* CHAPTER FIVE

Economic Men

Financial trading floors are dens of incivility. Before a visitor can get her visual bearings, her ears are filled with loud noise, her feet shuffle through the shredded paper that covers the floor, her shoulders are smashed by the flailing bodies of traders in garish attire, and her balance is threatened as traders shove their way into the action. From the din, coherent fragments of language emerge. Curses and raucous laughter flow freely, and dealers trade insults, both hostile and friendly, along with financial contracts. Trading floors are saturated with the metaphorical language of violence, a fitting background for the dispositions, based in self-interest and mutual exploitation, that traders cultivate there. Just as the norms of the trading floor guide conduct, traders' actions, language, and dress also shape the space of the trading room, defining the range of action appropriate to the motives of profit-making.

In the pits, traders bring to life a particular form of economic man—aggressive, competitive, fiercely independent, and often crude—that dramatizes taking profits from the hands of their friends and colleagues. But this unseemly behavior does not come naturally. Traders reflect on and experiment with how to break down the standards of good behavior that hold outside the marketplace. The resulting self-presentations invert the styles of dress and the language of formal business, professional codes of respect and decorum, and standards of constraint—in short, the norms of civility that mark the usual sobriety of calculating economic activity.[1]

The brash actions of traders and the raucous atmosphere of the pits contrast sharply with the sober technicality of the market. In the pit, traders do not express the cool rationality and instrumental calculation that are commonly associated with the market in which they work. Instead, the price-setting function of the market is accomplished through impassioned competition among individuals whose behavior is antagonistic, brash, and frequently outrageous.

Crowds like those on the trading room floor have often been thought to undo reason and unleash passions, and traders' conduct certainly seems to support that claim. Yet dealings with money have been thought to have the opposite effect. The pursuit of wealth, many original philosophers of capitalism thought, would dampen socially destructive passions. These thinkers trusted that the pursuit of wealth would counteract the more violent impulses of competition and channel them toward self-control. Albert O. Hirschman explains that, among Enlightenment philosophers, capitalism was lauded because "it would activate some benign human proclivities at the expense of some malignant ones—because of the expectation that . . . it would repress and perhaps atrophy the more destructive and disastrous components of human nature."[2] Then, as now, believers trusted that capitalism would not only benefit the individual, but also create a hard-working and cooperative society. The discipline of self-interest, according to the hopes of Adam Smith and others, would bring not only a particular kind of calculating action, but a particular type of affect—a calm, but insistent, passion.

Electronic dealing rooms foster more technical modes of conduct. The trading screen encourages a calculating rationality, cooler conduct, and the external trappings of self-control. Under the influence of the screen, traders become instruments of market activity, favoring the technically trained market observers dubbed "symbolic analysts." Electronic traders compete with the market as an entity in itself, removed from the people who make it up. Still, many electronic dealers came from the trading floor, and they bring their aggressive style to the digital dealing room, where the calmer calculations of the screen are only beginning to emerge. In the pits, traders' passionate engagements are now shifting under the new influences of new dealers with college educations, new software with screen-based representations of market movements, and new management techniques.

In contrast with the dispassionate affect that money ideally encourages, humor and hot-blooded behavior mark the trading floor and dealing room. Traders engage ardently with money; they do not perform their economic calculations with detached reason.[3] Their professional conduct creates a brash persona, whose self-interest and competitiveness anchor the market's key activity—finding the price of a commodity.[4] A price is a particular kind of truth—an aggregate of each trader's assessment of the market and attempt to profit from that understanding. A true price is, then, anchored in self-interested action, yet the self-interested person is paradoxically positioned—to create knowledge, on the one hand, and, on the other, to destroy trust in this knowledge by raising the suspicion that it has been manipulated for gain.[5] As Steven Shapin has noted, "The very distrust which social theorists have identified as the most potent way of dissolving social order is said to be the most potent means of constructing knowledge."[6] Traders' behavior plays

out this contradiction in dramatic form. Their conduct identifies the market as a space beyond society that is necessary for unbounded competition among men. In turn, this situation creates prices, which are essential to the circulation of commodities. The public's trust in the price of bond futures is predicated on the distrust among traders.[7]

Traders often describe their relationship to the market as one that draws out the fundamental nature of human beings. In this vision, the market reduces the individual trader to his most basic instincts—competitiveness and self-interest—and the stylized performances of the pit reflect this. The competitive, anomic actor of economic life is the product of the financial trade.[8] In traders' vernacular, the market strips away the pretenses and rarified styles of society. Without the social veneer, the economic man can emerge from his cocoon.[9]

On the trading floor, participating in the collective requires contributing to the sentiments and sensations of the space. Conduct in the trading room stands in opposition to the social conventions of politeness and sociality that mediate smooth relationships outside the market. Traders' actions and language in futures markets revolve around competitiveness and individuality, which mark traders as hypercompetitive, masculine actors.[10]

Traders construct selves according to vocational principles, but their performances bear little external resemblance to the abstract economic subjects of capitalism.[11] These principles require what appears to be unsocial behavior, despite the fact that personal connections are a critical component of pit life. In their performances, traders enact an *asocial subject*, conducting themselves in accordance with the competitive, atomistic ideals of self-interest. The "binding ideas" that hold traders together highlight and demand adherence to the principles of a war among economic competitors.[12] Traders subscribe to feral codes of behavior that appear to undermine regulations and restraint.[13]

In daily performance, traders work according to a maverick aesthetic, displaying radical individuality amid the social density of the trading floor. A *maverick* is an unbranded range animal, a beast without the markings of ownership. Traders retain that sense of the unmarked animal that is free to wander. Traders create an aesthetic sphere that reflects their ideal of the self-interested individualist competing for advantage and profit.[14]

The maverick trader does not arise naturally. He is dressed, marked, and molded in his actions and sentiments.[15] The raw emotions that seem to be impulsive expressions of personal feeling are both performances and techniques for engaging the market. The postures, gestures, and displays of physical strength are styles that shape the physical being of economic man. These bodily and emotional methods are part of the "practical reason" of traders, critical parts of their acquired abilities, memory, and routines that establish the habitus of economic action on the trading floor.[16]

The maverick aesthetic seems to undermine the connections and interdependencies among traders, yet they are complimentary. Traders' interdependence and the system of prestige organized around risk-taking do not in themselves contradict the asocial nature of their performance. Maverick aesthetics and asociality both align with the idea of market action based in the autonomous individual.

The individualistic, hypercompetitive character of the trading floor is part of the drama of capital. Demonstrations of individuality separate traders. Their asocial performance reaches beyond them and prepares the space of the trading floor for economic action. The collective life of maverick individuals creates the trading floor as a special space for the cultivation of a risk-taking self and the exercise of "pure" market engagements. The grotesqueries of the dealing room create a space where it is possible to devise economic actions that are disconnected from the influences of the social world.

Ironically, the asocial life of economic man is conducted in the thickly social world of the trading floor of the CBOT, in the London dealing room, and at their after-work hangouts. The sheer physical density of the trading floor creates a counterpoint for this economic man. In his individuality, he thrives in a crowd. Furthermore, he exists through his exchanges with others—those who buy or sell. His performance requires an audience.[17]

On the trading floor, the traders' exaggeration, hyperbole, and excessiveness, marked by laughter, spontaneity, sexual humor, and mocking of official propriety, blend with their sensual nature and strong element of play.[18] In the grotesquery of the trading floor, the traders' bodies and base desires are essential to the composition of the market. By participating in the debasement of the abstract market, the traders become the materials of another sort of market, one that is explicitly embodied, located, and undeniably human.[19]

Traders work hard to fashion themselves into market beings like Freddy, a trader for Perkins Silver and a former pit trader at the London International Financial Futures Exchange. Freddy is a character in two senses of the word. First, he is odd and interesting. Watching him will make you laugh or squirm, turn away in revulsion, or stare riveted into his sneering face. Second, in the dramaturgical sense, Freddy is a character that Chris Smith created and enacts. Freddy is an alter ego with a personality and image all his own.

