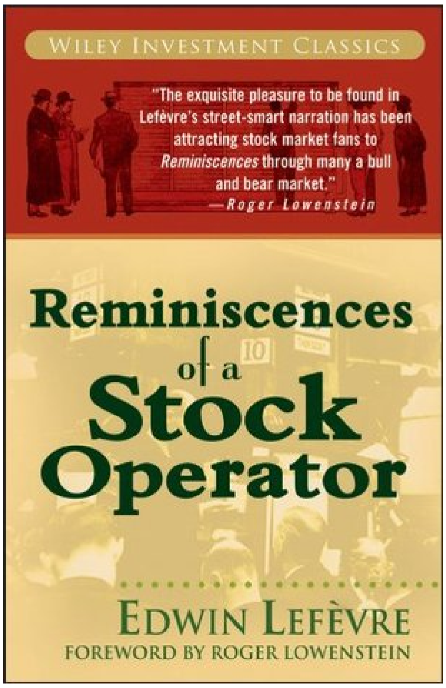

Reminiscences of a Stock Operator (A Marketplace Book)

Edwin Lefèvre , Roger Lowenstein (Foreword)

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"Although *Reminiscences*...was first published some seventy years ago, its take on crowd psychology and market timing is a s timely as last summer's frenzy on the foreign exchange markets."
—*Worth* magazine

"The most entertaining book written on investing is *Reminiscences* of a Stock Operator, by Edwin Lefèvre, first published in 1923."
—*The Seattle Times*

"After twenty years and many re-reads, *Reminiscences* is still one of my all-time favorites."
—**Kenneth L. Fisher**, *Forbes*

"A must-read classic for all investors, whether brand-new or experienced."
—**William O'Neil**, founder and Chairman, *Investor's Business Daily*

"Whilst stock market tomes have come and gone, this remains popular and in print eighty years on."
—*GQ* magazine

First published in 1923, *Reminiscences of a Stock Operator* is the most widely read, highly recommended investment book ever. Generations of readers have found that it has more to teach them about markets and people than years of experience. This is a timeless tale that will enrich your life—and your portfolio.

Reminiscences of a Stock Operator (A Marketplace Book) Details

Date	:	Published April 21st 2008 by Wiley (first published November 30th 1922)
ISBN	:	
Author	:	Edwin Lefèvre , Roger Lowenstein (Foreword)
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Genre	:	Economics, Finance, Business, Nonfiction, Biography

From Reader Review Reminiscences of a Stock Operator (A Marketplace Book) for online ebook

Rolandas says

Must read for everyone investor

George Jankovic says

This book is almost a hundred years old, but it's timeless. It chronicles the life of one of the most legendary stock traders. It reads like a fiction book. One can learn and have fun.

Christian Cianci says

One of my favorites. I'm a big time Jesse Livermore fan. For a guy like myself. I didn't come from a shiny university or have bankers as parents. Without those two credentials, breaking into high finance is hard. Livermore worked his way up, started with $0 and earned over $100 Million. His life is full of tragedy and redemption. He is a great American storyteller and turn of the century personality. More people should take the time to get to know the story behind Jesse Livermore.

Duffy Pratt says

This book is a marvel. It's well written. It clings very closely to the trade of a speculator, and barely touches on any personal life. For example, we only learn that the narrator has a wife when someone tries to use her to hook him into a stock manipulation. Everything focuses on the markets, and how the narrator interacts with the markets.

The technology, and the law, have changed enormously. But one of the central points of the book is that fear, greed, hope and ignorance will drive the markets for as long as humans make trading decisions. It's true that the advent of computerized trading robots may take those emotions out of some trading nowadays, and may lead to problems of their own. But those factors still weigh as heavily on the markets as they did at that time. And I don't think I've ever read a better explanation of how each of those things can impact trading decisions and price movements.

As with many memoirs, the beginning is the most electric, and has the most personal interest. Here, we start with his experience in totally unregulated "bucket shops," where the businesses operate on extremely high margin, and actively take positions against their customers to fleece them. People still accuse some online brokerage houses of working the same way. And the explanation of those mechanics showed me, for the first time, how it might still be possible (though much more sophisticated nowadays).

Even more extraordinary, given the feeling of authenticity throughout this book, is that it is a fictionalized account. Lefevre was a journalist. Apparently, he spent a few months with one of the leading speculators of the day. He talked with him, got to know him, and interviewed him extensively. The book is a distillation of that experience and those interviews. More than anything else, I think this book captures the mindset of a trader, and that is why it is still so admired. It's well worth reading for anyone interested in trading, or generally in Wall Street.

