

Lefevre

Reminiscences of a Stock Operator



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of a Stock  
Operator

by Edwin Lefevre

Introduction by  
Benton W. Davis

One of the most fascinating and instructive books  
on the stock market ever written, packed with  
timely and valuable lessons for today's investor.

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“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. I think the clearest summing up of the whole thing was expressed by Thomas F. Woodlock when he declared: “The principles of successful stock speculation are based on the supposition that people will continue in the future to make the mistakes that they have made in the past.”

“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—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...Instead of hoping he must fear; instead of fearing he must hope.”

“Remember this: when you are doing nothing, those speculators who feel they must trade day in and day out, are laying the foundation for your next venture. You will reap benefits from their mistakes.”

“After spending many years in 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 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.”

“The desire for constant action irrespective of underlying conditions is responsible for many losses in Wall Street even among the professionals, who feel that they must take home some money every day, as though they were working for regular wages.”

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**“One of the most helpful things that anybody can learn is to give up trying to catch the last eighth—or the first. These two are the most expensive eighths in the world.”**