Chris Smith's creation of Freddy crystallizes the characteristics of the crude market beast. Like any well-made character, Freddy's appearance and demeanor reveal something about his interior landscape. Deep lines frame

his face, and his eyes are set well below a protruding brow. When he smiles, his lips draw back to reveal a huge mouth gated with widely spaced teeth. A prickly halo surrounds his head, where a few gray spikes are beginning to show through the black stubble. He wears worn plaid shirts and rotates among two or three pairs of khaki pants. He is particularly fond of a well-worn pair that exposes a large patch of his boxer shorts. His speech is the Essex slang that reigns in dealing rooms all over London. Although he looks like a middle-aged veteran, he is an astonishing thirty-two years old.

Before Freddy settled in the Perkins Silver dealing room, he inhabited the trading floor of the LIFFE. He was a bit of a celebrity there. Everyone knew his habits—his penchants for flashing and for displaying his bodily processes. He leaves little to the imagination. One of his fellow traders on the Perkins Silver floor said admiringly, "He's disgusting; the more you get to know him, the more he disgusts you."

Freddy slouches in a padded desk chair, head and shoulders leaning toward his screen. Sometimes, when the market is slow, he leans back in his chair to let his hands find their way to his nose. He likes to wipe the bounty on office equipment or surprise unsuspecting users of the door handles or the refrigerator. Nigel, a trader from the selective subgroup that trades in Euribor derivatives, cringed as he headed for the nearest washroom, muttering curses at Freddy. "Fucking animal," he griped.

But such complaints do not dampen the spirits of the freewheeling trader. Freddy loves to sing. He often inserts his name, making himself the hero of the lyric. One Freddy standard was, "Who let the Fred out?" The song provided an excuse to bark like a dog, "Woof, Woof, Woof." Like football fans all over America, Freddy put his animal nature on display by aligning himself with canines on the rampage. Other traders in the room often completed the musical phrase for him with their howls.

A commercial for lite beer also caught Freddy's eye. That year a large American brewery released an ad that ran on British television showing a gigantic, self-animated belly, independent of any body, its round hairy mass rippling with fat. The belly chases a terrified looking man through the streets of a British city. The voiceover chants with menace, "Belly is gonna getcha." Freddy appropriated the jingle, alternating between Belly and Freddy.

The man who shares Freddy's desk is named Billy. He keeps a baseball bat by the side of his computer. When he is not doing well in the market, he slaps the bat over and over into his open palm. He relies on Freddy to keep him amused, both during and after work. One Thursday night, the traders ended their after-work drinking rounds at a karaoke bar. Freddy shouted into the microphone and stripped off his pants and shorts. The boxers made an excellent headpiece until the management dragged him from the stage.

Billy, still exhilarated by the evening's mischief, began recounting the story the next morning as sat down at his station. "Freddy was totally on form last night," Billy reported to Martin, the biggest trader in the room, "And when he's on form he is in a different class." Martin responded with equal parts esteem and amusement, "Yeah, a different class of human."

I was surprised when he reported that Freddy was not his real name. He told me that Freddy came from Freddy Kreuger, the ghoulish protagonist of the slasher series *Nightmare on Elm Street.* "I don't know what that says about your relationship with your neighbors," I said. He smiled, knitting his bushy eyebrows. "Oh, Neighbor" he ominously intoned. He was remarkably convincing.

It is appropriate that Freddy's name would invoke the transgressions of a 1980s horror classic. In the story, vigilante parents burned the villain in a basement furnace for killing neighborhood children. He returned from the dead, scarred and wielding a glove with long, razor-blade fingernails, able to enter teenagers' dreams and murder them in their sleep. Freddy Krueger's gothic transgressions break the codes that make us human.

During the early 1980s, financial futures traders emerged with the transformation and globalization of financial markets. The Chicago exchanges were consolidating their business and spreading their model of financial derivatives trading to exchanges around the world. The LIFFE, Freddy's first home, opened for business in 1982. Freddy and the global financial futures markets grew together. He is a product of that moment, and he is a type that spread with financial derivatives trading.

Freddy's bizarre behavior on the trading floor separates Chris Smith's work and his outside life, which enters into his interactions with other traders only rarely. Chris Smith has an ex-wife, with whom he has a strained relationship, and a son, about six years old, whom he visits on Tuesday evenings. Occasionally, Pat, his sole female peer, will ask about his child, but Chris avoids discussing him in the office. The dealing floor is Freddy's space, where outside attachments and obligations melt away. The focus in the room is on the market, which brings out the absurd and aggressive parts of Freddy the trader, leaving little room for paternal affections.

Freddy's performances epitomize economic man, trader-style. His ratty self-presentation and loutish deeds display the aggressive and naked desires of the debased market creature. Traders like Freddy bring to life the caricatured being of the trader in a typically satirical way. They create characters that shun the manners their mothers taught them and push the envelope on acceptable behavior. They play along the edge of the tolerable, indulging in comically exaggerated savage behavior.

The theatrical aspect of trading is not limited to the dealing rooms of

London. Such economic characters also exist on the trading floor of the Chicago Board of Trade. Traders adopt an aggressive demeanor and express extreme masculine belligerence and overblown competitiveness when they are on the floor and among other traders. Then they discard these mannerisms with equal ease in interview situations and when they are relaxing in their homes after work. These jarring extremes express the dramatic nature of traders' floor personae.

Traders' actions make implicit claims about the connection between the market and human nature. The market, in the traders' view, strips away the social veneer of human decision making to expose an unadulterated economic core. Intimate contact with the raw forces of the market, the sheer power of speculation, of buying and selling, strips the trader of external constraints and unleashes the force of the economic beast. Sean Curley Jr., put it this way: "A pit distills things; . . . the pit boils you down to your essential elements." In the pit where all of these characters gather, traders describe the market as a kind of war of all against all. Traders make a point of displaying their threadbare moral fabric. One London-based manager who has traded for eleven years in the currency and futures markets gleefully stated, "We thrive on other people's pain." There are profits to be made from the economic distress of countries and individuals, and among the asocial, there is no responsibility to any individual or to anything outside of their own goals. Taking advantage of chaos in the economy and of other people's losses to make a profit is the stock-in-trade of speculation. Economic man delights in the carnage. This system of accountability—each trader for himself—is the defining feature of asociality, which allows traders to profit from the ruin of others and escape moral implications.[20] "It's like survival of the fittest," one pit trader who stands on top of the food chain told me. "A dog-eat-dog world," reported another. On a day when groans of defeat were filling the Perkins Silver trading room, Martin, whose ongoing successes were already trumpeted by his Prada outfits, hoisted a dry-erase board onto the dealing room partition. In a taunting display, he mocked other traders in a rhyme drawn from the nicknames of the German debt instruments he trades: "Schatz is red, Bobl is blue, I made shitloads today, Why can't you?" It is not surprising, then, that traders come to think of themselves in animalistic terms. Sean described some of the best traders on the CBOT as "the kind of guys who you wonder what rock they crawled out from under before they came to work this morning."

This stripping away of the social is primarily metaphoric, but at times, such as Freddy's karaoke striptease, the literal and the metaphoric meld. Both on and off the trading floor, pure market action strips man to his most basic elements.[21] Preparations for the Perkins Silver Christmas party began with a trip to the American-style gym on the river a few blocks away, where the women of the office—all ten of us, including support staff and the four female traders—put on our party best. Then we headed out in black cabs to the chic West End restaurant belonging to one of the company's partners.

