

93% of F&O traders lost money. Most kept trading. Munger kept learning

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Maxim: *Keep learning every day.* — Charlie Munger

Years in the market are not the same as experience. Some investors learn something every year; others repeat the same year over and over.

Experience only counts if it changes what you do next.

In 2007, Charlie Munger, then 83 and vice-chairman of Berkshire Hathaway, stood in front of the graduating class of the University of Southern California's law school and told them what he had noticed about the people who did well in life. They were not always the smartest, he said, but they were learning machines: "They go to bed every night a little wiser than when they got up." He said Berkshire itself would not have been possible without Warren Buffett being "a continuous learning machine," and that Buffett spent half his time simply reading. He put it more bluntly too: "Wisdom acquisition is a moral duty." The [full address](#) is still widely shared, though it barely mentions stocks.

Munger practised what he preached to the end. In February 2023, at 99, he sat before shareholders of the Daily Journal, the small publishing company he had long been associated with, and dissected one of his own recent decisions. Buying Alibaba, he said, was "one of the worst mistakes I ever made." He had been dazzled by the company's position in Chinese internet commerce and had failed to remember that it was still, at heart, a retailer in a fiercely competitive market, as [Novel Investor recorded](#). He said he kept reminding himself of the error because it was useful.

A man of 99, publicly picking apart a mistake so that he would not make it again, is the maxim in a single scene.

Repeating is not learning

India offers the opposite picture, on a vast scale. Sebi's study of the equity futures and options market, [released in September 2024](#), found that 93% of more than one crore individual traders lost money between 2021–22 and 2023–24, with combined losses above ₹1.8 lakh crore. The average loss was about ₹2 lakh per trader including costs. The most telling number came further down: more than three-quarters of the traders who lost money kept trading in the following years, despite consecutive years of losses, [Moneylife reported](#) from the study.

That is experience without learning. Each year delivered a clear lesson, written in each trader's own account statement, and most of the people receiving it chose to sit the same exam again. What was missing was not information. It was the habit of looking honestly at one's own results, as Munger did with Alibaba.

The knowledge gap

Sebi's own survey of more than 90,000 households, conducted with Kantar and [reported by Business Standard](#) in October 2025, found that 63% of households were aware of at least one securities

market product but only about one in ten actually invested. Among those who did invest, only 36% had even moderate knowledge of how markets work.

Awareness, in other words, is not the problem. Understanding is. Most Indians who invest have learned just enough to begin, and too little to know what to do when things go wrong.

What daily learning looks like

Munger's model is not reserved for billionaires with whole days to read. For an ordinary investor it can be small and steady: twenty minutes a day on something that compounds.

Read primary sources before commentary. A fund's monthly factsheet, a company's annual report and a Sebi circular are often clearer than the videos that summarise them, and they do not have an agenda. Learn one concept properly each week, whether expense ratios, duration, or how a company's cash flow differs from its profit, until you could explain it to someone else.

Read history, too, because it is the cheapest teacher available. The 2008 crash, the debt-fund defaults that followed IL&FS, the small-cap slumps of 2018 and 2025: each has been dissected in detail by people who lived through it. An evening spent on someone else's expensive mistake costs nothing. Making the same mistake yourself can cost years. Munger built much of his thinking this way, borrowing the lessons of other people and other fields rather than waiting to learn each one first-hand.

Most important, study your own decisions as Munger studied his. Once a year, look at what you bought and sold and ask which choices worked for the reasons you expected, which worked by luck, and which failed. The point is not to feel bad about the failures. It is to make sure each one is paid for only once.

If you do one thing: Pick one investment decision you made in the past year that went badly, and write down in three sentences what you believed, what actually happened, and what you would do differently. Do the same next year. Over a decade, those thirty sentences will teach you more than any tip.

The gap between the F&O trader and Munger is not intelligence or access. Both had information; both had results in front of them. One kept repeating the same year. The other, at 99, was still going to bed a little wiser than when he got up.

Sources

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