

# I lost Sh1.6 million in one day and learned a valuable lesson

Saturday, June 19, 2021



Peter Njoroge, a US-based Kenyan who runs an investment business. PHOTO|POOL

Pool



By Simon Mburu  
Reporter  
Nation Media Group

## What you need to know:

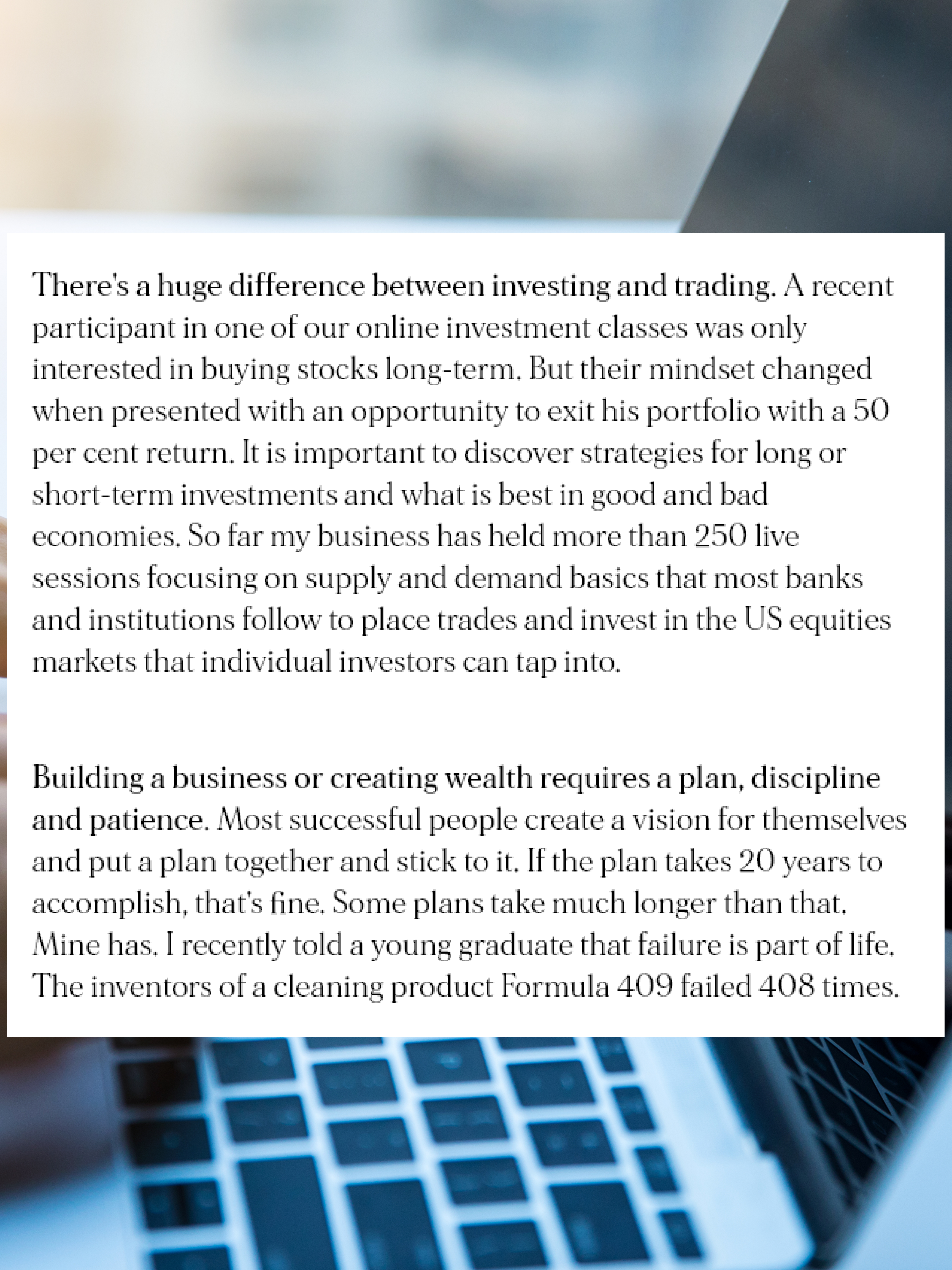
### What you need to know:

- The business assists potential investors in Kenya and abroad to tap into US equities markets
- The business has held more than 250 live sessions focusing on supply and demand basics that most banks and institutions follow to place trades and invest in the US equities markets

---

Peter Njoroge is the founder and managing director of the US-based PeteandPete Investors, a business that assists potential investors in Kenya and abroad tap into equities markets such as Stocks, Options, and Futures, in the US.