To restrain the consumption of this hard-drinking bunch, the restaurant offered only beer and wine, and the bar was to close at 11:00, like all other English drinking establishments. The traders did what they could with the watery offerings, bemoaning the absence of their favorite vodka–Red Bull concoction; the sickly sweet taste of Red Bull thoroughly masks the taste of the alcohol, leading to maximum drunkenness and energy.

It took about an hour for the normal after-work conversation to die away and the real festivities to pick up. A DJ played American funk and hip-hop as the lucky traders who could monopolize the few women in the group made their way to the dance floor. Eventually all the traders, with or without female companions, crowded onto the dance floor. After two hours of drinking and sweating in the rising temperature of the teeming space, the traders were ready for a show. The stripping began.

First to go was Tony Healey, the fat, jocular, ex-Essex cop. He pushed his way to the center of the dance floor and began to unbutton himself to the beat of The Commodores "Brick House." Having rid himself of his confining shirt, he tried to kiss the girls, all of whom recoiled in horror. When the restaurant's owner had retired, Andrew Blair, the company's risk manager and general overseer, allowed himself to relapse into trader behavior. He too lunged to the center of the dance floor, where he stripped off his shirt to expose his hairy chest and backed up into a woman from accounting. Soon the floor was filled with swirling, sweaty, half-naked traders.

Although this scene of holiday cheer took place outside the confines of the Perkins Silver dealing room, this was a moment for the traders to perform for each other. The excesses of the Christmas party are not isolated incidents; they are an integral part of performing the style of economic man. The style has obvious affinities to locker room behavior, but gains symbolic importance when taken as part of the professional ethic of the trader.

These traders turn the Organization Man upside down and shake out the pockets of his suit. At the same time that they undermine conventional visions of methodical economic action, traders' performances have another effect. Their antics work to establish the trading room as a separate space for economic action.[22] It is the work of a modern actor, yet the means for creating this separation do not appear to arise from the rationality of the laboratory or the planning office. Traders' performances decouple their economic action from bureaucratic rationality. They act on an economic impulse rooted in their conception of human nature rather than in the technical skill. Traders' theatrics create a place where economic man, trader-style, can flourish. Their actions construct the marketplace as a place apart from the social world.

The Presentation of the Self in Economic Life

Traders are not dapper, but they put effort into their style, a form of the studied, unstudied fashion that makes a fetish of utterly disregarding professional norms of dress. They demonstrate the masculine economic freedom of the trading floor with their clothes.

The rules of the CBOT require that every trader wear a jacket and tie, and traders interpret this creatively. They follow the letter of the rule while aggressively snubbing its intention—to bring respectability and professionalism to the trading floor. The floor is dotted with human confetti. Each trader's ensemble adds a sprinkling of color. Their clothes also mark their distinct place in the financial world. Some traders choose to wear trading jackets that identify their clearing houses: black with red piping denotes one firm, and white mesh with blue lettering signifies another. Others choose jackets that both catch the eye of other traders and make a statement. A quick scan of the trading floor reveals the tastes of the CBOT traders. A few sport dark blue jackets dotted with American flags. One wears a florescent orange jacket with the black zigzag stripe of Charlie Brown's shirt. Another wears a blinding yellow jacket with black flies swarming all over it. The patently ridiculous figures they cut implicitly critique the regimented masculinity of corporate America. Trading jackets blare forth in shocking colors and clash with the hideous ties slung around their necks.

Traders fix buttons to their lapels emblazoned with messages like "I care" and "I feel like shit," which convey their emotional states with characteristic sarcasm and humor. American flag buttons and patterns are popular, aligning their own rough and tumble style with a specifically American capitalism. Their tags imprinted with three-letter identification codes also adorn their trading coats and have taken on another purpose in addition to their administrative use. Traders use market names on the floor, and often refer to each other by the moniker on their tag. Someone named Michael B. Gwynne might choose the code MBG and be known by those initials on the trading floor. But traders do not have to use their initials. FUN, GUN, and PWR are all characters on the floor, as is SWT, pronounced "Sweaty." Pit names add to the sense of the trading floor as a space apart from outside social conventions, relationships, or consequences.

To compliment their getups, some traders sport novelty ties that only the most oblivious geek would wear with any seriousness. Some of the more creative ones have images of South Park characters; others, of spaghetti and

5.1 Traders do business in the Dow Jones Industrial Average Index Futures pit. EEL contemplates the market, while PIN makes a bid. Photo by Bob Davis.

meatballs, as if the owner had dropped forkfuls of pasta on himself at lunch. Some ties are decorated with money themes—bags of cash tied with strings, an oversized hundred-dollar bill, or the popular navy blue tie with simple dollar signs. One trader satisfied the dress code with a long strip of gauze tape from a First Aid kit tied in a knot. Another declared his inner brute by wearing the Incredible Hulk clenching his teeth, shredding his street clothes, and thrusting out his muscular chest.

Their style mocks the corporate version of manhood by rejecting outright its notions of propriety and by making an overly literal representation of the purpose of business. The moneybags on their ties reduce business to its crudest motive—profit. This performance separates the profit instinct from the social niceties that surround it in other contexts. On the trading floor, economic man lusts only for money.

Traders also enlist what lies beneath their clothes in the service of presenting economic man. A scene from *Liar's Poker*, Michael Lewis's book about the bond markets of the 1980s, describes the foul excesses of the most successful Wall Street traders. He describes exaggerated, insatiable appetites in the chapter "The Fat Men and Their Marvelous Money-Making Machine," in which Lewie Ranieri's mortgage desk in the Solomon Brothers trading floor is the site of astonishing feats of gluttony.

> Mortara made enormous cartons of malted milk balls disappear in two gulps. D'Antona sent trainees to buy twenty dollars' worth of candy for him every afternoon. Haupt, Jesselson, and Arnold swallowed small pizzas whole. Each Friday was "Food Frenzy" day, during which all trading ceased, and eating commenced. "We'd order four hundred dollars worth of Mexican food," says a former trader. "You can't buy four hundred dollars of Mexican food. But we'd try—guacamole in five-gallon drums, for a start." . . They joked how the thin government traders who ran triathlons on weekends still couldn't make any money during the week, which was not entirely accurate. But it was true that no one made as much money as mortgage bond traders.[23]

Lewis's comic exaggerations still capture a truth as the traders he describes strain to display their insatiability in their eating habits. His account embellishes the dramatic qualities of economic man. Each phone thrown at the head of a flunky, the hamburger wrappers left on desks, the screaming and cursing all add up to a virtuoso performance.

Such labor takes its toll. Pit traders are marked by their gravelly voices, their vocal cords stretched and ragged from years of screaming. Victor tried to stave off this effect by drinking ginseng tea with honey. Shouting was not restricted to making trades, but the quick resolution of other outbursts limited their consequences. During one fight that broke out in the Dow pit, one local thought another had cheated him and screamed curses about the other's entire family one by one. A shoving match broke out, but after about twenty minutes, they were standing shoulder to shoulder again. On another day, a broker was toying with an emotionally volatile neighbor who loses control frequently. The other traders, especially brokers, enjoy goading him into losing control. He starts out on one side of the pit flashing and offering like every one else; the broker gives everyone else a cut first, just to watch this trader scream, jump up and down, and turn red. In making the trader lose control, his tormentors show that anger and violence have a place in the traders' expressive repertory. Traders ought to be able to control their emotions, according to the code of the floor. This trader is a fool, because his explosions are controlled by those around him. He spends his temper indiscriminately rather than harnessing it for economic action.

