

# Meet a self-made millionaire

Josephine O'Donoghue chats with Vince Stanzone about his self-made wealth, trading on the stock market and the economy today

**W**ith a huge mansion in Mallorca, millions in the bank and a dream lifestyle, you'd be forgiven for thinking Vince Stanzone was some sort of celebrity. In fact, he made his fortune by spread betting on the stock-market and developing his knack of predicting trends into a wildly successful trading system. We decided to find out more.

## What is your background in economics / the stock market?

I left school at 16 with a few O levels and managed to get a job as a junior at NatWest World Money Centre in Foreign Exchange in 1985 on the grand salary of £100 a week. From there I worked up and in less than 2 years I was trading multi-dollar positions for a large American Bank both in the UK and then in the USA. I trained on the job as well as studying everything I could in the evenings and weekends. I was always good with computers and would use the banks computers to programme my own trading systems.

## Describe your trading style

Trend following; all my money both in business and trading has come from seeing trends and getting in on them. I don't claim to be first in or first out but the bit in the middle which in many cases is a big bit is where I make

my money. Also unlike most I don't mind making money both from going short (betting things to go down) or long (betting things to go up). In many cases I have a spread of trades and trade pairs for example: *Short US\$ Index – Long Gold*; *Short Tiffany & Co. – Long McDonalds*, which was one of my actual trades in 2008.

## How did you develop your trademark betting style / method?

It was a build up from the knowledge I amassed whilst trading in real life situations. I have also always had an interest in psychology and why people act the way they do. Markets are all about psychology, crowds and perceptions – why does a

barrel of oil cost \$40 and then a few months later it's at \$147?

It's all about perceptions, greed and fear. I read various books and papers mainly from the 1900 to 1960 period and realised that nothing was new in markets and what happened in the past would repeat.

## How is your method of training different from the rest?

Many try to predict and be clever by calling tops and bottoms of markets; I trade



with trends and with what's happening rather than what should be happening. I have been around a long time and seen plenty of people and system come and go, yet I am still here, so that tells you something. Another main difference is my systems adapts to various markets such as commodities, shares, currencies and indices – trends are like fashion; they change and you need to adapt with them.

“...IN LESS THAN 2 YEARS I WAS TRADING MULTI-DOLLAR POSITIONS FOR A LARGE AMERICAN BANK...”

## How long did it take to perfect your system?

It's taken a good 10 years; I am now at the point where whilst I may make a few minor tweaks but the core system has not changed over the last 2 years. Whilst every trader wants to improve and every day is a learning process you have to resist the temptation to keep messing with what's working.

## What are your predictions for 2009 – will there be a crunch for everyone or

## will you still benefit from the changing market?

There are always opportunities in markets especially for trading both on the up and down. I don't make predictions; rather I let my systems tell me what the trends are. Right now I am buying agriculture and soft commodities such as Soyabeans, Wheat, Corn, Coffee and Cotton. After a large sell off in the second half of last year these prices are starting to recover.

## Can you offer any tips to anyone interested in spread betting?

Invest in education (and I am not saying that just because I have a course!). I would have paid anything to have learnt the information in my course rather than have to go through the pain and suffering losses to learn it the hard way. Once you have studied then start trading with few small bets and work up. Also start reading about psychology, understand your own, and understand crowd psychology. ■