

# Trader Profile Articles

*Larry Levy*

**Based on TraderSpeak.Com**  
**A Collection of audio interviews with Traders**

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Sebastian Manby

# For richer for poorer

**Romance and trading don't mix and cash is king – two of the lessons Sebastian Manby has learned along the way. He talks about his experiences to Larry Levy**

**S**ebastian Manby has kept every trading slip of every trade he has ever executed in a special folder. 'The first trade was on FTSE Index Futures, on 6 February 1997,' he recalls. 'I was holding a cup of coffee and noticed my hand was shaking.

'I bought two lots at 4275 and sold them at 4286. I made a profit of £550 with £70 in commission. The next day I made £280 after commission, again on two lots. I knew then and there that was it.'

Skip forward to April 2005 and Manby knows what he believes in: 'Cash is king in this business. The most important thing is to cut your losses short. Study volume in relation to price. You can't rely on mathematical indicators. Volume is what is actually happening – people trading in the market.'

The young Sebastian enjoyed a carefree childhood on the island of Alderney in the late 1960s and early 1970s – riding bikes, visiting the beach or watching films at his father's cinema. His favourite occupation was reading – Wombles writer Elizabeth Beresford lived nearby. But, at 13, young Manby was sent to St Francis College outside Dorchester.

## New horizons

After completing his A levels he enjoyed a brief spell with accountants Ernst & Whinney in Jersey before deciding to work his way round the world for the next four years. 'I learned six languages and had more girlfriends than hot dinners.'

Back in the UK in 1992, Manby set up a successful courier business in St Helier but was attracted to trading by advertisements in the national press. Eventually he took the plunge, signed the courier business over to his dad, moved to Camden Town and opened a £5000 trading account with Berkeley Futures in the West End.

He remembers his first week trading from the firm's client room: 'I went up there and met another client of Berkeley called Rupert Bullock. I watched him trade for a week and asked him as many questions as I could. The following week I was trading and making money.'

Those first few weeks trading at Berkeley Futures were, he says, the happiest period of his life. Within a few months his £5000 account had tripled to £15,000.

## From Russia with love

Manby began going out with a Russian girl studying economics in London and ended up marrying her, partly because her visa to the UK was about to expire. Unfortunately she became interested in trading and demanded access to his trading account. 'She blew my account,' he laments.

A divorce followed. Cash poor, he found a job and spent the next five years working in IT for an internet service provider called Connecting London. Still trading part-time with City Index, Manby would wait for the Dow to close down on two successive days, then sell the FTSE overnight and buy back the position (usually profitably) in the morning.

Late in 1997, Manby had bought the VSA (Volume Spread Analysis) package from well-known market technician Tom Williams. This package and the principles contained in Williams's accompanying book – *The Undeclared Secrets That Drive the Stock Market* – gave him what he feels is 'the true picture'.



In 2001, tired of long days as a techie, Manby left London to stay on the south coast with Williams. Together they traded the German DAX futures or the Chicago Mini S&P using Wyckoff principles based on volume and price action – for example, high volume and narrow price spread with the next bar down to indicate the end of a market uptrend or testing down on low volume.

Though always on the lookout for these and numerous other Wyckoff indicators, Manby also noticed that a trend change in the DAX future will take place very quickly after a trade by an institution of 1000 to 1500 contracts.

Recently, however, he has found the strain of intraday trading futures less productive than trading equities. 'Mine eyes have been opened to stock trading,' he declares. His strategy is to position trades in stocks via the gearing offered by CFDs, again using Wyckoff principles.

Manby doesn't own a car these days as he finds it unnecessary. He has a passion for reading Homer and any other information about the ancient world, especially Egypt. He dreams of some day heading down to the Nile to 'pull it all together'. ■

BASED ON AN INTERVIEW FROM THE FORTHCOMING TRADERSPEAK.COM VOLUME 2 CD.