

9 REASONS WHY MOST FOREX TRADERS FAIL

ForEx trading can be difficult. But it doesn't have to be. With enough research about what to - and what not to do - you can be on your way to becoming a success story! Of course, there's always a risk. But that can be minimized as long as you don't do the wrong things.

- 01** RISK TOO MUCH CAPITAL  High risk, high reward. The temptation is there when trading ForEx. The lure of making millions in a short time is definitely there for young or inexperienced traders. While putting more money in means you could make a lot in profit; it also means there's a lot more to lose.
- 02** TRADING WITH THE NEWS CYCLE  This is so common. It's the reason the markets fluctuate in the first place. Interesting news contributes to a fluctuating stock market and excited traders. If you pull out immediately or immediately invest after hearing news, you may be shooting yourself in the foot.
- 03** UNREALISTIC EXPECTATIONS  As we just discussed, the market could move in ways you wouldn't always predict, so you need to be prepared with a strong mentality and solid strategies. Just because the market may sometimes seem like you're gambling, a good strategy may move you forward in a business-like direction. Stick to what you know, and you'll prevail.
- 04** LOSING SIGHT OF STRATEGIES  Getting caught in the moment is the plight of the modern trader. It's easy to succumb to looking at recent news and fluctuating trading patterns. But, if you have a solid strategy already, all you have to do is stick to it.
- 05** FOLLOWING THE CROWD  In addition to the "trading on emotion" trope, there's something even worse than listening to yourself: listening to others. This doesn't mean you should ignore good advice from experienced traders. It means you shouldn't do what everyone else is doing.
- 06** SELLING TOO QUICK  Sell too quickly, and you won't give yourself a chance to earn. Allow yourself the chance to ride the wave of a currency pair that's on the rise. Analyze. Use the experience and tools you have, and determine if you should hold onto this one.
- 07** TAKING TOO LONG TO SELL  On the other hand, taking too LONG to sell can be just as harmful. At least if you sell too early, you can have more control over whether you've made something. If you wait too long because you think you'll get more (even if you had the chance to get some already), this mindset will overtake you.
- 08** BUYING STOCKS WITH NO VOLUME  It's simple and should be common sense: currency pairs need volume. However, in an ironic twist, traders fresh or seasoned make the mistake of looking at price only and completely dismissing volume. Tempting as it may be, price isn't going to get you very far before you look to trade.
- 09** IGNORING STOP-LOSS ORDERS  These are basically an order you have with the broker that means that you have a limit or sort of "budget" for trading. It indicates when the market is too volatile and is headed in the opposite direction you want to go. In normal trading, it's shown by a change in stock prices. But in ForEx, it's indicated by being a certain amount of pips from when you first started.