I spent my first few weeks of trading working in the grain room, shuttling orders between the phone desk and the pits. Most orders would go to the soybean, wheat, and corn pits, but once in a while I'd get an order for oats or rice. Each of these smaller pits held about five men. One of the funniest sights in the grain room was a "fast market" in oats, when the five men—who could easily have made their transactions quietly—began screaming at the top of their lungs at each other to get the trade. This was another aesthetic choice. Soft voices are suspect. Transactions between friends that exclude the general market are said to be "done in whispers." Quiet voices are likely to be subverting market ethics.

Traders also indulge in superstition to protect their winning streaks and to stave off losses, and in extreme uncertainty, they appeal to the supernatural to protect them. One antihubris stricture directs traders not to park in the expensive covered garage just west of the exchange. According to one trader, using the pricey convenience could lead to thinking that "you'll continue to make money. Instead, park in the open lot two blocks south." Some traders carry talismans like a lucky tie or assign magical value to different objects. Like professional athletes, some do not change socks when they are on a winning streak. Many obsess over keeping all conditions exactly the same. One superstition that is likely to help clear the area around any trader is "Don't brush your teeth on a winning streak." These methods of ensuring success are used with the same humor that traders bring to the rest of their performances.

Men manage their associations with other men in an idiom of homosocial humor that plays on the paradigms of masculine domination. During my first days on the financial floor, Don, the desk manager, tried to ease me into the trading floor ethos by supervising the desk chatter. Traders often came over to the desk during slow periods to drop off trading cards and to chat. They could sit for a moment on an empty stool and relax. Don told traders to watch their mouths. "There is a young lady working here now," he'd say in a tone of mock gentility. Studiously ignoring me, one trader responded, "This is the boy's club here." Don said, "But it's not the locker room." The guy said, "Yeah, it's more like the showers." Don broke from his chivalrous posture and guffawed at the joke.

The humor and insults that pervade the trading floor comment on the homosocial environment and highlight man-on-man domination. Insults focus on the homosexuality of one's trading neighbor or liken him to a "hard-on." Such seeming invectives slide easily into friendly banter. *Jack off* is a ubiquitous term; inflection directs the listener to the appropriate interpretation. It is frequently used to describe someone, as in, "That guy is a jack off." It is also used to get someone's attention, as in "Hey, jack off," pronounced like "jag off," with a long, nasal Chicago vowel. Other descriptive terms are *fag* and *cocksucker. Prick* is a friendly attention getter, as is *homo*. But these words, even when they are used in a jocular way, maintain their aggressiveness; a slip in intonation can slide into real abuse. The pervasive playful use of insults marks the constant threat that symbolic and physical violence may erupt at any moment.

The cursing that colors flare-ups and everyday conversation contributes to the aesthetic of asociality. The market is a place of uninhibited action. Bodies dominate the metaphors of economic competition. Fucking and being fucked are the conventional expressions of financial dominance and ruin. Traders use the full range of sexual words of insult and debasement; *asshole* and *dickhead* are common epithets. The swearing focuses on bodily words, especially organs that penetrate or that can be penetrated. These curses substitute a sexual part for the whole, disarticulating the human body. The violent images of sexual domination destroy the sovereignty of the individual, subjugating his body to the will of a competitor.

Traders describe financial losses in bodily terms of sex and violence: "He really took it in the ass on that one." "I stuffed it in his face." Imagery of sexual violence slips easily into metaphors of physical destruction like "That really blew up in his face." *Blowing out* is the generic term for a trader's losing all his money and being forced to leave the pit. The deeply physical expression of power and competition makes explicit the will to dominate through economic exchange. Each deal parades the speaker's masculine potency in front of other men.

Where fucking is the rule, asociality reigns as a principal of action. Fucking and being fucked, both in sexual and financial terms, are shorthand for the use of one person for the pleasure or profit of another. At the same time, the explicit homosexual allusions of traders' vocabularies parody the single-sex relationships that dominate daily life on the floor, another marker that separates the economic competition of the floor from the world outside.

During a slow period one afternoon, a broker who traded for the firm I worked for brought over photographs from his vacation. One picture showed his head poking above the water of a swimming pool. The hairy arms and wiry legs of a couple of other men jutted into the frame. Another showed him in his trunks on the beach, accompanied by other men in their bathing suits. Making a joke of the continuity between his all-male work life and his male companionship on vacation, he declared, "It's a *gay* tour." Everyone laughed. The joke turns on the fact that the tour is outside the market world, and yet the photographs show only men. Outside the trading floor, this broker should have entered the social world where men desire women and keep their company. But the photographs show that he was apparently unable to return to the social world outside the pits.

Practical jokes, known in British market parlance as "goofs," are a favorite pastime among traders and a staple of workday entertainment. Goofs often engage the theme of homosexual relations between men. My cohort of Perkins Silver traders was initiated with one. After we completed our first two weeks of training, we took our seats in the dealing room. On each of our desks was a memo printed on the Perkins Silver letterhead instructing all of us to call Christof at Leeds and Critchley (Savile Row tailors) to arrange for a fitting of our Perkins Silver trading jackets. Christof would come to the Perkins Silver offices to measure us. Nicholas, one of the graduate trainees, agreed to arrange the appointment. After several phone calls, strangely aborted by Christof, a time was set. Christof told Nicholas to be sure to wear clean underpants because he would have to take his pants off. The briefs needed to be tight for the tailor to take his proper measurements. Nicholas protested, but finally agreed to comply.

When the day of the fitting arrived I was called in first. I approached the conference room but instead met Tony Healey and Billy. "Sorry, love," they said, "we told the other girls, and we thought you already knew. Now go back in there and send in the blokes." The joke was intended to shame the new guys for their inexperience and gullibility by arranging for them to drop their pants voluntarily for the older traders. By conning the new traders into displaying a desire for the natty dress of Savile Row, they also got them to exhibit an effeminate desire for clothing that marks respectability. By excluding the women from the joke, the traders defined us as outside the proper constitution of the trading room.

Traders brought explicit photographs to the trading floor in a kind of sexual show and tell. In the fall of 1998, Viagra was new on the market and was a great source of amusement on the trading floor. One trader brought to the floor a cartoon captioned, "Death by Viagra." A man's erect penis shoots through his head, obliterating his face.

At Perkins Silver, the topless girl on display daily in the *Sun* merited daily public examination and comment. But the Internet provided the easiest access to such amusement. Pornographic photographs of women thrusting their genitalia toward the camera or contorted into unnatural sexual positions frequently made the rounds. Tony Healey kept a picture taped to his terminal of himself mugging for the camera buttressed by two scantily clad strippers. "These are my sisters," he told me with provocative glee. More disturbing was the amusement generated by a picture of a nude, hugely obese woman. Her bulk spread over a divan that could barely contain her. Her arms pushed aside her rolls of flesh in an attempt to find herself with her fingers.

Even when the focus of titillation is on women, traders' performances are about men and for men. This is the locker room, a space apart from the family world where women matter. Men are the appropriate market actors, and women represent society and proper sociability unless explicitly subjugated to men's sexual will.

In the theater of finance the principles of asociality take the form of the exaggerated maverick speculators who inhabit trading floors and dealing

rooms of financial futures markets. The construction of economic man does not end with the collective performance of the trading floor. Traders incorporate the principles of asociality into their systems of self-governance. Despite the external performance of excess and recklessness, the internal performance of market action is governed by strict control over the highs and lows of emotion and is devoted to creating a self that is an instrument for reading the market and reacting to its every twitch. The asociality described has its complement in traders' "discipline."

