

Title:

The 7 Undeniable Rules of Forex Trading

Word Count:

391

Summary:

This article goes into the 7 trading rules unanimously agreed upon by successful Forex traders. It starts off with a fun story that illustrates the concept of learning from others' mistakes then dives straight into the meat of the article. Very direct and precise. Are you following the trading rules?

Keywords:

Forex, Forex Trading, Technical Analysis, Mini Account, Trading, Leverage, Rapid, RapidForex, Investment, Business, Online, Charts, Trend, Charting

Article Body:

Before we go into 7 rules of Forex Trading, that have been approved by a number of full time and successful traders, I'd like to narrate this story.

There was a lion, a donkey and a fox all keen to go out rabbit hunting together. After a productive day of hunting, the three of them sit around the pile of rabbits and the lion asks the Donkey, "Mr Donkey, would you please divide the pile into equal shares for the 3 of us?". The Donkey obliges and counts the rabbits into three equal piles for each of them. The Lion immediately roared and pounced him. He then piled all the rabbits on top of the donkey and asked the Fox "Mr Fox, would you please divide the rabbits up evenly between us?". The Fox takes out 1 scrawny rabbit from the pile and puts it in a pile for himself then say "There you go, Mr Lion, that's your pile" pointing to the large pile of rabbits. The lion says "Mr Fox, where did you learn to divide so equally?" and the fox says "The Donkey taught me."

The moral of the story is to learn from others' mistakes. Now we proceed to our 7 rules. These are for you benefit as mentioned earlier, from experienced, successful traders.

Rules #1

Never risk any more than you can afford to lose, you will lose money, all traders do, make sure you're not sacrificing anything else important in the process

Rule #2

Never risk any more than 2% of your margin trading account on a simple trade. For mini account holders, 2% of \$300 would be \$6 so realistically you would need around \$15 so you can make this 5%. As soon as your account size is big enough, make this 2%.

Rule #3

Always use a stop loss order.

If you haven't figured out where your stop loss order and limit order should be at the start of your trade then you shouldn't be trading.

Rule #4

Know your exit point before you enter a trade.

Rule #5

Demo Trade First: Become successful with paper trading when there's nothing on the line before you open a real account.

Rule #6

Take a breather when your equity has taken a dive.

Rule #7

Don't let your emotions call the shots: Stay cool, calm and collected. Patience and a clear head will win the game.