

Title:

Savvy Tactics To Minimize Whopping Forex Losses

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326

Summary:

Forex trading has one goal: to make money. Unfortunately, like any speculative venture, there is a potential for losing money. The same holds true with the stock market the commodities market, and the money market. Any investment that entices of great gain poses a certain level of risk. As a forex trader you want to minimize your chance of risk. Observe the following Best Practices:

- Stay informed. Peruse the current events magazines and political journals. Know how the ...

Keywords:

forex, forex trading,online forex trading,forex online,forex trading system,online forex,forex trading strategies,forex training

Article Body:

Forex trading has one goal: to make money. Unfortunately, like any speculative venture, there is a potential for losing money. The same holds true with the stock market the commodities market, and the money market. Any investment that entices of great gain poses a certain level of risk. As a forex trader you want to minimize your chance of risk. Observe the following Best Practices:

- Stay informed. Peruse the current events magazines and political journals. Know how the global political and social landscapes. Have been shifting.
- Brush up on economics. A college refresher course can keep you out of the red. Journals by economists like John Maynard Keynes, Kenneth Galbraith and Walter Williams can help you guesstimate potential forex uptrends.
- Read periodicals like the Asian Wall Street Journal and Business Investors Daily.
- Fire up a practice demo account and get a feel of the game before jumping into the market.
- Befriend a broker you trust.

- Cultivate friendships with other traders into active trading.
- Understand historical trends and their impact on the charts.
- Take a short course on forex trading to get your skills up to speed. These cost under \$200 and can help you avoid \$20000 losses.
- Research forex on the Internet. Forums provide great sources of information.
- And finally, invest money that you can actually afford to lose if worse comes to worse. Then you won't be out of the game completely.
- Cut your losses early. When a portfolio is losing week after week, shed it. It may take months to recover which means money tied unproductively.
- Invest in multiple currency pairs, such as EU-GBP, GBP-USD, CHF-USD. This frees the trader from monumental losses incurred when all eggs are thrown into one currency pair.
- Don't hang to a position for extended periods. This isn't the stock market where equities tend to go up in the long term. Sell positions when minor up movements are made and reinvest in other currency pairs.

Good luck and happy trading!