



KB's Forex E-Book: Master Your Mindset

Keep forex simple.

Welcome to my e-book where I believe you will be able to master what 90% of traders don't when trading in the forex market, and that is, your MINDSET. Your mindset is key to becoming a consistent and profitable trader. Now the consistency is based more on can you make profits and be disciplined while doing so.

Also, how many chart hours are you spending on improving your own skill? Trading is fun and easy, and if you can control your emotions, you've already won. Most trading resources and books don't spend much time on stating the importance of the mindset aspect when it comes to trading in the forex market.

Simply put, if you can master your mental game, you've already defeated the scared, emotional, and FOMO (fear of missing out) trader. If losses don't phase you, you're well on your way to seeing more profit and more success.

This e-book will provide tips and share experiences on why mindset, fearlessness, and patience is key in a market of uncertainty, and manipulation. There are lots of resources out there to read up on how to trade, what a candlestick is, how to use trend lines, etc; but if you cannot take out the emotions in trading and control your mindset, you've lost.

Mindset is Everything

Before you place a trade, your mindset needs to be right. What do I mean by that? For starters, the forex market is not for the weak. There will be losses and how you handle those losses will determine if you have the ability to make profits on future trades. Your risk to reward needs to be calculated before entering trades. Why? You should know exactly what you're risking and the potential profits you can make. By doing this, there will be no surprises if the market goes against your favor and hits the stop loss.



All emotions need to be cut out immediately.

As soon as the trade is executed or placed, consider the money gone. Remember that forex is a risk first, reward second kind of market, NOT the other way around. So ask yourself, what are you comfortable with risking in the market prior to seeing any potential rewards? If you are not comfortable with the risk beforehand, simply do not enter the trade.

Lions are the king of the jungle, and you are the king or queen of your emotions in the forex market. A loss or few losses does not phase you, you are a professional trader, you know how to manage any size forex account, you're disciplined and patient. If you don't believe that you are any of these, you will also have a hard time reaching profit goals.

Also, it's extremely critical to only trade with money you can afford to lose. So if it's money that you *need* for the rent, the mortgage, the car payment, utilities, phone bill, etc. please do not put it in the market in hopes to make it back. It needs to be money you don't care about losing, burning, or giving away.

Are you willing to risk \$100 to potentially gain \$1,000? What about risking \$40 to gain \$400? How about risking \$100,000 to gain \$1,000,000?

The majority of people will say yes, but when it's actually time to dive in the markets and risk it, they are scared of losing it. You have to tell yourself that the money that you invest is already gone.

If you're not scared to lose, and you can take punches, you're on your way to profiting in the forex markets. Lot sizes can also blow out a traders account if not managed or risked well. Perhaps you started a live trading account with \$50 but used a lot size that is way outside of proper risk management, well this will cause your trade account to be over leveraged, over risked, or completely wiped out.

It's hard not to be greedy in a \$6 trillion dollar market, though at the end of the day, greed kills.



Forex can be compared to driving, boxing, or any sport. For example, If you drive recklessly, speeding or rushing, not wearing a seatbelt, running over pedestrians, etc. you're bound to get into a car accident, and a probably pretty bad one. You could even end up in the hospital or even jail. If you've ever watched boxing, they take punches all day long. If an opponent gets punched that opponent is not just going to leave the ring, but has to stay in there and fight until the battle is won.

Now, let's put that into the perspective of the forex market. If you're not using proper risk management on your account, you could lose more than you expected to because of failure to drive and manage your account. In the forex market, there's no doubt that you will lose, and get punched a few times. How will you react to the loss or punch? Quit and give up? Be scared to enter future trades? Revenge trade?

Or will you stay in the market, re-focus, and then rather than you taking punches, you're now giving punches, managing your account properly, and seeing more profit.

Trading is 90% mental, 10% skill.

Imagine that. 90% mental. This is why your mind needs to be in order before entering trades in the market.

Majority of traders cannot control their emotions throughout their entire trade. Don't let this be you. Traders will hold their trades all the way to the SL target, but not hold trades until their TP target. They will exit as soon as their screens go blue. This is why it's hard for traders to be profitable. They don't let their winners run, making their overall profitability low.