CHAPTER SIX

The Discipline of the Speculator

For futures traders who make their living interacting with global financial power, the market is separate from and larger than its individual participants. It is "an object of attachment" that both provides profits and judges their personal worth.[1] Traders consistently describe the market as the highest authority, saying, "The market is always right." Joshua Geller, a manager at Perkins Silver, feels that the market acts as an instrument of the divine. "We don't know value. Only God knows value." Geller sees value as something absolute. Yet every day Geller and his trainees work to find the prosaic value of financial commodities by identifying their price.[2]

Joshua provided a potent description of traders' relationship to the financial domain. The market holds absolute truths. It determines traders' financial fates and acts as the arbiter of the speculators' moral worth. Joshua told me that in the market, "You test yourself every single day. You either made money or you lost money. I'm a good person or I'm a bad person." This common understanding leads traders to respect the norms of speculation that mediate their relationship to the market. To participate in the market and move into the transnational flow of capital, traders submit to the strictures of the "discipline" of speculators.

Traders use religious language to describe their engagement with the market, expressing the commitment they bring to their financial conduct. Yet work in futures markets is consummately secular. Traders make themselves worthy of their profits by practicing a particular form of regimented action before the otherworldly force of the market. The faith, humility, and self-regulation that traders show us in their discipline reveals an economic ethic developed in and for global capital markets.

Traders use techniques of self-formation to create a risk-taking person that can thrive in the action. They call this set of techniques "discipline." In the discourse of traders, discipline is both an idealized state and a concrete set of internal strategies. Managing a trading self requires the artful application of disciplinary methods.[3] There are four core elements of discipline: first, traders separate their actions on the trading floor from their lives outside; second, they control the impact of loss; third, they learn to break down the continuities between past, present, and future trades by dismantling narratives of success or failure; and fourth, they maintain acute alertness in the present moment. Techniques of discipline are at the center of becoming proficient in speculation—of inhabiting the identity and practice of the risk-taker. One trader told me that with discipline, "You can experience the market and become a part of this living thing, intimately connected to it." Traders' sense of vocation is anchored in the practice of discipline. At the heart of the financial system today, traders' ascetic practices of self-discipline create an ethical relationship to the domain of capital circulation. Examining the intricate work of discipline will expand our understanding of the modes of conduct that speculation produces.

Discipline works to remove each trader's concerns and desires from his economic judgments. The central virtue of the responsible trader is acute perception of financial information. Discipline demands that, while engaging with the market, traders purge themselves of affect and individuality, managing investments and reactions with unobstructed perception. According to traders' professional norms, discipline enables them to coast with the uncertainties of the market and judge effectively when to enter and exit the game.

According to the Perkins Silver trainers, "The market doesn't care what you think or who you are." Discipline helps traders temporarily fashion a market actor in harmony with the impersonal and anonymous nature of the market. Philip, the Perkins Silver owner/director, told me that he has spent years trying to figure out a profile that assures that someone will be a good trader, but he does not believe that one exists. Philip's comments reflect the logic of discipline. A good trader must "get rid of [his] ego." The quality of a good trader is located not in personal characteristics but in the talent to transcend individuality.

Traders are proud of their showmanship and seem to enjoy swearing, shoving, and indulging in language of sexual violence. Their performances of self are marked by excess and recklessness. Yet the answer to a standard question, "What makes a good trader?" yields a consistent response: discipline. Although discipline does not appear to have a place in their trading strategies, traders govern themselves with strict control.

Discipline separates traders from the guiding principles of the outside world by differentiating the time and space of the market and creating a specific market being. It breaks down the continuities that enforce obligations to people outside the financial arena. If a trader breaks from his internal codes, the market "punishes" him by causing losses. This discipline from

above imposes norms of behavior on those who lack the resolve to do it themselves. Traders work to internalize this mode of control and avoid the consequences of a lapse.[4]

Speculators like those at the CBOT and Perkins Silver work on a second-by-second basis. They fill their accounts with skimmings from the vast flow of financial capital that circulates through futures markets. The demands of discipline are most visible in the actions of a subset of traders who practice a particularly risky style of trading. Scalpers buy and sell futures contracts outright; without hedging their positions, they buy in anticipation of a quick rise in price or sell in expectation of a rapid fall. In the language of finance, they do not "offset" any risk by buying or selling products that will limit their losses. The financial consequences of scalping are immediate and stark, win or lose. In an ideal trade, the scalper observes the market and its motions, makes a judgment, and executes a sale or purchase. He monitors each price change and its effect on his stake, looking for the best moment to complete the trade and reap his profit or take his loss. If he gauges that the market is going to turn against his position he may "scratch" the trade, getting in and out of the market at the same price, only to reenter it seconds later.[5] This uncomplicated technique allows the scalper the flexibility to move in and out of the market in an instant, taking advantage of every rise and fall of a commodity's price. According to the ideals of discipline, the speculator should never look back, whatever the outcome. An effective scalper must maintain acute attention and responsiveness every moment he is in the market. He must move on to the next trade with a clear mind to evaluate market conditions as they present themselves.

Traders learn this discipline in formalized and informal settings. On the floor of the CBOT, new traders learn it as part of the apprenticeship process, absorbing norms from the older members who sponsor them. In electronic dealing rooms like the one at Perkins Silver, such opportunities are limited. The Perkins Silver trainers knew that in London the new traders would not yet have learned the lessons central to the practice of trading. Teaching the constraints of discipline was the key to creating a cohort of reliable risk-takers, and they created a formal training program to drive home these lessons. The managers claimed that they didn't care if money was made or lost as long as each trader practiced obedience to the discipline. The trader's responsibility was to his technique of self-regulation, not to the profit and loss figure at the end of the day. With adherence to discipline, the managers believed that traders would prove themselves responsible and profits would follow.

The two-week training at Perkins Silver focused a part of each session on creating a population of responsible risk-takers. This was a difficult task. Andrew and Joshua used many techniques to ensure that their traders were developing discipline. They monitored the traders' activities through the on-line risk-management system that allowed manager Andrew Blair to oversee every computer on the trading floor in both London and Chicago. In the patterns of a trader's profits and losses, the managers discerned marks of self-management. The easiest thing to see was a weakening of discipline. When traders are unable to maintain the division between their market and outside lives, their trainers believed their trading suffered. Adam Berger, a Perkins Silver manager, told me, "I can tell by watching trades come across my screen when someone has had a fight with his wife." According to the strictures of discipline, dissolving those ties while inside the market is essential to making oneself into an instrument that can receive market signals, act on them spontaneously, and take advantage of every opportunity.

Perkins Silver traders dreaded early afternoon phone calls from Adam. He arrived at his Chicago office at 7:00 a.m. (1:00 p.m. London time), looked over the trading records for the day, saw who was letting his losses run, and dialed the offending trader's extension. To train traders to internalize their techniques, the managers required them to turn in weekly journals in which they analyzed their trading, giving reasons behind trades and confessing lapses in discipline or exulting in successes in maintaining a regulated trading practice.

A Separate Space

Traders use specific measurements to account for gains and losses. They segregate market currency from the money exchangeable for goods and services outside the market, a practice that separates action in the market from consequences in their lives outside of it. Market money is specific to the time and space of trade. It is not exchangeable for food, mortgages, tuition, cars, and vacations that draw the trader into a web of relationships outside the market arena.

