THE GREATEST MONEYMAKING MACHINE IN HISTORY

A Longitudinal Study of the Trading Methods of Stan Druckenmiller

By

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Contents

Introduction

Stan Druckenmiller is one of the greatest traders ever. In speaking about him, notable hedge fund manager Scott Bessent once said, “Stan Druckenmiller may be the greatest moneymaking machine in history” providing the title for this paper. In the name of brevity, I will cut to the chase here and say that Druckenmiller is a must if researching great traders.

The goal of this paper is to decipher those things from Druckenmiller’s tool kit that can be used to increase the odds of successful investing and trading.

Few quick notes, I abbreviate Stan Druckenmiller as “SD” at times throughout this paper. I also use the terms trader and investor interchangeably and intend for these terms to indicate someone attempting to make a profit in liquid markets.

Caveats

In recent years, Druckenmiller has publicly stated he had to change his strategy (from the one he used to produce the legendary returns) as his former methods to earn his outstanding returns were no longer working as well. More specifically, in an interview with Erik Schatzker of Bloomberg, SD said:

> *"I have struggled…since we went into the QE business and suppressed all this volatility."*

We know from another interview where Stan made the bulk of his great returns:

> *"I probably made about 70% of my money during that time [while making 30+% a year] in currencies and bonds."*

Connecting the dots, we see Druckenmiller made the bulk of his returns in currencies and interest rates, both of which have experienced subdued volatility brought on by central bank actions in the wake of the 2008 financial crisis. Studying many investors and investment styles over time it becomes clear that strategies come into and out of style. But robust strategies tend to persist.

It is my belief that the strategy Stan used to produce his returns is in fact robust and thus, when volatility eventually returns to rates and currencies, the style will flourish again. With that in mind, consider the following from Druckenmiller:

- *"…one can always dream when the free money ends, we'll go back to a normal macro trading environment."*
- *"…I think the message [from markets aka price action aka a big part of Stan's process] over 8 or 9 months is still great…I just think over a week or two you're getting noise that used to mean something and now it doesn't mean anything. So maybe they're [prices] not efficient and they're noisy over a week or two but they're still pretty darn good predicting ahead."*

So, his approach still works on a longer-term horizon and it sounds like Druckenmiller thinks (or at least hopes) things will go back to normal with more volatility. In short, studying Stan's macro approach does not appear to be futile.

As a quick side note, the implication from above is that Druckenmiller was using shorter-term price indicators and thrived on volatility. This needs to be viewed in conjunction with the rest of this paper but keep it in mind.

Second caveat, Stan started as a stock analyst. However, per above, stock picking was not the main source of his amazing returns. To the extent this paper is focused on how he made money (it is), I will largely avoid a discussion of his stock picking methodology, instead focusing on the more “macro” trading where the bulk of the returns were made.

Finally, obviously some luck in the form of a good market environment for his style was present in earning the famous returns, otherwise his performance likely would still be 30%+ a year. Keep in mind that no one can predict nor control the market environment.

Soros Similarities

I wrote a [paper] about George Soros which is closely related to this paper. To save time and to avoid a lot of redundancy, I refer to that paper in this one and recommend you read it first given the similarities.

If you're unfamiliar with why you'd want to read a paper on Soros to learn about Druckenmiller, the first reason is they worked together for a long time. Beyond that, many of the things they have said about one another provide clues:

- *"...George Soros had become my idol. He seemed to be about twenty years ahead of me in implementing the trading philosophy I had adopted..." - SD*
- *"In my opinion, George Soros is the greatest investor that ever lived." - SD*
- *"Stan is in many ways better at age 40 than I was at his age." - George Soros*
- *"...Druckenmiller had done well enough to earn from Soros the ultimate compliment. He [Soros] calls him [Druckenmiller] his 'alter ego'" - Robert Slater (Soros biographer)*

Perhaps more compelling, the conclusions of the Soros paper (see my Soros paper for more detail) regarding Soros's process are echoed in the comments of Druckenmiller. Take a look.