Manan says

Fantastic book. Only if I could give it more than 5 stars. Add to the list of books to be reread many times over.

Belhor says

If you have the slightest interest in stock markets then you should read this book. Even though it got dry at some parts in the middle of the book, I truly enjoyed it.

David says

An interesting insight into the work of Jesse Livermore, one of the most prominent stock speculators of the early 20th century. Given that this book is primarily an account of his numerous failures, contradictions, and his total inability to ever enjoy a vacation with his endlessly acquired, and then destroyed fortunes, the only thing I'm left confused by is why any sane human in their right mind would ever read this book as investment advice, which it seems that a good many confused people have. Read only for novelty, or as a moral fable against the hazards of stock market gambling. It's regrettable that this biography did not detail the end of Livermore's life, where he finally shot himself in the head, a deeply depressed and unhappy man.

John says

1) This is a 300 page bull-sesh

2) Good to audiobook in order to run the gamut of market reactions on yourself on somebody else's dime

3) Make no mistake this is not a good book, really dull compared to More Money Than God, When Genius Failed, or The Black Swan; less so than what little I read/remember of The Intell. Inv., but obvi RSO is addressing something wholly different than any of those

4) Definitely could have used this when I was a wannabe day trading teen, would have hated it, but I think it survives because he brings the truth

5) I wouldn't let the book's age deter you, because while the laws may be different and the schemes have different names the basic motivations are exactly the same

6) Read the quotes on the Wikipedia page to get the flavour or...

Subin Sukumaran says

This is the best book I have read so far on stock trading. Each page of this book should put in a frame and hang on your wall. A must read.

Subinjith Sukumaran says

What i think is he really was an heavy trader who cared more for the game of stock broking principles rather than the money part.A detailed book of intrinsic thoughts and feelings as an stock broker experiences during the trade off from his early trading days itself and how it actually affected his trading actions.good read

Bill says

I read this book virtually every summer, not only as a very interesting historical account of the life of a famous Wall Street trader in the early 1900s, but also as a learning tool. Or should I say continuing education. While the rules and regulations of Wall Street have changed dramatically since this book was first published in 1923, human nature remains virtually unchanged. Fear, greed, hope and pride are the same today as they were in the early 1900s and these core fundamental human emotions can account for the rise and fall of every Wall Street trader, from the tiny retail players to large hedge fund and private equity fund managers.

The book is a non-fictional Wall Street primer about "Lawrence Livingstone", a pseudonym for Jesse Livermore, the legendary lone Wall Street trader whose personal fortune purportedly peaked between 1.1 and 14.0 billion dollars normalized to the value of today's US dollar. Through trial and error and constant self-evaluation, Livermore developed strict trading rules and guidelines that are still practiced today by some of Wall Street’s most successful operators. However, ignoring his own rules and falling to the emotions of hope, fear, greed and pride, Livermore was often flat broke during his career and entered bankruptcy in 1934.

While $800,000 worth of annuities purchased in 1917 to hedge against the risk of getting wiped out in the market prevented his family from destitution and poverty, Livermore used a revolver shot to the head to commit suicide in late 1940. He had been suffering from depression and in his suicide note he describes his life as a "failure".

I have been enamored with Wall Street since I was a high school kid, not necessarily exclusively for the profit potential although that is surely a major motivator, but more with the observation of the psychology of the marketplace. Equity prices rise and fall according to vagaries of human emotions - think fear, hope, greed and pride. Remember Fed Chairman Alan Greenspan's famous "irrational exuberance" comment? The cauldron of fear, hope, greed and pride at full boil!

While this book is probably not a great fit for those with little or no Wall Street experience or interest, anyone who trades individual equities or commodities or is involved in overseeing a 401K account should give this investment classic a read ... often!

Erwin says

Reminiscences of a Stock Operator is the auto-biography of "Jesse Lauriston Livermore", a famous Wall Street speculator from 100 years ago. Livermore describes many of the tactics that he would use to drive prices, either up or down, and most importantly, how he would use the tape to understand prices.

Now that the markets are all fully imersed in the information age, a single speculator would be hard pressed to use the exact tactics that Livermore used 100 years ago, but the overall strategy and how the markets actually operate is surprisingly the same. Reading, you very rarely feel that the book was written 100 years ago --- it could have been 1 year ago.

