

Title:

Mistakes of beginning futures and forex traders

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384

Summary:

There are many so called opportunities on the internet promising vast riches for little work in the area of forex trading and futures trading. Statistically 95% of beginning forex traders fail and quit. In this article I hope to provide a little sane advice, to increase this percentage for the good of all.

Keywords:

forex, futures, forex trading, futures trading

Article Body:

There are many so called opportunities on the internet promising vast riches for little work in the area of forex trading and futures trading. Statistically 95% of beginning forex traders fail and quit. In this article I hope to provide a little sane advice, to increase this percentage for the good of all.

If you are like me you were attracted to futures or forex trading because both financial arenas offer highly leveraged results, which means that your profit "potential" in the short term seems to be very high.

Human emotion such as hope and greed trigger at this stage as you see an opportunity to escape your daily grind, and get a better life for you and your family. There is nothing wrong with this, but it is at this point that I need to inject a dose of reality.

Remember - 95% of all beginning forex traders fail! I'm going to try your patience and repeat this.

95% of all beginning forex traders fail! This also applies to futures trading and just about any form of speculation.

The exact reason for this is that they have been sold an idea - a potential for profit and they just look at the goal. Now this is fine, but all goals to be achieved involve doing something.

There are no free lunches in this world.

This is the point that is not confronted. You absolutely MUST confront this point if you want to have any chance of success.

We have a couple of things working against us and it's not just the skill of trading that needs to be developed.

1. We are not used to getting something for nothing. Even if we win in trading we will believe that we just got free money and will unconsciously give it back.
2. We do not have the experience, even though we may have the education.

Knowledge without experience is shaky!

Therefore, to counteract these negative factors, we must have at least 2 things in place.

1. Trade a demo account for at least a few months until you can profit consistently from that.
2. Discipline to follow a trading system
3. A Money Management plan and policy.

Without taking at least these steps you are on very shaky ground and could be heading for the 95% class very fast.

I want you to be in the 5%