Condensed Soros Paper Conclusions:

1. Develop a thesis about the future.
2. Take a small position to see if it works.
3. If it does work, add to it and ride the trend. If it doesn't work, get out.
4. When conviction is high, make the position "huge" but always manage risk.
5. Constantly reevaluate all aspects of the thesis, real outcomes, and price action.
6. If anything makes you think twice (emotions, price action, events not happening as expected) get out.

Now consider the following quotes from Druckenmiller:

- *"A lot of my style is you build a thesis, hopefully that no one else has built; you sort of put some positions on; and then when the thesis starts to evolve, and people get on and you see the momentum start to change in your favor, then you really go for it. You pile into a trade."*

- *“Soros has taught me that when you have tremendous conviction on a trade, you have to go for the jugular. It takes courage to be a pig. It takes courage to ride a profit with huge leverage.”*
- *“I’ve always believed markets are smarter than I am, they send out a message, and then, if I listen to them properly, no matter how powerful my thesis if they’re screaming something else, it’s telling me, “you’ve gotta reevaluate, you’ve gotta reevaluate” then you go back to it…you’ve gotta be open minded.”*

So, just like Soros, Druckenmiller creates a thesis. He then puts on a small position and waits for the price to confirm. When it does and he has high conviction, he wants to have a big position since that’s how to make the big bucks. He then reevaluates based on price action and is open minded (willing to change his opinion/get out). The similarities are too great to ignore.

I believe a key to understanding an investment process is to reduce it down to the essential drivers. With the Soros paper, before going into his total process, I identified the key driver of his success; his willingness to correct his mistakes or to take a loss. As with Soros, I believe Druckenmiller’s process is more driven by risk management than anything.

Risk Management

Consider the following comment (repeated from above):

> *"I've always believed markets are smarter than I am, they send out a message, and then, if I listen to them properly, no matter how powerful my thesis if they're [markets] screaming something else, it's telling me, 'you've gotta reevaluate, you've gotta reevaluate'…." - SD*

Whatever the thesis, it was rarely strong enough for SD to dig his heels in (with a few exceptions per my research - but these were the exceptions not the rule). Further, the following quote shows us Druckenmiller learned early on to respect price action:

> *"My first mentor, Speros Dreylles back in Pittsburgh, used to say, "a hundred million Frenchman can't be wrong", and that was his saying that the voice of the market [price action] was always correct and I need to listen to it. And it was true…"*

Beyond that, from his comments, we know Druckenmiller was open minded/flexible:

- *"One of the strengths in my investment returns over time, was being open minded."*
- *"…as my wife and others will tell you, he believes something on Monday and, two weeks later, he changes his mind…"*

These are characteristics that would lead one to be willing to change a position easily. Not surprisingly, Scott Bessent offered the following comment on SD in Drobny's *Inside the House of Money:*

> *"Stan's better at changing his mind than anybody I've ever seen…one of the great things about Stan is that he can and does turn on a dime. To paraphrase John Maynard Keynes, when the facts change, he changes his positions."*

Further, in discussing an attempt to short the stock market in 2018, Druckenmiller said:

> *"It didn't work. I got a bloody nose."*

At first glance, this doesn't look like much. But consider the following quote from the late great Martin Zweig:

"As a risk-control strategy, I use a system of stops…I'm smart enough to realize that a slap is easier to recover from than a beating…"

Much like Zweig's slap, I believe the bloody nose comment is essentially a way of saying Druckenmiller took a small loss. Indeed, Stan was aware of Zweig as he has mentioned Zweig in interviews.

