

5 Pillars of Success in Financial Markets

In this article, we address the following topics:

- Fundamental Analysis
- Technical Analysis
- Capital and Risk Management
- Session Timing
- Trading Psychology

Financial markets are known to be one of the most complex and volatile sectors of the economy. Traders need specific strategies and analytical techniques to succeed in these markets. This article outlines the foundational principles that will undoubtedly guarantee a trader's success in financial markets.

1. Fundamental Analysis

Contrary to what you may have heard everywhere, to

become a profitable trader, you don't need to focus on deep fundamental analysis. You simply need to know when, what type of news, and how significant the news will be released.

2. Technical Analysis

After practice and training, you need to choose a strategy with a maximum of two setups. Then, backtest that strategy on your desired symbol (preferably a single symbol) across different sessions and select the session that yields the best results (preferably not sitting in front of the chart for more than 3 hours). After that, backtest the last 3 months of data for that symbol in your selected session, get feedback, and optimize your strategy.

Continue this cycle of backtesting, feedback, and improvement as needed. Then, for at least two weeks, forward-test it on a demo account to get the hang of the strategy.

3. Risk Management

Risk management is one of the key components of any successful strategy in financial markets. Traders must be aware of the size of their positions, the risk-to-reward ratio, and the amount of capital they are willing to lose. This helps them avoid large losses and maintain stability. Always remember to risk a maximum of 2% of your capital and stay within your Comfort-Zone, and avoiding unnecessary stress.

4. Session Timing

As mentioned earlier, a trader should only spend a limited amount of time in front of the chart because, after a certain period, the mind no longer absorbs data effectively and enters an unconscious phase that leads to irrational trades.

5. Trading Psychology

Finally, managing the psychology of the trader is crucial. Staying calm in the face of market fluctuations and avoiding emotional decisions are some of the most

important factors for success in financial markets.

All five of these factors are essential for a profitable trader, and weakness in even one of them can lead to failure.

Always remember, the goal is to build strong habits, not just to make money.

Written by: AM

Email: protrading.am@gmail.com