... and make it *properly*.

This document will show how, with a reasonably small amount of effort, anyone with a modicum of brains, even if they have almost no education, can turn a single dollar — or euro, or pound sterling, or Swiss franc — into *well over a million, well within ten years*.

THE POWER OF ONE PERCENT PER DAY, COMPOUNDED

If you had just one dollar (or euro, or pound sterling, or Swiss franc) and could invest it in something that would make it grow by just *one percent every day compounded*, do you know how much you would have by the end of any given number of days, or years?

For instance, if you were to manufacture some product for *one dollar*, and sell it the next day for just *one cent more than one dollar*, and kept on reinvesting the returns from your sales to manufacture more and more such products and sell them all the next day for just *one percent* more than it cost you to make them — do you know how much money you would make in a year, or two years, or ten years?

Even if you were to work only five days a week doing this, with a two-weeks' vacation every year, you would still have 250 working days every year (52 weeks per year, which minus 2 weeks vacation every year leaves you 50 weeks, multiplied by 5 days per week: right?)

Well, 250 days at one percent per day, compounded, comes to *well over a thousand percent a year!* (Actually it's more like 1,203 percent.)

In other words, within a year, your single dollar would become \$12.03 dollars. Not a heck of a lot, I do admit; but ... within *two* years it would become \$144.77, and within *three* years, \$1,741.93 ... and in just *seven* years, it would turn into *well over \$36 million!!!*

And it doesn't have to be *merely* a 1% profit per day. Why not make something for a dollar and sell it for a *10%* profit the next day, ploughing the profits back into your business and letting it grow? At that rate, it takes *only seven months* for you to reach a million dollars.

And at a *50%* rate of profit per day, compounded, you'd be a millionaire in only *35 working days*. That's almost like *overnight!*

IT DOESN'T HAVE TO BE SOME THING YOU MAKE

You may be asking yourself: “What could I make in one day for one dollar and sell it the next day for at least \$1.01, if not more ... perhaps *much* more?” There are in fact plenty of things you could make, depending on your skills. Jars of jam, cupcakes, kites, paintbrushes ... the list of products you could make for a dollar and sell the next day for *at least* \$1.01 is almost endless.

But it's also worth asking yourself whether you need to *make* anything at all. Why couldn't you use your dollar to just *buy* something that's *already been* made, and then turn around and sell it the next day for \$1.01 or more? Surely you could, especially if you bought the items wholesale and sold them retail.

Here's a story I read recently about someone who did something very much like that, earning a massive 1,500% profit per item (yes, you read that right: he bought items for less than \$1.00 each and sold them for \$14.99 each!):

If you want to take [say] \$2,000 and make an investment that will return heavily each month, do what I did: go to your local Mall and ask the rental price of a Kiosk. It was \$1,000/month where I live [Burlington, Vermont]. I rented the Kiosk, then set it up to sell Cell phone chargers and accessories. I then ordered car & home chargers for just about every phone model. After finding [a] wholesaler that sold them to me for under \$1 each — and they were the same charger Verizon carried; [I knew that] as I was [previously] the Verizon Regional Manager, and [they were also the ones] AT&T [carried], and [I also knew that] they sold them for \$29.99. I sold them for \$14.99 with a lifetime warranty: just bring the charger in broken and we would hand the customer a new one, no questions asked as long as they gave their name and number when buying, or had the receipt — but name and number was better for them just to not [have to] save a receipt for years. Then I carried cases for smart phones, and became an ACN [American Communications Network] rep, which also allowed me to be an authorized retailer for ALL the cell phone companies and have prices lower than ANYWHERE in the area, including AT&T, Sprint, AT&T local corporate stores ... they [namely, the customers] just ordered and the phone would be shipped Fedex overnight that [very] day, so I never needed to buy ANYTHING, but my commission was 10% of their monthly bill for AS LONG as they [were] customers of that service provider, so it also built [up] a residual income [for me]. Mall Kiosk, [start] your own business, after a month I made all my investment back, hired staff and then only showed up once a week. Then I got calls to *me* from other Malls wanting one of my kiosks in their mall. So [the] best way to invest a couple thousands bucks [is], open your own business.

Admittedly this guy already *had* a couple of thousand dollars; but many, probably most, people have that much saved up, or at a pinch, can borrow that much. Quite probably even *you* can raise that much, or, indeed, already *have* that much to your name.