Beyond that, SD offered the following on his risk management process in a recent interview:

…very unsophisticated. I watch my P&L [profit and loss] every day and if it starts acting in a strange manner relative to what I would expect…my antenna go up…I've always used my P&L because I've found all those risk models, they're great until complete chaos happens and then all the correlations break down…if you're watching your P&L and your antenna are up and you've been doing it for 30 or 40 years, I found it a much better warning system…

While Druckenmiller is not as explicit as Soros or Zweig in identifying a willingness to correct mistakes (i.e., cut losses) as the secret to his success, it is clear that Druckenmiller will respect price action and change his mind (i.e., get out or reverse a position) if the price action disagrees with his thesis. When you combine all the SD comments above with the fact that Soros was Druckenmiller's idol and the fact that Soros believed the secret to his own success was correcting his mistakes (aka cutting losses – see the Soros paper for a detailed explanation) there is only one logical conclusion, cutting losses is/was a big part of SD's process.

Trend Following

Outside of risk management, as with Soros, my contention is trend following drives the majority of Druckenmiller's process/returns. Consider the following comments from SD:

- *"George Soros has a philosophy that I have also adopted: The way to build long-term returns is through preservation of capital and home runs."*
- *"I've learned many things from him [Soros], but perhaps the most significant is that it's not whether you're right or wrong that's important, but how much money you make when you're right and how much you lose when you're wrong."*

Small losses and big wins are a hallmark of trend following. For more on this, see my Soros paper or my book on trading principles. Further, consider these SD quotes:

- *"...I also learned, that...when the trend started to go up, that's when I'm supposed to pile in."*
- *"When you're going up and down, but there's no real trend, that's a nightmare."*
- *"Volatility is only good if it is part of a trend and it is giving you entry points within a trend."*
- *"I've never made a buy at a low that I didn't just feel terrible and scared to death making it. It's easy to sell at the bottom. When things are going up, it's easy to buy them. When things are going down, it's hard to buy them."*

Buying highs and selling lows is trend following 101. Listening to the voice of the market (aka price action) is also a trend following maxim echoed by several other famous macro traders who "grew up" in trend following environments (ex. Bruce Kovner).

SD also offered the following advice regarding what books aspiring traders should read:

> *Reminiscences of a Stock Operator...there is a lot of wisdom in that book...just keep reading what the Old Turkey [character in the book] says about the trend and you'll have about fifty percent of the game licked.*

I have reproduced Old Turkey's wisdom here for your reading pleasure:

His name was Partridge, but they nicknamed him Turkey behind his back, because he was so thick-chested and had a habit of strutting about the various rooms, with the point of his chin resting on his breast. The customers, who were all eager to be shoved and forced into doing things so as to lay the blame for failure on others, used to go to old Partridge and tell him what some friend of a friend of an insider had advised them to do in a certain stock. They would tell him what they had not done with the tip so he would tell them what they ought to do. But whether the tip they had was to buy or to sell, the old chap's answer was always the same. The customer would finish the tale of his perplexity and then ask: "What do you think I ought to do?" Old Turkey would cock his head to one side, contemplate his fellow customer with a fatherly smile, and finally he would say very impressively, "You know, it's a bull market!" Time and again I heard him say, "Well, this is a bull market, you know!" as though he were giving to you a priceless talisman wrapped up in a million-dollar accident-insurance policy. And, of course, I did not get his meaning…What old Mr. Partridge said did not mean much to me until I began to think about my own numerous failures to make as much money as I ought to when I was so right on the general market. The more I studied the more I realized how wise that old chap was. He had evidently suffered from the same defect in his young days and knew his own human weaknesses. He would not lay himself open to a temptation that experience had taught him was hard to resist and had always proved expensive to him, as it was to me. I think it was a long step forward in my trading education when I realized at last that when old Mr. Partridge kept on telling the other customers, "Well, you know this is a bull market!" he really meant to tell them that the big money was not in the individual fluctuations but in the main movements – that is, not in reading the tape but in sizing up the entire market and its trend.

Quick caveat, the SD quote above on buying lows implies Druckenmiller did fight the trend. Per my reading, at times he did. As with Soros, there were exceptions to the rule. However, as evidenced by the following SD quote, perhaps the times he did fight the trend or buy on the lows he was doing so in less liquid asset classes which offered capital structure hierarchy after a debacle:

I've never lost money big in credit because the only time I ever buy credit is every eight years there's a complete debacle in the credit market and we go in and buy a bunch of credit.

