

**Title:**

Forex Trade: Main Drawbacks of a Forex Trader

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766

**Summary:**

Why is it that very few traders succeed in the Forex trading environment while the grand majority of traders fail to achieve success? Although there is no hard answer to this question, there are a few things that will put you one step ahead and will definitely put the odds in your favor.

**Keywords:**

Forex trade, Forex trading, forex, forex training, forex trading course

**Article Body:**

Why is it that very few traders succeed in the Forex trading environment while the grand majority of traders fail to achieve success? Although there is no hard answer to this question, there are a few things that will put you one step ahead and will definitely put the odds in your favor.

The main purpose of this article is to guide you through some important aspects of Forex trading. But in a different way, instead of telling you what to do or the best way to do it, it will tell you what to avoid. Sometimes it is better to identify the main drawbacks on a discipline and then isolate them so we have the best results at a certain level of development.

**The search for the Holy Grail**

Many traders spend years and years trying to find the Holy Grail of trading. That magic indicator or set of indicators, only known by a few traders, that will make them rich in a short period of time.

Fact: Well, there is no magic indicator, nor a set of indicators that will make anyone rich in a short period of time. The main reason of this is because market changes, every single moment is unique. Every Forex trading system will fail from time to time. Our work here is to find a Forex trading system that fits our personality as traders, otherwise the trader will find it hard to follow it.

**Looking for Easy Money**

Unfortunately most traders are attracted to the Forex market for this reason. Mainly because of the publicity showing or rather trying to show how easy is to trade and make money in the Forex market.

Fact: Yes, it is very easy to trade, anyone can do it. It is as hard as one click. But the second part of it isn't that easy. Making money or achieving consistent profitable results is hard. It requires lots of education, patience, discipline, commitment, and this list could go to infinite. In a few words, it is possible to have consistent profitable results, but definitely it is not easy.

#### Looking for Excitement

Some other traders are attracted to the Forex market or any other financial market because they think it is exciting to be a trader.

Fact: Yes, it is very exciting to trade the Forex market. But if this is the main reason you are still trading the Forex market, sooner or later you will discover the most expensive adventure you have ever known. Do some thinking on it.

#### Not Using Money Management.

Most traders forget about this important aspect of trading. They think they shouldn't be using money management until they achieve consistent profitable results. They totally forget about the risk side of trading.

Fact: Money management allows your profits to increase geometrically, but also limits your risk on every single trade. Money management tells you how much to risk on each trade. Using money management is a must if you want to achieve your trading goals. By using money management you make sure you are going to be able to trade tomorrow, the next week, month and the following years.

#### Not Being Psychology Tuned

This is one of the most underestimated subjects when it comes to trading. One of the main principles of financial markets is that the price of each instrument is based on the perception of each individual participant "the crowd." In other words the price of each instrument is determined by the fear, greed, ego and hope of all traders.

Fact: Being aware of all psychological issues that affect the decisions made by traders will definitely put the odds in your favor.

#### Lack of Education

Education is the base of knowledge on every discipline. As lawyers and doctors require several years of college until they get their degree, Forex traders also require long years of study. It is better to have someone experienced to guide you through your trading, since some information could take you in the wrong path.

Fact: The market teaches us invaluable lessons on every single trade made. The process of education for a Forex trader could take for ever. That's right, we never stop learning. We should be humble about the markets and our knowledge;

otherwise the market will prove us wrong.

These are some of the most important barriers every trader faces when trying to trade successfully.

Trading successfully the Forex markets is no easy task, it requires a lot of hard work to do it right, but with the right education, you will put yourself closer to your trading goals.