They don't trust the trade or themselves but they are quick to trust another traders' signal or analysis. They will over-risk on their account because of someone else's prediction rather than their own. The thing is, everyone sees the market differently. The question is, how do you see the market and predict it? Go with that.

If trader's lose a trade, they will do whatever they can to do get their money back by:

- Revenge Trading
- Emotional Trading (frustrated over losses)
- Over Trading
- Over Risking



- Over Leveraging (being kicked out by broker)

Patience is key

When it comes to placing trades, some pairs move faster than others. As we do not have control over the market and when targets will hit, we cannot rush the market. It's important to determine what type of personality trait you have, patient or impatient? This will also transition over into the market.

People will say they'd be happy with making \$200 - \$500 a day in the forex markets but when it's time to let their money work for them, they take the profits early. People will slave on the 9-5 for someone else and **WAIT** every 2 weeks for a paycheck, but won't wait a couple hours or even a full trading day to reach their goals.

People will wait 3+ hours in lines at amusement parks just to give them a 2-3 min thrill ride, but will not wait for their trades to play out in the forex market. When you are in a trade, and you've calculated your risk prior, there's no need to stare at your phone. There is no magic wand or trick that will make trades move faster, or at the speed you want it to. When you're in a trade, try doing other things that will take your mind off of it. As the old saying goes, "a watched pot never boils."

A few things to do to take your mind off of trades:

- Do analysis on other currencies
- Cook
- Work on other business adventures
- Sleep
- Clean
- Take a shower
- Read a book
- Hang out with friends and family
- Work out
- The list goes on

Ask yourself, how can I make use of my time while I wait?



There's no rush. Sit back and enjoy the ride, and please remember to protect your capital at all costs.

Set Realistic Goals

A trader should have a goal set for the amount of money they're looking to make in a day, week, month, etc. The problem is, traders don't stick to their plan, whether short term or long term goals. You may want to make a million dollars overnight. It's possible, but if you don't have the capital or not using proper risk, the chances are very slim.

More money in your balance does not equal more risks or more trade positions. More money can also lead to more problems if not managed properly. It's in our human nature to want more of what we have but have you ever heard the phrase, "less is more?" In the market, most traders aren't satisfied with the profits they gain so they end up being greedy, and potentially wiping out profits or the entire account.

Don't forget to pay yourself.

Is forex something you want to replace your job with, use as a hobby, financial freedom, etc? Once you have a solid understanding of why you trade, you will know the type of income you want the market to bring you. What you focus on grows.

Forex is powerful.

Demo vs. Real Accounts

Demo Accounts:

When traders are trading in a demo (practice) account, it's easy to go wild with no care in the world if a loss happens, and a major loss at that because it's fake money. They will not be affected if they win or lose because the money is not theirs, and they cannot make any withdrawals at their leisure. A trader should practice in a demo account if they are new to the market and treat it as if it was a real account.

You cannot withdraw demo profits, only just wish and hope it is real. Is why it's best to trade in a real account.



Real Accounts:

When traders are trading in a real (or live) account, traders should not be attached to money, and it should be money that you can afford to lose. When traders switch over to a real account they are typically trading with less capital than they were trading in an unrealistic, demo account. Nothing changes except the lot size. With real accounts, you can withdraw your profits whenever, wherever.

If you plan to fund your real account \$100, \$500, \$3000, etc; then this amount is what should be practiced on in a demo account.

Proper Risk Management

In forex, you want to manage what you have in your balance at all costs. If the goal is for you to grow your account, then why blow it? Think of everytime that you execute a trade you're jumping off a diving board or into a bull ring. Do you want to come out alive? If the answer is yes, you'll want to honor your account and risk wisely.

Unfortunately, there are some traders who get eaten by the market makers. Their accounts get blown out and they're back to square one. We've all been there, and it's not fun to repeat the same bad habits. **You cannot wipe out your account if you're using proper risk management.** Traders want to see the large profits but are not willing to handle any potential losses that may come with the trades they take.

True proper risk management is for every \$100 you have in your account, your lot size should be .01 (10 cents). It's solely up to the trader whether or not they want to use proper risk management when executing trades. At the end of the day, you are responsible for your own account, risks and rewards. Now, don't feel bad should you decide to take a bigger risk on yourself, just be ready to take on whatever the outcome is.

