

Title:

The Pros and Cons, of Trading a Forex Trading Demonstration Account

Word Count:

856

Summary:

Trading is a skill that takes time to learn.... like the professional boxer, will not get into the Forex trading ring without being prepared first.he's aware of this fear,....he can control how it affects him, in a way that is beneficial to his forex trading.thus giving you an advantage.

Keywords:

forex,forex trading,trading,trading forex,trader,forex trader,market,forex market,marketforex,demonstration,demonstration account,practice,practice account

Article Body:

Trading is a skill that takes time to learn. Think of it like Boxing it's also a skill that takes time to learn.

If you get into a professional boxing ring without any training, you'll get beat up physically! If you get into the Forex ring without any training, you'll get beat up financially!

The similarities are that both the examples are Skills, and both require psychological preparation. The difference is that one is physical and the other is financial.

We can get over a physical beating usually in a few days or weeks, BUT a financial beating can be devastating and easily affect us for the rest of our lives, not only does it hurt our hip pocket but it can cause problems with our relationships and family. So when we get into the Forex ring we have to be prepared.

The Professional Boxer

When a professional boxer gets in the ring he has already been practicing in a safe environment usually for years, this safe environment is where he can make mistakes without having medical treatment. He can also spar with other opponents that have more skills and experience then he does and he learns from them. He also has someone there to watch him and give advice and guidance.

Then when he is ready, he gets into the ring and boxes for real, he's accepted the risk and KNOWS that he can get hurt, but he's also studied his opponent and done his home work, so he KNOWS he has a good chance. He can still lose this round but if he wins most of them he will take the money home.

BUT! What about the psychological side? Does he fear getting into the ring? Sometimes! But he's aware of it and he can control how it affects him in a way that is beneficial. Will he be thinking about the money he'll make? Or will he be thinking about the fight as it happens and planning his next moves during the breaks? He'll be analyzing the results from the previous rounds and making changes in his strategy for the next round.

The professional Trader

Can you see what's coming next? If so than, you've learnt to analyze what you read and form a projection into the future. (A very valuable skill for the FOREX Trader) A forex trader, like the professional boxer, will not get into the Forex trading ring without being prepared first. He might not spend years practicing in the Demonstration Account, but he will at least have spent a month or two or three, sparing with the Forex Market in a safe environment that he won't get beat up in.

He'll practice trading forex against all the other traders and learn from them, and he'll also have someone watching him and giving advice, and guidance. Then when he is ready, he'll get into the Forex trading ring and trade forex for real, he's accepted the risk and KNOWS that he can get hurt, but he's also studied the Forex market and done his home work, so he KNOWS he has a good chance. He can still lose on this trade but if he wins most of the trades he will take the money home.

BUT! What about the psychological side? Does he fear getting into the forex trading ring? Sometimes! But he's aware of this fear, but he can control how it affects him, in a way that is beneficial to his forex trading. Will he be thinking about the money he'll make? Or will he be thinking about the things that are influencing the market as it happens and planning his next trades while he waits for the results? He'll be analyzing the results from the previous trades and making changes in his strategy or continuing with the one that's working, and planning for the next Forex Trade.

So it's easy to see that trading with a Forex Trading Demonstration account is something everyone should do before getting into a live Forex Trading account.

The practice account will give the trader MOST of the skills necessary, to be

able to trade profitably, giving them the training ring to spar in.

BUT A BIG WARNING!!!

Like the Boxer the Forex trader has learnt to manage his emotions, this is often overlooked by new Forex Traders. BUT is probably what separates the successful investor from the ones that keep getting beat up!

If you are considering getting into the Forex trading Ring, then be sure to practice first, and find all the information you can about controlling your emotions.

Fear, greed, impatience, are the main culprits of financial bashings, so keep an eye out for them, and learn how to beat them before you get in the ring with them.

Understanding these emotions will enable you to use them to your advantage in understanding the market, the market is influence by these emotions and if you understand them you can have them on your side, thus giving you an advantage.