Of course you, my very smart reader, will have spotted the main drawback to all the above schemes: it requires a fairly large investment of your *time and effort*. What if you have other interests, and don't *want* to spend all your days just making money? Isn't that a bit boring?

Yes, it is. And I have a solution to that problem too.

YOU DON'T HAVE TO BUY AND SELL THINGS

The problem with most *things* is that you need a place to store them while they are not yet sold. Plus the demand for them can go down, depending upon whether someone else comes up with something better than the items *you* have to sell.

All these drawbacks can be avoided by buying and selling *money*.

You can buy dollars with euros, say. Or pounds sterling with yen. Or vice versa. And sell whatever currency you bought for a profit when the exchange rate turns around in your favour.

This is called foreign exchange trading, or “forex” for short.

Forex has several advantages over other ways of making money. Some of them are:

- You don't need a place to store anything — your money is all stored electronically somewhere else.
- You buy one currency using another, so if the demand for one of them goes down the demand for the other goes up.
- You can start with almost nothing — even one dollar. Just let that single dollar grow at 1% per day and within seven years you will become a multi-millionaire.
- It takes almost no time to do trading: a few clicks of the mouse per trade is all that's required. And you can do your entire day's trading within fifteen or twenty minutes, if you want to do so. The rest of the time you can work at another paying job, or even goof off if you want. (This is probably the most important advantage if you have very little spare money to trade with, because while your money grows you will *need* an alternative income stream.)
- Forex trading takes place 24 hours a day, 5 days a week. So you can choose your own working hours.
- There is no commission. The most you pay will be the “spread”, which is the difference between the buying and selling price of the currencies you are trading; and that is usually not much more than a few hundredths of a penny per dollar traded: almost insignificantly small. (Some brokers do charge a commission, but even they charge only about 25 cents for every thousand dollars traded: which is again an almost insignificant amount.)
- You can get *leverage*.

LEVERAGE

Let me explain this last bit. Normally you do forex trading through a broker. Pretty much every broker will give you money of their own to do your trading: up to — sometimes — even a *hundred times* as much money as you yourself put into trading, or even more. So using a thousand dollars of your own, say, you can enter into trades of a hundred thousand dollars at a time!

In forex you *need* some degree of leverage, because the price of one currency *vis-a-vis* another fluctuates, on the average, only about 1% in any given day. You might think it's enough to make 1% a day, but as you will see when you study the subject, if the price of a currency pair moves against you for many days, you won't make any profit at all (though if you don't have any leverage, you also won't actually *lose* any money). The only time you will make that 1% profit will be

on the days when the price has moved *in your favour* by one percent, and that's not going to be every day — perhaps not even every three or four days. So your *average* profit won't be 1% per day: much less. Besides, some traders won't even let you use all your money to trade with, only half your money. The trader I personally use, OANDA, does that. (I don't exactly know *why* they do that, I have to admit.) So with such brokers you will need at least \$2 for every \$1 you trade.

But with *leverage* that's not an issue, because for every dollar you put into your account, the broker will give you many more dollars to trade with. If you live in Canada, for instance, OANDA will give you a maximum of \$50 for every dollar you put into your account. I believe it's the same if you live in the US. That's called "50:1 leverage". You don't actually *need* that much, though. You'll be fine with only 30:1 leverage, or maybe even less. Leverage of 30:1 is what I use. Even so, in no other business will you get even that much. Only forex brokers will offer it.

TRADING FOREX

Okay, now suppose you do decide to trade forex. What you will be doing is buying one currency — say, US dollars (or "USD" in forex lingo) using another currency — say, euros ("EUR" in forex lingo). In forex lingo this is called "trading the EUR/USD currency pair".

Some legwork will be needed initially. You will need to familiarize yourself with the methods and conventions of forex trading, and learn how to do it. There are many websites that will teach you to do so. One of the best is the Babypips School. You may need to spend some time — I spent two months — studying their tutorial. This will be the *education* you will need to trade forex.

Think of it this way. If you want to be a doctor or a lawyer, and using the skills of those professions, eventually earn a good living, you will have to go to school for many *years*. In forex, you only have to go to school for a couple of months to earn as large an income as a doctor's or lawyer's, or even larger. Plus you don't need to have their mad skills to do it. It's almost a steal!

After studying the tutorial you should do some practice trading. Most forex brokers will allow you to do it. They will provide you with fake "money" which you can trade on a computer, using some trading software. Get familiar with the software, which is usually free and provided by the broker. The majority of traders use software called "Metatrader", but personally I like OANDA's Java-based software. But it's a personal choice: use whatever software you feel comfortable with.