I was amazed at the similarities between the tactics that Livermore describes using, and the tactics that George Soros describes in The Alchemy of Finance Reading the Mind of the Market. The parallels far exceed the divergences.

Livermore reminds us that, if you are going to engage in the markets, you should not listen to anyone. Most of the people are often wrong, as described in his favorite book Extraordinary Popular Delusions and the Madness of Crowds. When the bureaucrat, be he corporate or government, assures you that "nothing is wrong", then get your money and run. When the insiders announce nothing, but are buying --- then you should be buying.

The only way to get a stock price to move up is for people to buy it. The only way to move it down is for people to sell it. It's when you actually think about who is buying and who is selling what quantity in this batch and what quantity in total at what time --- that's where the real story is.

And there are some great speculators, like Soros and like Livermore that can just read the information available to everyone, but they are able to see the whole story --- or at least more of the story than the people around them.

Perhaps most importantly, the story really shows how empty the life of speculation is. Spending so much time and energy without changing anything, without creating anything. Considering that life is so short and time is so precious, the life of the speculator wouldn't be one of my first choices.

Omar Halabieh says

1- "Another lesson I learned early is that there is nothing new in Wall Street. There can't be because speculation is as old as the hills. Whatever happens in the stock market to-day has happened before and will happen again. I've never forgotten that. I suppose I really manage to remember when and how it happened. The fact that I remember that way is my way of capitalizing experience."

2- "It takes a man a long time to learn all the lessons of all his mistakes. They say there are two sides to everything. But there is only one side to the stock market; and it is not the bull side or the bear side, but the right side. It took me longer to get that general principle fixed firmly in my mind than it did most of the more technical phases of the game of Stock speculation."

3- "If the unusual never happened there would be no difference in people and then there wouldn't be any fun in life. The game would become merely a matter of addition and subtraction. It would make of us a race of bookkeepers with with plodding minds. It's the guessing that develops a man's brain power. Just consider what you have to do to guess right."

4- "There is nothing like losing all you have in the world for teaching you what not to do. And when you know what not to do in order not to lose money, you begin to learn what to do in order to win. Did you get that ? You begin to learn!"

5- "After spending many years m Wall Street and after making and losing millions of dollars I want to tell you this: It never was my thinking that made the big money for me. It always was my sitting. Got that? My sitting tight! It is no trick at all to be right on the market. You always find lots of early bulls in bull markets and early bears in bear markets. I've known many men who were right at exactly the right time, and began buying or selling stocks when prices were at the very level which should show the greatest profit. And their experience invariably matched mine—that is, they made no real money out of it. Men who can both be right and sit tight are uncommon. I . I found it one of the hardest things to learn. But it is only after a stock operator has firmly grasped this that he can make big money. It is literally true that millions come easier to a trader after he knows how to trade than hundreds did in the days of his ignorance."

6- "The reason is that a man may see straight and clearly and yet become impatient or doubtful when the market takes its time about doing as he figured it must do. That is why so many men in Wall Street, who are not at all in the sucker class, not even in the third grade, nevertheless lose money. The market does not beat them. They beat themselves, because though they have brains they cannot sit tight."

7- "Even as a lad I always got my own meanings out of such facts as I observed. It is the only way in which the meaning reaches me. I cannot get out of facts what somebody tells me to get. They are my facts, don't you see? If I believe something you can be sure it is because I simply must."

8- "A stock speculator sometimes makes mistakes and knows that he is making them. And after he makes them he will ask himself why he made them; and after thinking over it cold-bloodedly a long time after the pain of punishment is over he may learn how he came to make them, and when, and at what particular point of his trade; but not why. And then he simply calls himself names and lets it go at that. Of course, if a man is both wise and lucky, he will not make the same mistake twice. But he will make any one of the ten thousand brothers or cousins of the original. The Mistake family is so large that there is always one of them around when you want to see what you can do in the fool-play line."

9- "The weaknesses that all men are prone to are fatal to success in speculation—usually those very weaknesses that make him likable to his fellows or that he himself particularly guards against in those other ventures of his where they are not nearly so dangerous as when he is trading in stocks or commodities. The speculator's chief enemies are always boring from within. It is inseparable from human nature to hope and to fear. In speculation when the market goes against you you hope that every day will be the last day—and you lose more than you should had you not listened to hope—to the same ally that is so potent a success-bringer to empire builders and pioneers, big and little. And when the market goes your way you become fearful that the next day will take away your profit, and you get out—too soon. Fear keeps you from making as much^money as you ought to. The successful trader has to fight these two deep-seated instincts. He has to reverse what you might call his natural impulses. Instead of hoping he must fear; instead of fearing he must hope. He must fear that his loss may develop into a much bigger loss, and hope that his profit may become a big profit. It is absolutely wrong to gamble in stocks the way the average man does."