The quote directly above was the only specific instance I found in recent history of SD saying he bought the lows. Given this, I am left to wonder if SD's buying the lows was mostly related to opportunistic situations in styles or strategies that were not his mainstay but offered such good reward to risk that he couldn't resist. Regardless, from my research it seems clear the majority of SD's process was going with the trend, not fighting it.

Summary/ Back to the Top

In my Soros paper, my initial summary said the following:

> *"...it is my contention that Soros is predominantly a fundamentally driven selective trend follower who respected price action above all else and had a very tight stop loss protocol. And his true skill was being the world's great loss taker. Thus, the biggest lesson from Soros is how to take a loss."*

While I think Druckenmiller's process is slightly different and Soros was a better loss taker (no one called Druckenmiller the world's greatest loss taker as far as I know), I think the same essential conclusion is true for Druckenmiller. He is/was a selective trend follower who respected price action above all.

With that established, I will take it back to the top and outline the Druckenmiller process as I understand it. I will do some comparing and contrasting with Soros along the way.

Philosophy

Soros's trading is governed by his overarching philosophy of reflexivity and boom/bust cycles. In my reading, I didn't find a whole lot on Druckenmiller's philosophy in the same vein as Soros. That said, we know Druckenmiller sought Soros out after reading *The Alchemy of Finance* (a book by Soros), so Druckenmiller must not have been repulsed by Soros's philosophy. Further, Druckenmiller has mentioned boom/bust cycles at various points in his interviews so he is clearly aware of these and recognizes them.

As far as Druckenmiller's philosophy, I found the following quotes from SD:

- *"I strongly believe the only way to make long-term returns in our business that are superior is by being a pig. I think diversification and all the stuff they're teaching at business school today is probably the most misguided concept anywhere. And if you look at all the great investors…they tend to [make] very, very concentrated bets. They see something, they bet it, and they bet the ranch on it. And that's kind of the way my philosophy evolved…if you really see it, put all your eggs in one basket and then watch the basket very carefully."*
- *"The way to attain truly superior long-term returns is to grind it out until you're up 30 or 40 percent, and then if you have the convictions, go for the 100 percent year."*
- *"It's my philosophy, which has been reinforced by Mr. Soros, that when you earn the right to be aggressive, you should be aggressive."*
- *"…but if a once-in-a-lifetime opportunity comes along, you can't sit there and go, oh well, I have not earned the right."*
- *"One of the strengths in my investment returns over time, was being open minded."*

Further, the following collection of quotes from Druckenmiller provide more general philosophy clues:

- *"…earnings don't move the overall market; it's the Federal Reserve Board…focus on the central banks and focus on the movement of liquidity…it's liquidity that moves markets."*
- *"…never, ever invest in the present…you have to visualize the situation 18 months from now…"*
- *"I learned this business to try to solve economic puzzles and try and think 18 to 24 months ahead"*
- *"My business…is risk reward."*

- *"Bulls make more money than bears so I think, if anything, being an optimist about things and about life in general is a great attribute to have as an investor you just can't be starry eyed and naive."*
- *"Logical doesn't mean profitable."*

With that backdrop, let's get into Druckenmiller's specific process.

Technical Analysis/Fundamental Analysis/Liquidity

Beyond his philosophy, we know Druckenmiller uses technical analysis and fundamental analysis in conjunction with liquidity. Here are a handful of related SD quotes:

- *"…price action versus news is a big part of [my] process…"*
- *"…used price action-news as [my] major disciplinary tool for 35 years."*
- *"I'm not really a value investor."*
- *"Valuation only tells me how far the market can go once a catalyst enters the picture…"*
- *"I use liquidity considerations and technical analysis for timing."*
- *"The catalyst is liquidity, and hopefully my technical analysis will pick it up."*
- *"I'm just going to trust my instincts and technical analysis to pick up the stuff."*

So Druckenmiller is using a combination of styles to trade. It sounds like the technical analysis plays a much larger role than fundamental analysis which jibes with my comments above on trend following (technical method) driving much of his process.