It's not real money you will be trading with in a practice (or "demo") account, so you can lose as much as you want while you're on your learning curve. It's more like "Monopoly money". You should practise, practise, practise till you are confident that you can earn about 1% a day of fake money consistently. Develop a strategy of your own, or find effective strategies on the internet. I have a few myself, and one of them is also outlined at the end of this article. Practise for a few months to a year. Think of this as the equivalent of a lawyer doing his articles, or a doctor doing his residency or internship. But you don't need to do it full time. Do it in your spare time.

Then open a real-money account, also called a trading account. But start small: don't put in too much money in the beginning. Again, I like the broker OANDA because they allow you to open a trading account with as little as one dollar, and to add to it, if you want to do so, in single-dollar increments. Most other brokers will require you to put into your trading account at least a thousand dollars at a time, which if you don't *have* a thousand dollars can be a bit of a drag. But everyone has at least *one dollar*. Even a panhandler can afford a single dollar.

WHAT IF YOU ARE VERY POOR TO START WITH?

What if you are *very poor*? Say, a panhandler. You might think that if you are a panhandler you can't do any trading because trading requires a computer, but you can at least use the computers at the local public library for free. And in Canada at least, the law requires that all Canadians be allowed to open a bank account at any Canadian bank, if they choose. To trade with real money you will *need* a bank account because you will have to get your money to the broker some way, and they don't accept cash. You can send it to them vial PayPal however, and anyone can open a PayPal account. If you prefer to do so and *can* do so, you can get yourself a credit card, because brokers will also accept credit cards for transferring your money to them.

So now you have a small amount of money in your trading account: anything from one dollar to a hundred, or even a thousand or more if you can afford it. Let it grow at 0.9% to 1.0% per trading day, using the strategy you will have perfected in your months of trading fake money in your practice account. There are 260 trading days in a year (five days a week, 52 weeks in the year). In one year you will have made more than ten times your initial money, and in two years, more than a hundred times your initial money. In three years you will have made more than a thousand times your initial money, and in four years, *ten thousand* times your initial money. In general, in x years your initial money will have grown to 10-to-the-power-of- x times its initial amount. So in seven years, even if you started with just *one dollar*, your account will have grown to ten-to-the-power-of-7, which is \$10 million! You'll have become a *multi-millionaire*. (What did I say?)

But you probably won't even need it to grow *that* much. In just *five* years it will have grown to over \$100,000. And one per cent a day of \$100,000 is \$1,000, which means that in five years you will have a *daily income of a thousand bucks*. Is that not enough for you and your whole family to live off? Admittedly it's not tax-free, but even so it's a gross income of \$260,000 a year: about the same income as that of as a high-level doctor or lawyer. What's not to like?

Okay, I admit that altogether you will need, not just five years, but five years of *actual* trading with *real* money. The five years we talked about don't include the time you will have spent during the learning curve. But even if you do count the learning curve time, which can be as much as a year or two, this strategy still enables you to be very well off financially within *seven* years — ten years at the very *most*. And if you start with, say, three thousand dollars or so, which almost anyone with a full-time job can start off with, you could become very well off within five years *even* if you were to need a two-year learning curve. (And you really don't need much more than that much time to learn and practice forex.)

I don't recommend putting much more than three thousand dollars initially into your trading account anyway, because unless you are good at trading, you may lose your money. There are several pitfalls to forex trading, the main ones being psychological and emotional. Intellectually, forex doesn't require much brains or skills, but a forex trader needs to be well grounded *emotionally*. One of the enemies of the man of forex is greed. Once you start making good money you start getting greedy for more money, and so you take more and more risks. That's not a good thing: that's the way to lose everything in your account. And if you lose everything you get afraid, and you quit forex altogether. That's the other enemy of the man of forex: fear.

Of course the worst enemy of the man of forex — even before he becomes a man of forex — is *doubt*. Most people doubt that forex can make them that much money: it sounds too good to be true. So they don't even make the attempt. They read articles like this one — and many others on the internet, for example “How Much Money Can I Make As a Day Trader?” by Cory Mitchell, or “A Great Money Management Strategy We Have Been Following For Years” by Chris Pottorff.