Discipline redefines the trading object. Traders transform the dollar balances in their accounts into the abstract market measurement of "ticks." A tick is the generic term for the price intervals of any market. The market moves up and down by ticks. In the futures market on the Dow Jones Industrial Average (DJIA), ticks are measured in 1/100 increments in the price. If the price of one contract moves from 110.80 to 110.81, the .01 increase in the price is a tick. In the DJIA, each tick equals $10 on one contract, but discipline directs traders not to calculate the sums of money at stake. They count their gains and losses in ticks. Because traders gain and lose ticks while they are trading, they separate their market actions from the space of monetary exchange outside the market. Distinguishing money from ticks

allows traders to separate the consequences of good and bad trades from the necessities of everyday life outside the market.

Dividing ticks and dollars also segments space. The space of money and the space of ticks are physically and socially separated by their assigned currencies. Maintaining different names and accounting strategies for each currency divides the space of the market from the world outside the trading floor. An underlying tenet of discipline is that market and emotional matters are irreconcilable. Traders who bring family financial concerns to the domain of trading impair their ability to act and react in the temporal and physical space of the market. Accounting practices that separate market and social space allow traders to purify market calculations from outside considerations.

Ticks are the currency of the market. Classically, from Simmel and Weber forward, money has been thought of as the ultimate tool of exchangeability. Assigning a price makes all things equal and exchangeable for money. Viviana Zelizer has written, in contrast, about the ways in which people assign specific functions and significance to money.[6] Yet Zelizer's examples involve actors who are outside a formal market context. It deepens her insight to see how traders, whose sole professional task is to create a market, decommensurate the money *in* the market *in order to enter the market.*

Traders must work consciously to strip money of its social connotations. It takes orchestrated effort to maintain the segregation of market and "outside" currencies. The market, where money should appear as most abstracted and depersonalized, does not obey a pure quantitative logic. Traders invent their own market currency to remove it from the realm of outside social relations. Money's ability to foster and sustain social relationships and commitments such as those between a trader and his family is so strong that it overrides its ability to add to the market state of the trading pits. Money must be transformed to serve the abstract context of traders' market decisions.

Taking Loss

Discipline manages the emotional effects of financial risk-taking while maintaining an intense concentration and focus on the present moment. One of a trader's greatest vocational challenges is to suppress his individual reactions, desires, and concerns in order to make himself into an instrument for reading and reacting to the market. This is especially difficult when taking losses.

Even the best traders take losses repeatedly during the day. As Joshua Geller explained, "We are wrong all the time." Losing ticks is an inevitable part of speculation, but the emotional impact can be devastating. Joe Rose told me, "If you are losing money on a regular basis, it hurts. You feel like you can't trade. I feel like I never even knew what I was doing. When I lost money a couple of days in a row, I felt like I was just a fake." The repercussions of losses can invade the trader's confidence and self-assurance, both of which are crucial in their rapid-fire work.

Ideally traders are able to forget about the consequences of each trade. Adam Berger told Perkins Silver trainees, "You can't ever make your money back. If you've lost money have a funeral for it. You have to have closure. It is gone . . . you have to look at the next trade." But in a one-on-one interview he admitted the difficulties of containing the effects of financial loss. "You can't make that money back. It's gone. . . . And believe me, it is a lot like having a death. You go through that." Scalpers may take a hundred losses in a day.

Discipline as a principle covers all types of speculation, but each trader must come to understand his own personal limits. This requires a special kind of self-knowledge. The trader must assess how many ticks he can lose before he loses his composure. The disciplined trader commits himself to take his loss after the market has gone a certain number of ticks against his position. After, say, three ticks, he will complete the trade and take the loss. He will not allow himself to get to the point where he loses his cool and clouds his judgment.

Traders use discipline to control the emotional impact of losing ticks. Everett Klipp, an old-timer at the CBOT, was famous for his techniques for training young traders. He was utterly devoted to trading. Even after he retired, he would walk the halls wearing his signature bow tie and a trading jacket that draped from his aging frame. One friend of his told me, "He'd say, 'You'll never become a millionaire if you don't learn how to take small losses.'. . . He didn't teach [new traders] how to win. He taught them how to lose." Klipp's belief in the salutary effects of discipline was unshakable. He would stand behind the neophyte trader under his care and force him to take small losses, a critical skill to learn. Discipline directs traders to exit the trade before the position moves against him more gravely. Klipp's theory was that taking small losses teaches traders to become familiar with losing and to gain control over the impact of a loss. In May 1999, *Futures* magazine quoted him saying, "You have to love to lose money . . . to be successful."

Taking losses is so significant for traders' discipline that traders often claim that their "best" trades were the ones where they cut their losses before a situation became dire. They insisted on a distinction between the "best" trade and the trade that made them the most money. The responses below show the premium placed on applying discipline and taking the loss that the market has doled out.[7]

> The most important thing . . . is you have to be able to take your loss. . . . If you don't take your losses then you're just going to get killed. . . . And oftentimes at the end of the day you'll remember the best trade you had was a loser, and you took your loss right away, and if you hadn't, you'd have gotten killed.

> As far as great trades, the best trade that I can recall was scratching [getting out of a trade with no gain or loss] and then seeing [the market] go just totally against [the position I just left]. And had I stayed in it [I would have lost a lot of money], like wow, that was great. So I used the discipline, I stuck to my guns, and it just totally worked out. . . . So I was trying to become really aware of just doing the right thing, making the right trade, . . . following the rules. And that's very tough.

Breaking Down Narratives of Success and Failure

Isolating events in time—separating past and present—helps traders to form and sustain economic judgments in the maelstrom of the market and reinforces the boundaries between market and outside space.[8] To observe the quick movements of the market and maintain discipline, traders must immerse themselves in the market and block out external influences. They treat each trade as if it has no effect on the next. Traders deconstruct the ongoing narratives of success and failure that might accrue to them by breaking time into small segments that bear little relation to one another. A disciplined trader leaves every trade in the past, isolating one decision from the next. He reacts to the market and leaves his own judgments quickly behind when the market proves him wrong. He does not build stories about his successes or failures that would provide a sense of weakness or invincibility that could affect his decisions and timing in the market.

One good trade never guarantees the next. Developing a sense of ongoing success or failure is a trader's Achilles heel. Traders segment time in the market to accentuate the constant regression to the mean that is a necessary part of discipline.[9] In the trade, there is no past and no projection ahead: the present moment takes precedence. One veteran trader lectured me, "Once the trade is done, it is history." Part of discipline is learning how to separate the consequences of each trade from the next to limit the psychological effects of success or failure.

Dissociation from each decision is accompanied by dissociation from the circumstances of the individual decision maker—that is, whether profits are up or down for the day, week, or year. Traders must work to break down any narrative that might arise from a series of successive losses and gains. It takes active effort to ignore the sense of continuity that comes with repeated success or failure.

When traders are unable to separate the consequences inside the market from the potentials for wealth and possibilities of devastation outside the market, they may bring their personal desires into their economic decisions. Traders whose discipline has lapsed may also invest themselves in a given position, personalizing the success or failure of that single decision. Joshua Geller warned against what he considers to be one of the greatest dangers of trading. On the days when Geller would wander the Perkins Silver trading floor, he would stand at a trader's shoulder and watch the rhythms of his trades. If a trader increased a position that was already posting losses or hung on minute after minute in a trade that was running against him, Joshua would hiss into his ear, "Wishing, hoping, and praying."

Wishing, hoping, and praying break discipline's cardinal rule, bringing personal desires and convictions into market judgments and clouding a trader's view of the market's objective movements. These desires then mediate between the trader's actions and his reactions to the constantly changing information before him. To structure the self as an instrument of perception and reaction, traders must give up their desires.