Hot/Cold

As per above, we know Druckenmiller believes a big part of success in investing comes from being aggressive when the "right" to be aggressive was earned. With that in mind, I found the following SD comments:

- *"One of my most important jobs as a money manager was to understand whether I was hot or cold…you must know whether you're hot or cold. And, in my opinion, when you're cold, you should be trying for bunts. You shouldn't be swinging for the fences. You've got to get back in the rhythm."*
- *"If I was down, I had not earned the right to play big."*

So, he kept track of his own performance and used that as a part of his process. When he was hot and making money, he would allow himself more latitude and would get more aggressive.

Caveat, Stan did say if a once-in-a-lifetime opportunity came along (see earlier quote), he would capitalize on it regardless. But it sounds like being aggressive when he was cold was the exception not the rule.

From there, just like Soros, we know Druckenmiller wanted a thesis to drive his process.

Developing a Thesis

The following SD quote, similar to those above but separate (to me, the redundancy in multiple locations confirms the method), tells how Druckenmiller starts.

> *"I'll get a thesis…"*

To the best of my knowledge, there is not one specific method of finding a thesis. From my reading, there are three main things to go on:

1. The "man from Mars"
2. The overall Soros empire process
3. Specific indicators (in their own section below)

The "man from Mars" I saw a few times in my Druckenmiller reading. The basic gist of it is if you knew the value of say some economic data "X" but you didn't know the value of some market price "Y", you estimate the value of "Y" based on "X" and then compare that to the actual "Y". An example from SD:

> *"Where do you think fed funds would be if you just saw this data and didn't know where they [fed funds] were?"*

In short, you estimate where something "should be" based on alternative information and compare your estimate to where that thing actually is. Presumably, when there is a big discrepancy, that serves as a catalyst for further research, thesis development, and possibly taking a position.

As to why it was referred to as the "man from Mars" (or some other "Mars" derivative name), I think the idea is a person on Mars would not have all the information an Earth man would (having been on Earth the whole time) and Mars man's conclusions would be inductive, based on the available information. Mars man would thus, in theory, have an easier time identifying discrepancies.

For those in the know, at first glance, this appears to be a direct contradiction to trend following. A trend follower doesn't try to find prices out of whack with their expectations, a trend follower follows price trends. However, keep in mind, Druckenmiller typically only piled on when the price started moving in his favor. So, his approach is a hybrid but generally obeyed trend following principles.

Aside from the “man from Mars” approach, the collective Soros team was big on reading. Scott Bessent and Jim Rogers have said as much several times in interviews over the years. So, it stands to reason this is some part of Druckenmiller’s process. In various interviews, Druckenmiller has mentioned reading mainstream newspapers.

As for specifics on this, I offer the following from the Soros paper:

> *“We aren’t as much interested in what a company is going to earn next quarter, or what 1975 aluminum shipments are going to be, as we are in how broad social, economic, or political factors will alter the destiny of an industry or stock group for some time to come.” - Jim Rogers*

Further, according to Robert Slater’s book on Soros, they subscribed to dozens of trade publications, journals, etc. and Rogers spent most of his waking hours reading and looking for ideas that fit the mold of his quote above.

My guess is there are similar happenings in the Druckenmiller camp.

Druckenmiller's Specific Indicators

Druckenmiller did describe some of the specific indicators he uses to get his trading signals. Below is a list:

- *"The best economist I know, is the inside of the stock market."*
- *"The second [indicator] would be the yield curve…"*
- *"The other thing [indicator] we've looked at historically is credit. Tends to lead the economy."*

With regard to the specific things he looked for from these indicators, Druckenmiller has discussed credit and the yield curve over the years but did not get specific in a generalizable way that I found (if any readers have good material please send it my way). While there are some conventions on these topics, there are many ways to measure and interpret credit and the yield curve. I will leave it to readers to explore these concepts individually in Druckenmiller's interviews throughout the years.