In this last article the author talks about how he and a few buddies — who were all admittedly good traders to begin with — turned \$1,000 into \$100,000 in just 14 months, which amounts to a daily profit of about 1.6%. People say to themselves: “I doubt that this can ever happen to *me*.” That, of course, becomes a self-fulfilling prophecy. It doesn't happen to them because they doubt that it can happen to them, and as a result don't do anything to *make* it happen to them.

One way to overcome your doubts is to read about others who have done it successfully. Read the articles at fxkeys.com and vantagepointtrading.com, for example. Experienced traders have told their own personal stories and given good advice on these sites, and indeed all over the internet. The fact that others have been successful in the past should give you some confidence that you can do it too. It may encourage you to at least give it a shot. “Whether you think you can, or you think you can't, you're right.” — *Henry Ford*.

But once you have overcome your doubts, then greed (or temptations) and fears become your worst enemies. You *have* to keep them in check. And one way to keep them in check is to be satisfied with *small* gains. Don't try to make more than 1% per trading day. Isn't a return of more than a *thousand* percent per annum good enough for you? That's what a mere 0.9% per trading day, over 260 trading days in the year, amounts to. You don't *need* any more.

THE ETHICS OF FOREX TRADING

Some people object to forex trading on ethical grounds, saying that it doesn't create any actual wealth, it only moves money around. While that's true as far as it goes, *successful* forex trading does serve a very useful *social* purpose: *it moves money from the rich, who hardly need it, to the poor, who need it much more*. It should be remembered that all major multinational corporations *have* to trade foreign exchange. An American multinational corporation that buys and/or sells stuff in Europe *has* to pay its European employees and suppliers in euros, and repatriate its European profits in US dollars. So all multinational corporations — including big banks — *have* to engage in massive amounts of foreign exchange trading. They simply have no choice.

As a result, any profit the little guy makes in forex — that's you and me, baby! — is more likely to be at the expense of very rich entities like corporations and banks, than at the expense of other little guys like you and me. Yes, it's true that 95% of forex traders are little guys like you and me, and that most of them lose money (mostly because they can't keep their emotions in check — we talked about that earlier, remember?) but they control only a small amount of the *money* being traded in forex. And *trillions* are traded in forex *every day*. It's by *far* the world's *biggest* market. Nothing else even comes close. *Most* of these trillions come from the big guys.

So if you are a *successful* forex trader, you are taking money from the rich and giving it to at least *one* of the poor: yourself. And it's all legal. I don't see that being unethical. In fact, I think of it as a *good thing to do*, and it would be even better if more and more people did it — right?

While if you are an *unsuccessful* forex trader — and many small traders are, possibly over 95% of them — you won't *stay* in forex trading for long. Why would you, unless you're a total idiot?

And that means the successful traders aren't making much money out of the unsuccessful ones. In fact, *no one* is making much money out of them: not even the big banks or corporations.

A PROMISING FOREX STRATEGY I HAVE BEEN FOLLOWING, WHICH YOU CAN TOO

I shall end with outlining a forex strategy my son and I have been following, and you can follow it too. You don't *have* to adopt it, but you can if you want. I don't mind giving it away for free be-

cause no matter how many thousands of other small traders adopt it, it won't make much of a dent in the multi-trillion-dollars-a-day forex market anyway! And big traders like banks and corporations *can't* adopt it and make anything like the profits we small guys can make, because they can never obtain the requisite leverage. (Nobody is going to give leverage for trades worth billions of dollars! Where's the money for such leverage going to come from?)

The exact details of my trading strategy are given at the following URL:

<http://www.ardeshirmehta.com/Cyrus%27sOptimizedStrategy.pdf>

If you follow the strategy, the likelihood of you losing your shirt is small. Not zero, admittedly, but small. It's not zero because in an economy anything can happen, like the stock market crash of 1929, or the 2008 sub-prime mortgage crisis; but such things happen rather rarely. Not every year, or even every other year.

And this strategy has a built-in safeguard against such crashes too. At the end of every month of trading, you could withdraw 30% of the profits you made during that month, and keep that money in a *separate* bank account to use as a "cushion" against any catastrophic unexpected losses. In time this "cushion" will grow to exceed the balance in your trading account. So if anything terribly awful happens, you will be able to get back on your feet in rather short order.

Anyway, the point is, you are living in a capitalist society; so don't *bemoan* it, take *advantage* of it! Don't wait for a handout; just do what it takes to become nice and wealthy yourself. *It ain't hard!*

"Don't find fault, find a remedy; anybody can complain." — *Henry Ford*.

Any questions? Email me: ardeshir@mac.com.