Scalpers' ability to skim a profit from market fluctuations relies on a constant clarity of vision. In their second-by-second time frame, they must maintain a reactive sense of what is happening in the market. With every extra moment spent on a losing trade, opportunity for reevaluating and taking a profitable position is lost. For a self that is disciplined to be an instrument for reading the market, taking the loss removes a constraint that would block a quick move into the next opportunity. Joshua Geller warned us, "If you are hoping for something to change or come back you are missing an opportunity. You are not taking advantage of opportunities." Traders discipline themselves to push away their own judgments, desires, opinions, and concerns to absorb the rapidly changing information that the market conveys.

Successful discipline allows traders to act instantly. Wishing, hoping, and praying undermine the ability to react quickly, extending the present moment forward in time. A trader who attaches hope to an individual trade is no longer responding to the information available at the moment. When a trader breaks his discipline, the consequences of an individual trade begin to matter. Wishing, hoping, and praying can easily slide into an attachment to an individual decision.

After a few minutes in the same position, watching the gains or losses tick up and down with the market, a trader's neighbors may begin to heckle him, "Are you married to it yet? Hey, I think Charles has gotten married." The unlucky groom may elicit a spontaneous recital of the wedding march from

the other traders. "Marriage" betrays a trader's weakness. He has formed a connection with his position that goes beyond the moment and the explicit purpose of making money, investing himself in the object. When a trade has gained some value in its own right, it loses the status of pure instrument. "Getting married" to a trade is a way to say that a trader has abandoned his senses. The inability to separate market reason from personal attachments has undermined his craft.

Entering the Zone

From the point of view of the scalper, the market resides in the present, in the agreement between a buyer and a seller that is in the process of closing. By the time a price has been made and a trade settled, the market has moved. On the floor of the CBOT, the market is the agreement that is being made between traders in the pit at this very moment. In online markets, it is the trade that is now matching buyer and seller. As the CBOT traders explained to me, once the clerks record a trade and the result is printed on the electronic screens that hang in red, yellow, and green lights above the trading floor, the market that they represent is history. And history is gone. Scalpers constantly attempt to grasp the direction of the market. Because it is always moving forward in time, it always remains uncertain. Scalpers exist in a flexible relationship to the just-emerging future.

On the CBOT trading floor, the space and time of the market are localized in the pit. Anything outside the pit is outside of the market. While "outside events" (as traders refer to them) affect the flow of orders into the pit and the price of the contracts, attention remains focused on the time and space of the present. For floor traders, the sense of being "inside" the market can happen in only one place. The action in the pit links the time and the space of the market and creates the feeling that the market is a living thing.

This bias for the present lends itself to Zen-like aphorisms. Joshua Geller advised, "Accept the market as it is and try to be with it." A popular book that outlines the path to success counsels traders to follow its title, *The Tao of Trading.*[10] Traders speak of their best trading moments in ways that make them sound like mystical engagements. They need to abandon self-consciousness to gain full access to the market's interior and use discipline to block outside contexts from their conscious thoughts and to enhance their abilities to read, interpret, and ultimately merge with the market. Traders often speak of being "in the zone" or of a "flow" experience.[11] In the zone, economic judgments and actions seem to come without effort from the instincts of the trader. The market and the trader merge, giving him special access to the natural rhythms of financial fluctuations.

Traders most value a sense of total absorption in the market. In the "zone" conscious thought disappears and an ultimate sense of presence takes over. They are able to act without explicit thought. Their senses are heightened to the rhythms and sounds of the market and the flow of trades. Achieving oneness with the market can wipe away thoughts beyond the moment. As Joe Rose, said, "The only time in my life when I am not anxious is when I'm trading. I am just out there making money, losing money. And it absolutely wipes out all anxiety. I live in the moment when I trade."

This absorption in the present echoes descriptions of the athlete's and musician's crafts. Joshua Geller attributed the success of one of his traders to his musician's access to the rhythmic flow of the market; the man had been a drummer in a jazz band. "He sways with the market," Geller said. He followed the market cadence, switching his positions with the changing tempo of trading, moving his positions in and out with an improvisational technique.

A disciplined scalper always remains in the moment. He is flexible and reacts to the market situation immediately at hand. He cannot put too much confidence in his own judgment, or have a sense of weakness. This paring down of the self leaves only the part that can become absorbed in the market with no outside commitments. The technique allows a feral sense for market action to develop that bears little resemblance to strict calculation. Scalpers react to each move of price regardless of their own judgments and desires about what the market "should" do according to their individual estimates.

Pit traders speak of living within the heart of the market. They must have the physical discipline to remain in the market through the adrenalin spurts of active markets and the deadened tempo of trading lulls. In the pit, this means standing shoulder to shoulder with hundreds of other men, hour upon hour, without sitting. Physical aches and pains cannot distract a trader from focusing on the market and its movements. The physical immersion in the market is both a challenge to his focus and a powerful force for drawing him in. On the CBOT floor, the collective excitement of the trading pits, the rousing noise, and the jostling bodies draw traders into the market. They are surrounded by and soaked in the sweat of exchange.

The CBOT traders had the advantage of this physical immersion in the market, but the Perkins Silver traders were distanced from their dealing partners by electronic networks and trading screens. The need for discipline, both of body and spirit, is heightened in online exchange. In the electronic dealing room, the market does not surround the trader. He trains his attention on the numbers on his screen that represent the market. Online traders do not have much visceral stimulation to spur them into action and to reinforce the norms of financial action. Joshua Geller stressed the importance of constant physical readiness in our training. He demonstrated

the disciplined crouch that brought his eyes inches from the screen. His index and middle fingers rested lightly on the right and left buttons on his mouse. "Have your cursor over the relevant hot button so that when the opportunities happen you are there to act on them immediately." Mustapha, the most profitable scalper at Perkins Silver, visited the hospital because the tendons in his hands were throbbing. The physical therapist there told him that clicking the mouse (indicating the frequency of his trades) was not to blame for his injury. Rather, the damage came from the holding his index finger slightly above the mouse, poised to click. Hours of hovering each day damaged his hand.

A trader must react neither to boredom nor excitement. One of the greatest challenges, especially for online traders, are periods when very little is happening. These "flat" markets can be deadly. They tempt speculators to "over trade," to take a position for the sheer stimulation of being in the game. Discipline is equally important for deciding to enter or stay out of the market. Each day, a flurry of activity surrounds the market opening, but that burst soon wanes. Depending on external events, or other market activity, there may be more spurts of activity or simply a steady drone of trades that carries the traders into the second period of concentrated action around the closing bell. The temporal rhythms of the market try the patience of speculators. Discipline supports a trader as he stands in the pit or keeps his eyes glued to his screen, resisting the quicksand of boredom, which dulls the senses and tempts the trader into chatting, taking long lunches, and making telephone calls. Traders thrive on the high-stakes game. Dead periods challenge the disciplined trader to resist his desire for action. Josh Geller held up a coworker in the five-year pit as the greatest example of this aspect of discipline:

> The guy was a trading machine. He would make one, maybe two trades a day. He would just stand there waiting to pick off a perfect trade. Put the entire stake on one moment where he was sure. He never left the pit. He didn't eat. He didn't go to the bathroom. I don't think he even blinked. He was an awful human being but he was a great trader.

Despite his own inaction, this trader was able to stay totally focused on the market. In Josh's portrait, his successful neighbor was able to excise the human urges that lead others into trading traps. The neighbor's machinelike quality reverses the usual notion of mechanistic motion. To be a trading machine in this case was to follow the dictates of discipline to inhuman extremes of inaction. In his role as a Perkins Silver trainer, Joshua's goal was to produce such human machines.