Druckenmiller did however go into the inside of the stock market indicator. While his explanation was specific to the timeframe (2018/2019), the excerpt below provides a general sense of how he used the indicator.

> *"If you look inside the stock market, the cyclical elements of the economy, particularly the front end cyclicals show a completely different picture than the defensive parts of the stock market….so, auto stocks are down 30%, they're not down 10 or 11%, they're down 30%. Building stocks are down 35%. Banks, which you would think might be a symbol of credit or something else are down 25%. The Russell 2000 is down over 20%. Retail equities are down over 20%. So how in the world could the S&P 500 only be down 10 or 11%? It's because utilities, staples, and pharmaceuticals, which are economically defensive, are actually up. And this is the same situation I use cycle after cycle."*

Food for thought if trying to emulate Druckenmiller. That said, and as with Soros, keep in mind you should respect price action and risk management first – or so my research indicates.

Other Pertinent Information

Here are a handful of other more specific things about SD's process that, while not totally generalizable, are useful:

> *"I also have bear-itis, because…my highest absolute returns were all in bear markets [stock market], I think my average return in bear markets was well over 50%. So I've had a bearish bias." - SD*

While this comment is a little contradictory with the philosophy comment earlier about bulls making more money and optimism being better than pessimism, consider the following from SD:

> *"It's funny because when we talked about how I've done well in bear markets [in stocks], I'd love to sit here and tell you it's I made it shorting stocks, it's always very difficult in a bear market, they [stocks] don't trade with rhythm you get these vicious rallies, you get squeezed out of shorts, people play all sorts of games…I always made it in treasuries…because treasury yields would go down dramatically…"*

So, the bear market gains in stocks were made being a bull in bonds. A few more quotes:

- *"…when we get in [a] bear market, it doesn't matter what your fundamental earnings are." - SD*
- *Erik Schatzker: "You've said that…most of the really big money that you made at Duquesne was because of central bank mistakes and the consequent impact on market liquidity." SD: "Correct"*

Taking a Position

Here is what Druckenmiller offers regarding putting on positions once the above materials align:

- *"...I like to buy not in the zero inning and maybe not in the first inning, but no later than the second inning..."*
- *"Normally...I'll go in with, say, a third of a position and then wait for the price confirmation. And when I get that, when I get a technical signal, I go."*
- *"...you sort of put some positions on; and then when the thesis starts to evolve, and people get on and you see the momentum start to change in your favor, then you really go for it. You pile into the trade."*

Position Sizing

As with Soros, there isn't a whole lot in terms of specifics from Druckenmiller on how to size a position. What we do know is the following from SD comments:

- *"Soros taught me that when you have tremendous conviction on a trade, you have to go for the jugular. It takes courage to be a pig. It takes courage to ride a profit with huge leverage."*
- *"You can be far more aggressive when you're making good profits."*
- *"...if you're going to make a bet like that [huge], it has to be in a very liquid market, even better if it's a liquid market that trades 24 hours a day…"*
- *"I've never trusted myself to go put 30% or 40% of my fund in an equity. I mean, I did it when I was managing $800,000, which is what I started with, but not in an illiquid position."*
- *"...I learned that you could be right on a market and still end up losing if you use excessive leverage."*

It sounds like position sizing incorporates many things including whether Druckenmiller was hot or cold, his conviction in the thesis, recent price action, and year-to-date profit (or loss) to name a few. From there it sounds like he wanted to get as big as a he could when the stars aligned cognizant too much leverage was deadly no matter what. As to where the line lies between being a courageous "pig" and using too much leverage, I believe that answer lives only in SD's head.

