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THE LONG PULL: On Tennis & Trading Mastery

I love tennis. I love playing, watching, and reading about it. We're in the middle of the Australian Open, the first of the four major Grand Slams. So it's top of mind.

Professional tennis players are **masters at their craft**. They think more deeply about the game than anyone else. It's a big reason why they're playing in the Australian Open.

Here's a [great example of mastery](#) from Daniil Medvedev – currently the #3 tennis player in the world. Listen to how he describes his return of serve strategy and how it's changed over time (paraphrased from the video, emphasis added):

*“The thing is that you call me the master of return, but I don't think so. **My return from up close is not good.** I can do it, but it's not the best.*

When I first came on tour, I started returning the serve close to the baseline.

*Then I started playing against guys with bigger serves, **and I started losing.***

*So I said, okay, let me do something. So **I started moving back and playing deeper.** Then, if I played a guy with an even bigger serve, **I'd move back even further.***

*I realized **I could play anyone** if I returned serve from deep. Because when I'm so far back, I don't hit a return. I hit a normal topspin shot. And I can **defend and recover more quickly.** I'm so far back I can run to balls more easily. I don't need to react like I would if I was up on the baseline.*

*Plus, it's **very tough to hit it out** when you return from this deep in the court.*

*And that's when I realized that **I could play my best returning serves from this distance.** And **I started winning more.** I stuck with it because I was seeing results in my matches.”*

That's mastery.

It's constantly tinkering with different parts of your game to find the best version of yourself. Then you do it again. And again. And again, until you've tinkered more than anyone in your field to reach a level others thought was impossible.

In fact, we can use Medvedev's serve return master class to tinker with our own trading and investing. Here's the blueprint.

Step 1: Identify a weakness in your game

Just like Medvedev found a weakness in his tennis (his return of serve), we must find weaknesses in our trading. So, what do those weaknesses look like? Here are a few of mine:

- I sell winners too early versus riding longer trends
- I obsess over the next shiny rock versus diving deeper into ideas that a) I know will work over the next 3-5 years and b) I haven't completely fleshed out
- I worry what other investors think of me if I incorporate technicals into my process
- I avoid discussing specific ideas with bears (or shorts) because I'm afraid I won't have all the answers to their questions
- I wonder why other investors seem to find the *best* ideas and why I can't find them before they do

Remember, the first step is identifying the weaknesses in your game.

You can only improve if you first determine *what it is* you want to improve.

Let's use my first weakness – selling too early – as an example.

Selling winners too early is hard to identify because you don't "lose" in the sense that your PnL declines. It's more of a *"look how much I could've won if I held"* loss.

For instance, I'll have a long-term idea that will work and eventually reach +3R our original risk. At that point, I usually tell Alex, *"Hey, we've made some good money on this trade. I think we should take some off the table to de-risk it a bit."*

Then Alex usually slaps me and says, *"No, we're staying in the trade. The trend is in our favor, you've done the work and have conviction. There's no point in selling here."*

So we hold. And the trend continues, and we make more money. But what would've happened if I took profits all those times I wanted to? How much money would I have left on the table? And what can I do to fix it?

That brings us to Step 2.

Step 2: Try something new that might work and see what happens

We completed Step 1 and found a weakness: selling too early. The next step is to try something new that might work and see what happens.

Medvedev tried moving farther back from the baseline to return serves. What could we change to improve our trading weakness? A few ideas:

- Sell only when the fundamental thesis changes, irrespective of stock price movements
- Sell only when the long-term trend changes
- Avoid daily and weekly charts entirely when making trading decisions
- Create an accountability system where I alert someone whenever I feel like selling too early
- Take the trade and sign a blood oath not to sell for the next 365 days

I remember writing about this a year ago, but the best way for me to not sell too early is to **avoid daily and weekly charts entirely.**

Which I didn't do last year.

Too often, I'd find a cheap stock with an upcoming catalyst, dive into the daily chart to find the perfect entry, and then suggest exiting the trade because the daily chart closed below the 50MA. Meanwhile, the long-term trend and fundamentals remained intact, and we were profitable on the trade.

Even more frustrating is that I said those things last year and didn't do them.

So why will this year be any different? I can't say exactly. But I do know that writing about it helps keep me accountable. And I love it when Collective members (like @Brent, for example) remind me to focus on long-term charts when publishing new ideas in Slack.

I also think Ted Warren's book [*How To Make The Stock Market Make Money For You*](#) codified these ideas in my mind. The book had many examples of buying bombed-out stocks after they broke out of long-term bases using **monthly** charts for entries and exits. It helped me "buy in."

So step 2 would be: **managing trades via monthly charts only.**

Onto Step 3.

Step 3: Objectively (and unemotionally) judge the results of that new tactic

Step 3 is all about patience.

We should give that new tactic enough time (read: data points) to objectively judge the results of the change (i.e., do I stick with it or scrap it for something else?).

It's like Medvedev with his serve return. He didn't judge the change based on one match. Before analyzing the results, He played many practice matches and real tournaments with this new return method.

The same goes for our trading. That's why backtesting is so essential. It allows us to get a bunch of "practice matches" in with bigger servers before putting real money behind a new strategy.

Judging the results is easy once you have enough data. Did you win or lose the match? Is your PnL higher or lower than before you made the change?

It's one of the reasons why I love tennis and trading. The barometer for success couldn't be simpler.

Step 4: Double down on what worked and repeat the process with new weaknesses

Let's assume you have enough data on the new tactic. And let's say that that new thing worked (I'm trying to manifest a year of managing trades with monthly charts, guys!).

The final step in this process is to double down on what worked and to repeat the process with a new weakness. Think of the Ouroborus, which happened to be our old Macro Ops logo and one we're bringing back soon (spoiler alert!).



The Ouroborus symbolizes **eternal renewal**. It is a never-ending cycle of exploring our limitations and weaknesses to **transcend them and become new**.

That's the entire mission of Macro Ops. It's why I wake up every morning excited to do life and trading with the community we've built. A community that seeks truth above all else. One that is committed to mastering the craft of trading.

Because at the end of the day, it's not about *how* you get there or what *there* looks like. **It's about mastery.**

Medvedev has one of the ugliest swings on tour. Just look at that elegance in motion.



He fumbles around the court like a coked-up Ent from Lord of The Rings. **Yet he's a master at his craft.** He constantly searches for weaknesses in his game to renew himself and become one of the best tennis players on Earth.

We're all about Mastery at Macro Ops.

Yes, we use fundamental analysis. But we are also slaves to the tape. And sure, we obsess over microfundamentals. But we also care about the macro and understand the power of fund flows.

How we trade may look odd, weird, or counterintuitive to the outsider. But it's a byproduct of **eternal renewal**. A never-ending cycle of exploring our trading limitations and weaknesses so that we can become **Masters of The Game.**

I know I usually write about individual stock ideas or industry thematics. But this was on my heart to write this week. I love this Macro Ops community. It's truly something special. Look around. Everyone's playing the "*I'm so smart, see how smart I am*" game. It's nauseating.

We're playing the Mastery Game. A game that seeks truth and consistent profits above all else. Without bias, without attachment. And I can't think of a better way to spend my life in markets.