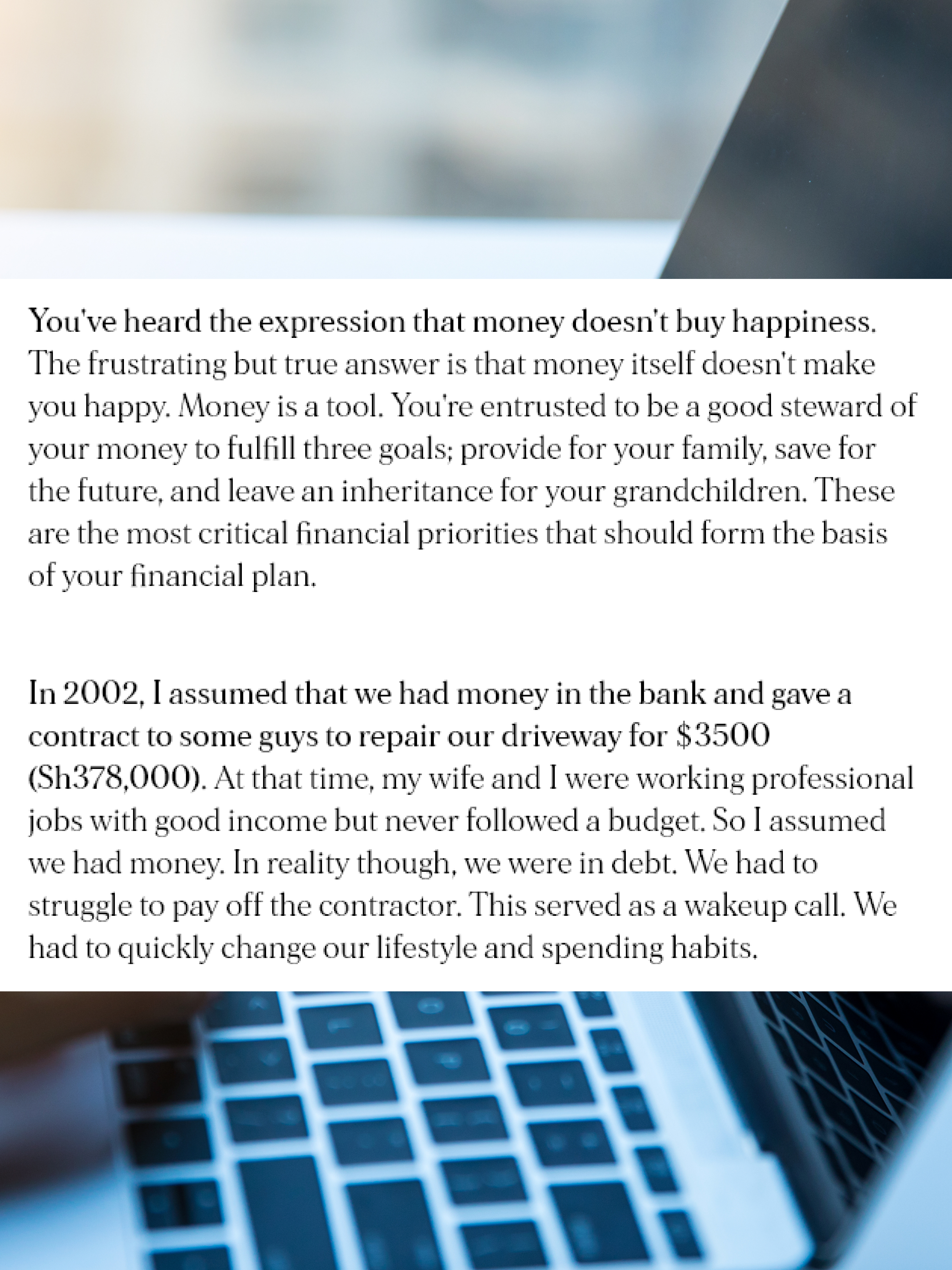




There's a huge difference between investing and trading. A recent participant in one of our online investment classes was only interested in buying stocks long-term. But their mindset changed when presented with an opportunity to exit his portfolio with a 50 per cent return. It is important to discover strategies for long or short-term investments and what is best in good and bad economies. So far my business has held more than 250 live sessions focusing on supply and demand basics that most banks and institutions follow to place trades and invest in the US equities markets that individual investors can tap into.

Building a business or creating wealth requires a plan, discipline and patience. Most successful people create a vision for themselves and put a plan together and stick to it. If the plan takes 20 years to accomplish, that's fine. Some plans take much longer than that. Mine has. I recently told a young graduate that failure is part of life. The inventors of a cleaning product Formula 409 failed 408 times.





You've heard the expression that money doesn't buy happiness. The frustrating but true answer is that money itself doesn't make you happy. Money is a tool. You're entrusted to be a good steward of your money to fulfill three goals; provide for your family, save for the future, and leave an inheritance for your grandchildren. These are the most critical financial priorities that should form the basis of your financial plan.

In 2002, I assumed that we had money in the bank and gave a contract to some guys to repair our driveway for \$3500 (Sh378,000). At that time, my wife and I were working professional jobs with good income but never followed a budget. So I assumed we had money. In reality though, we were in debt. We had to struggle to pay off the contractor. This served as a wakeup call. We had to quickly change our lifestyle and spending habits.



I once incurred a \$15,000 (Sh1.6 million) loss in one day. I had just completed professional training in trading Futures in the US and I figured I was good at it. I skipped a key factor in identifying risk vs reward. I was greedy! The market has a way of humbling you. Since then, I tell all my class participants that the market giveth and the market taketh.

I use a simple excel document to calculate income and expenses. The more disposable income there is the better. In the end – I am either net positive, net negative or I just break even. Numbers don't lie. If you're net negative, then you're in debt and can easily become a slave to lenders. Previously, I never worked on a budget which was a huge mistake. Always have a plan for your financial spending, whether it's a budget or a 'smudget'.

Live within your means. All we have to do is become good stewards to what has been entrusted to us. If you can't manage Sh10,000, what makes you think you can handle Sh1 million? Take the first step in understanding how money works by finding a mentor, taking personal finance coaching, or just attending a seminar on finances. How can you succeed if you call yourself a loser, or believe that the world is against you? The only person that will truly believe in you is you.

[mburusymonn@gmail.com](mailto:mburusymonn@gmail.com)

*Feedback to the editor: [satmag@ke.nationmedia.com](mailto:satmag@ke.nationmedia.com)*