After all, risk it for the biscuit, right?



Trading Psychology

The market makers love to fake us out as well as hitting our stop loss. So it's our job to be able to trade like the institutional banks do. It's important to know where key levels are and to see what price action is going at the key levels to be able to predict whether to buy or sell the market.

As mentioned previously, trading is 90% mental. It's the market makers job to keep us out of the market, and our job to stay in and protect our capital. People fear losing in the market because they simply don't understand the market. If you believe that you'll be trading for the long haul, know that this isn't the first or the last time you will lose. You may win on your first 3 trades and then lose the 4th trade. Your attitude once that loss occurs will set you up for the next trades to come.

Have you ever thrown something into the river and watched it flow? Think of that when you're trading; your money is already tossed into the river. Always expect the better outcome but keep in the back of your mind that trades can and will go against you at any moment. Having a fearless mentality will allow you to take whatever comes your way, whether a win or a loss.

The market makers are not our friends and they are really here to destroy us in forex. Think about it, we are in a \$6 trillion dollar market everyday trying to catch positive pips. We have the hedge funds, big banks and institutions really moving the market with lot sizes you didn't think existed. The goal for the market makers is to keep traders like us out of the market. They also can see all of our positions, where we place our stop loss and take profit targets.

At the end of the day, we all have to eat.

Imagine *knowing* that someone is out to rob you for all of your stuff.. What will you do? Will you be prepared and plan for their possible attack or would you rather just get attacked?



Trust Your Analysis

Trusting your analysis also means that you trust that your trade will hit your take profit (TP) target. When you set your targets, you're simply telling the market what you want it to do and nothing else outside of that. What's the purpose of marking up your chart, having a bias and then doubting yourself? The one thing that you do have control of in the market is your level of confidence. It's better to trust your own trade than that of others.

There's nothing wrong with collaborating and asking other traders what they think of certain currencies. Just remember that it's their prediction and they can also be wrong. It's okay to disagree with another traders' bias because we all see and approach the market differently. At the end of the day you need to trust what you've marked up and analyzed as if it was the last thing on earth.

Traders' may compare charts and see that the bias is not the same as the other trader and completely switch their analysis only to put their full trust into someone else. This is common and why it's tough to be consistently profitable. Put away self doubt, negative thinking, and trust the chart that's in front of you and you will be much better off in the long run. The more you spend on the charts and put in the time and hours, the easier and faster it will be to execute your trades with no hesitation, and trust your analysis win or lose.

Confidence is your great reward.

Be Numb to the Loss

Have you ever been in a situation where you had to numb an area of your body? Maybe you had a bad toothache or got some teeth pulled, had surgery, or maybe you had to sit in an ice bath. Either way, there are no feelings during the numbing period. That's how it should be if your stop loss gets hit in the market and you lose. Brush it off, figure out why you lost and move on to the next trade.

You must know how many losses you're willing to take to prevent you from revenge or over trading. Forex is a market where losses are going to happen to matter how you



look at it. You have to lose in order to gain. You have to take risks in order to reap rewards. Most people just want the gains and the rewards without going through the process, without taking a loss. Those people will never become a boss.

In the boxing ring, boxers get punched left and right. I bet they are numb to those punches. Why? They know they're coming. It's their job to dodge the punch and come out on top. In Forex, it's your job to protect your capital through the wins and losses because they're coming and not stopping in a market that's moving 24 hours.

If you don't want to lose in the market, simply don't put anything up at risk! There are no guarantees of being profitable in the market. The only guaranteed thing is you will blow your account out to \$0.00 if you don't manage your money properly. Don't get attached. Ask yourself, how many losses will you take in the forex market to get you to where you want to be?

You Got This!

If you don't believe in yourself, no one else will. Don't be scared of the market. All it does is print money for you all day. What a way to celebrate all of the possibilities in an endless market that doesn't sleep! Practice in a demo account if you need to, mess those accounts up because there is really nothing to lose there.

Know what you're willing to lose before jumping off the deep end. Stay patient and disciplined throughout your trading career let alone each trade. Tell yourself this: I trust my trades, I am fearless, I am a pro trader, I am a profitable trader, I manage risk well.

If you made it to the end, I wish you nothing but profitable success on your forex journey!