As this section might leave something to be desired, the following quote from George Soros in *The Alchemy of Finance* may be helpful:

> *"One of the hardest things to judge is what level of risk is safe. There are no universally valid yardsticks: each situation needs to be judged on its own merit. In the final analysis you must rely on your instincts for survival."*

Difficult Periods

Like Soros, Druckenmiller is mortal. While not trying to discount SD's accomplishments by any means, there were some rough patches in his career. I think it is helpful for readers to hear about these. Media reports too often attribute Godlike qualities to traders creating unrealistic expectations.

Early on, Druckenmiller got wiped out using excessive leverage:

> *"I took all of the firm's capital and put it into T-bill futures. In four days, I lost everything." - SD*

In the early 2000s, Druckenmiller took a substantial loss in tech:

> *"…around March [2000] I could feel it coming. I just - I had to play. I couldn't help myself. And three times during the same week I pick up a - don't do it. Don't do it. Anyway, I pick up the phone finally. I think I missed the top by an hour. I bought $6 billion worth of tech stocks, and in six weeks I had left Soros and I had lost $3 billion in that one play. You asked me what I learned. I didn't learn anything. I already knew that I wasn't supposed to do that. I was just an emotional basket case and couldn't help myself." - SD*

And, of course, his returns of late, while not losses, are not what they once were:

> *"I, as you know, made 30% a year for 30 years…we ain't even in the same zip code, much less the same state as those kind of returns." - SD*

What Makes a Great Trader

Here are Druckenmiller's thoughts on what makes a great trader:

- *"I think a better characteristic [for a trader/investor] would be being able to control your emotions."*
- *"You need to be intellectually curious [1] and really really open minded [2] and you need to have courage [3] and when I say courage, I mean the courage to bet big and to bet concentrated but also the courage to fight your own emotions."*

Conclusion

That’s pretty much what I have to offer in this paper. Let’s recap:

First, understand Druckenmiller's overriding philosophy (see section above) on how he thinks about the business and what moves markets. From there:

1. Develop a thesis about the future (18-24 months out).
2. Take a small position.
3. If it works, add to it and ride the trend. If it doesn’t work, get out.
4. If your conviction is high and prices agree, take a large position but continue to manage risk.
5. Respect price action. If things change, be willing to change your mind (i.e., get out of a position – especially a losing position).
6. Repeat
7. Hope you get some good luck!

Bibliography

Author's Note:

I did my best to provide pertinent details of the materials referenced throughout this research. My goal here is/was to provide source materials, not to stand tall before an MLA style guide panel for documentation perfection. As such, I ask that you forgive any stylistic imperfections instead focusing on content.

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About Me

Hello!

I'm George Coyle the author of this research. I've always been intrigued by the trading success of Stan Druckenmiller and decided to use my research skills to "decode" SD's trading method (to the extent possible). Hopefully you enjoy this work, and it helps you on your trading quest.

If you like this paper, you'll probably enjoy my work on the principles of great traders which condenses the consistent lessons of some of the greatest traders (including SD) of the past century using their own words/quotes. You can find that, for free as well, here: www.traderprinciples.com. And as referenced throughout this paper, I wrote a paper, much like this one, on George Soros which can be found here: www.triinv.com/soros.

I'm also the founder of Triangulated Research which produces a fee-based weekly newsletter, Tell Me A Story (TMAS). Similar to the work in this paper, TMAS uses a "triangulation" method to find secular trends by combining evidence from many sources (mostly CEO commentary in transcripts). We then share the quotes that prompted the research, the companies who say they are impacted, and the story (hence the letter's name). I think TMAS is the kind of research the Soros empire would have used in Soros's heyday; long-term thematic work focused on the "essentials". If you would like to know more, please take a look at our website: www.triinv.com.

We put out a free weekly letter with interesting CEO quotes from our research travels. If you'd like to receive it, you can find the signup link and more here: www.triinv.com/free

Finally, if you'd like to get in touch you can reach out at: info@triinv.com.

Thanks for checking out my work!

George