THE PRINCIPLED TRADER INSTITUTE

ISSUE NO. 01 — WHY SKILLED AND PRINCIPLED WERE NEVER TWO DIFFERENT TRADERS

A Principled Trader's *Mindset*

Notes on judgment, integrity, and the long game of a trading career — for aspiring commodity traders.

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A Principled Trader's Mindset — Issue 1

Published on LinkedIn — theprincipledtraderinstitute.com/pulse

There's a premise this Institute was built on, and it's worth saying plainly before anything else: skilled execution and ethical conduct are not two separate disciplines. Not "ethics matters too, alongside skill." Not "be principled, even though it costs you." The claim is stronger, and I think truer, than that: a trader who understands their counterparty's interests, plays the long game on reputation, and negotiates in service of something larger than the single trade performs better over a career — not despite their principles, but because of them.

That's easy to nod along to. It's worth actually unpacking, because it isn't a slogan — it's a claim about how trading careers compound.

Picture two traders, early in their careers, facing the same counterparty on the same day. One negotiates to extract every possible basis point from this specific trade — nothing improper, just maximally self-interested. The other negotiates the same deal with an eye on what this counterparty will remember in three years: were they dealt with straight, was the explanation for a price gap real, did the desk absorb a reasonable share of an awkward situation rather than pushing all of it downstream. On the day itself, the first trader may extract more margin. Over a decade, the second trader has counterparties who call them first, who extend benefit of the doubt when a shipment goes wrong, who share information a stranger would never get.

That's not a moral reward for good behavior. It's the actual mechanism by which a trading career compounds. Reputation is a genuine commercial asset — priced by the market, whether or not anyone puts a number on it.

This is also why judgment and integrity function as one skill here, not two adjacent virtues. It shows up literally in how the curriculum is built: trustworthiness and commercial exposure get assessed together, in the same breath, not as a sequence where you settle the ethics question first and then get to the "real" trading judgment. In a live negotiation, there usually isn't time to ask them separately — and treating them as separate is exactly what produces the false idea that principle is a tax on performance rather than part of it.

This is the premise the entire curriculum sits on, and it's the reason this Newsletter exists — not to catch anyone doing anything wrong, but to make the case, issue by issue, for why the traders who last are so often the ones who never treated the two as separate in the first place.

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