The immediacy of the market forces traders to focus on each price movement. Traders act as if they are tracking an animal. Calculations or elaborate strategies that take them out of market time are seen as an impediment. Traders ultimately value reactive speed and perceptive clarity rather than complex calculative skill. Sean Curley Jr., who was trained as a lawyer, explained how his legal training sometimes impedes his trading abilities:

> Sometimes I think [my legal education] hurts me. Because I'm more prone to get set in my ways. I'll reason to a particular conclusion based on assumptions that I've got built into the market, whether it's based on fundamentals or its based on some technical thing. You know, just like I'd craft an argument . . . There are a lot of guys who may never look at a chart, they never read a newsletter, they don't care. They just want to know what's bid and what's offered. And they just trade . . . A lot of those characters aren't the kind of guys who went to dental school or have a law degree. Maybe they didn't get out of high school but they're damn good traders because they trade the market. They know the market. The market has been their education.

Tom Walsh, who holds an MBA in finance from MIT, agrees. He believes that his university education makes him consider situations too closely. Neil Marks, a veteran trader, acquired the nickname "Don't tell me anything" Marks early in his career because of his belief that knowledge of events or analyses outside the immediate market are a distraction. When he began trading at the CBOT, he canceled his subscription to the *Wall Street Journal*. He said that the minute he started listening to the information, he started losing money. Marks believes the traders' advantage lies in their presence in the heart of the market. He says that "traders have the pulse of the market. They are on top of it every second." For him the adrenaline rush of trading and the feeling of being in the zone come with the gut-level immediacy of being directly inside and surrounded by the market.

Discipline checks the instinct to out-think the market. One danger for traders is having too much conviction in their own assessments of the market because their second-by-second time frame scalpers continuously assess and reassess their positions. The Perkins Silver trainers instructed us, "Don't think." Traders must remain flexible and ready to react immediately to changes in the market. As one trader told me, "It doesn't pay to have too much of a view." A trader with too much confidence in his judgment may come to see a losing position as a temporary problem. He may decide that his original judgment is correct, that the market will soon turn around and go in his favor. Discipline places a limit on the role of explicit calculation. If a trader persuades himself that he has "figured out" the market rather than sticking to his discipline, he risks becoming tied to his decision and exposing himself to further losses. Setting limits for losses helps a trader to separate himself from the fear of losses and from calculations that place his intellect above objective movements of the market.

The Ethical Practice of Discipline

Most important, discipline requires traders to acknowledge that the market itself is the only authority. The movements of the market represent financial truth. It is not surprising that traders' attitudes to the market take on a quasi-religious aura. Their discipline is, in a way, a technique of the sacred.[12] Practicing discipline allows traders to attain the proper state for engaging the force of the market, a state that parallels the asocial ideals of the market. Traders speak about the market in religious ways that make this analogy appropriate. "The market is always right," assigns ultimate truth to the market. Men must fit themselves to its requirements.

The market is the traders' moral authority, and it monitors their discipline. It judges their worthiness for profit. It is both the single truth and the arbiter of a trader's work. In many of my discussions at the CBOT, traders returned often to the idea that the market disciplined them. When a trader becomes too confident from recent successes, he says that the market "knocks [him] down." Traders' action is based on a belief that "you can never be smarter than the market," an assertion that the market is a mysterious and powerful force that can be apprehended only if approached with the correct humility.

Discipline is an ethical system and a profit-making strategy. It is a method both for engaging the market and being accountable to it. Maintaining discipline allows traders to allay the dangers of acting in the market. Overconfidence brings punishment.

> You become very opinionated on the market, instead of just trading it and scalping in and out. I go in with a set feeling that I'm right. Sometimes I just don't want to give up. And that is when it happens, after I'm doing really well and I'm feeling omnipotent. You think you're bigger than the market and then you just ask for it . . . You get killed whenever you start thinking like that.

Humility in relation to the market demands recognizing that success can be perilous. A trader's claim to special knowledge or access to the mysteries of the market invites retribution. There is a fine distinction between maintaining a basic confidence in one's ability to interact with the market and an arrogance that will draw its wrath. A disciplined trader knows that the market takes away the earnings of the arrogant trader: loss is the penalty for the breakdown of discipline. The trading journal of one Perkins Silver trader stated bluntly, "Just when you think you're starting to figure these markets out, they come back and squash your ego like a peanut." The market seems to insist on the complete remaking of the trader in accordance with its requirements. It does not give out subtle hints. As Adam Berger said, "Any crack or psychological weakness, the market will find it . . . and will put a chisel in there and bang, bang, rip it apart."

When discipline breaks down and the trader's mastery of the game is called into question, he begins to use the language of death. Common descriptions of losing money include "getting killed" and "getting burned." These physical metaphors draw attention to the danger of close contact with the market. The break from discipline lends these losses moral meaning. One trader, David, described to me the unraveling of his proper trading technique:

> There have been [trades] that I just got killed . . . just everything goes against you. You sell it when you shouldn't, you buy it when you shouldn't, all day long and its a busy market, you're trading numbers you shouldn't, value down, trying to get it back, so you're trading bigger. When you have a profit, normally you'd get out, but because you're down money, you're trying to squeeze it, get more out of it. [You] turn it into a loser. Hate yourself. Hate yourself. Consumed with self-hatred. I'd still be down money but instead I tried to squeeze it for another five hundred and now I lost seven hundred. Hate myself, threw my pen. Oftentimes I'll throw my pen. Just hate yourself.

When he cannot manage his profit-making strategies and emotions with discipline, David's downward spiral of loss gathers force. The more losses he incurs, the greater his self-loathing, and the more losses he takes on. He is consumed by emotion and unable to divest himself with techniques of discipline.

Discipline is an ideal that traders work to enact. Yet even those who can successfully lose themselves in the market encounter significant obstacles to maintaining discipline over time. The greatest challenges to practicing disciplined trading are the pressures that impose themselves on traders from beyond the market frame. The strains of money and family tempt traders to allow their thoughts to wander beyond the market present and, therefore, to break the ethical imperative to separate economic and social spheres. Shaping the self into an instrument that can read and trade in the market is a vocational practice that is difficult and painful to maintain. Adherence to discipline waxes and wanes. Traders operate under the constant threat of losing their discipline and with it their focus and trading skills.

* CHAPTER SEVEN

Ambiguous Numbers

LIFFE's open-outcry markets opened in 1982. The wild behavior and spending practices of the mostly working-class traders became legendary as these "barrow boys" stormed the City of London.[1] In the pits the traders would scream out orders, cut deals with their buddies, scribble out completed trades on note pads, and verbally abuse the clerks who checked their trades. The clerks, knowing that many successful traders had begun on the lowest echelons of the hierarchy, hoped that someday they too would have the connections or the capital to climb into the pits. The trading pit was more than the social world of these rough-and-tumble traders. It shaped how traders perceived the market and, in turn, conditioned how they took action within it. The pit, in this sense, was a "means of perception" that structured how traders did their daily work to create circulation in financial commodities.[2]

Information technologies, like the pit, underpin traders' daily practice of economic judgment by shaping the available informational resources. Yet these foundations of financial knowledge and action are rapidly changing. New electronic trading technologies and all-digital exchanges are supplanting the traditional open outcry pits where traders meet to exchange contracts in financial futures. For traders, this shift from face-to-face to screen technologies has transformed the relationship between trading skill and exchange technology.[3] The screen changes how traders apprehend and interact with the market. Specifically, it reconfigures the embodied work, techniques for understanding the market, and material context of trading. In doing so, trading screens create new kinds of market actors. In the pits, the traders lived the markets in their bodies and voices. On the screen, traders *observe* the market and work *on* it.

This technological shift in financial futures markets displays the tensions between the technological creation of rational market players and the existing norms and practices of contemporary financial capitalism.[4] Futures traders using both technologies enact a specific form of modern economic