10- "The professional concerns himself with doing the right thing rather than with making money, knowing that the profit takes care of itself if the other things are attended to. A trader gets to play the game as the professional billiard player does—that is, he looks far ahead instead of considering the particular shot before him. It gets to be an instinct to play for position."

11- "A trader, in addition to studying basic conditions, remembering market precedents and keeping in mind the psychology of the outside public as well as the limitations of his brokers, must also know himself and provide against his own weaknesses. There is no need to feel anger over being human."

12- "A bear tip is distinct, positive advice to sell short. But the inverted tip that is, the explanation that does not explain—serves merely to keep you from wisely selling short. The natural tendency when a stock breaks badly is to sell it. There is a reason—an unknown reason but a good reason; therefore get out. But it is not wise to get out when the break is the result of a raid by an operator, because the moment he stops the price must rebound. Inverted tips!"

13- "The belief in miracles that all men cherish is born of immoderate indulgence in hope. There are people who go on hope sprees periodically and we all know the chronic hope drunkard that is held up before us as an exemplary optimist. Tip-takers are all they really are."

14- "I have found that experience is apt to be steady dividend payer in this game and that observation gives you the best tips of all. The behaviour of a certain stock is all you need at times. You observe it. Then experience shows you how to profit by variations from the usual, that is, from the probable."

15- "The manipulator to-day has no more need to consider what they did and how they did it than a cadet at West Point need study archery as practiced by the ancients in order to increase his working knowledge of ballistics. On the other hand there is profit in studying the human factors—the ease with which human beings believe what it pleases them to believe; and how they allow themselves— or by the dollar-cost of the average man's carelessness. Fear and hope remain the same; therefore the study of the psychology of speculators is as valuable as it ever was. Weapons change, but strategy remains strategy, on the New York Stock Exchange as on the battlefield."

16- "Speculation in stocks will never disappear. It isn't desirable that it should. It cannot be checked by warnings as to its dangers. You cannot prevent people from guessing wrong no matter how able or how experienced they may be. Carefully laid plans will miscarry because the unexpected and even the unexpectable will happen. Disaster may come from a convulsion of nature or from the weather, from your own greed or from some man's vanity; from fear or from uncontrolled hope. But apart from what one might call his natural foes, a speculator in stocks has to contend with certain practices or abuses that are indefensible morally as well as commercially."

17- "But today, a '"an is trading in everything; almost every industry in the world is represented. It requires more time and more work to keep posted and to that extent stock speculation has become much more difficult for those who operate intelligently."

Rohan says

One of the best books I have read.

"There is nothing like losing all you have in the world for teaching you what not to do. And when you know what not to do in order not to lose money, you begin to learn what to do in order to win. Did you get that ? You begin to learn!"

"As a rule a man adapts himself to conditions so quickly that he loses the perspective. He does not feel the difference much —that is, he does not vividly remember how it felt not to be a millionaire. He only remembers that there were things he could not do that he can do now. It does not take a reasonably young and normal man very long to lose the habit of being poor. It requires a little longer to forget that he used to be rich. I suppose that is because money creates needs or encourages their multiplication. I mean that after a man makes money in the stock market he very quickly loses the habit of not spending. But after he loses his money it takes him a long time to lose the habit of spending."

"To learn that a man can make foolish plays for no reason whatever was a valuable lesson. It cost me millions to learn that another dangerous enemy to a trader is his susceptibility to the urgings of a magnetic personality when plausibly expressed by a brilliant mind. It has always seemed to me, however, that I might have learned my lessons quite as well if the cost had been only one million. But fate does not always let you fix the tuition fee. She delivers educational wallop and presents her own bill, knowing you have to pay it, no matter what the amount maybe."

"The loss of money didn't bother me. Whenever I have lost money in the market I have always considered that I have learned something; that I have lost money I have gained experience, so that the money really went for a Tuition fee.
A man has to have experience and he has to pay for it. The money a man loses is nothing; he can make it up. But opportunities do not come everyday. "

Valery Bartashevich says

Absolute MUST-READ and timeless classics!
(If I had to recommend one book to read on the topic of trading in financial markets,
I would recommend this one!)
