

Title:

Online Currency Trading - Why It's Harder Today than Ever Before

Word Count:

703

Summary:

There are many who believe that the markets today, require the same skills as 30 years ago - but today's markets are actually much harder to trade.

It may surprise you, but markets have changed and are now harder to trade - but if you know why, you can increase your profits dramatically.

Keywords:

online currency trading

Article Body:

There are many who believe that the markets today, require the same skills as 30 years ago - but today's markets are actually much harder to trade.

It may surprise you, but markets have changed and are now harder to trade - but if you know why, you can increase your profits dramatically.

If you don't already understand why online currency trading has made making money harder, then you need to know - because you can then make huge profits, at the expense of other traders.

The Internet has Increased Volatility

Online currency trading has brought all the trading tools, once reserved for institutional investors, into the hands of any trader with an Internet connection.

This means that traders anywhere in the world can get all the news in a split second - just 30 years ago, this was not the case. Then the information flowed out more slowly - this meant that volatility was lower and trends were smoother - making it easier to catch, and follow the trends.

Online currency trading has now made this much more difficult.

Today, volatility is higher than ever, and pullbacks are more severe - causing

traders big problems when trying to stay in a trend, without getting stopped out.

A Common Problem

Today, all traders get into moves at the same time - which increases volatility.

Example:

The market moves in the perceived direction quickly, and then recoils back (stopping traders out) - the market then continues - but many traders are stopped out, and left frustrated - as the trend continues the way they thought it would - but instead of making thousands of dollars in profit, they're stopped out at a loss.

Does this sound familiar? - All traders face this problem.

So how can we trade more effectively with these changes in online currency trading?

Here are some tips to help you gain an edge over the other traders:

1. Staying power

As the chances of being stopped out on reactions are greater, you need staying power - so options are an ideal tool - if they're used correctly.

Make sure you only use "in the money" and "at the money" options, to increase your odds of success.

2. Don't Predict!

Don't try and predict market moves in advance - wait for confirmation.

The best way to take advantage of a move, is to use a breakout method that will confirm the move - you should already have your orders set to take advantage when you reach your specified levels.

3. Trade Long Term

One thing that has not changed is that currency trends last a long time - months or years. These are the trends you need to milk for serious profits.

Forget day trading, with its high levels of volatility, and the impact of

commission - all you will do is lose.

4. When in a Trend don't worry about Pullbacks

Today, pullbacks can be severe - and no one likes losing short term. Don't be deceived, if the longer trend is up - stick with the trend.

Don't trail stops to close - allow for the volatility, you have to take it short term, to win long term.

Some traders are so obsessed when online currency trading, to protect their losses, that they can never follow a long-term trend.

5. Trade Infrequently

Don't trade frequently - have patience.

Only trade the big moves and make sure you hold them.

Keep in mind, that the big trends last months, or years - and these are the ones to milk for maximum profits.

Forget, the commonly touted phrase: "If I am not in the market I may miss a move" - you won't, if you focus on trades selectively.

6. Money Management

Don't fall into the trap of you should only risk 5% on a trade - which is a frequent number touted by many authorities on trading.

On a \$10,000 trade, that's just \$500.00 - if that all you're risking, your chances of losing, or being stopped out are high.

Use 10 - 30% on trades that look good - and have the guts to go for the trade, if you believe in it.

Volatility is greater than ever - but so is opportunity, if you know how to deal with it.

Following the above advice, you could be making big profits from online currency trading.

Good luck!

MTBN.NET PLR Library

Category: Currency_Trading File:

Online_Currency_Trading Why It s Harder Today than Ever Before_utf8.txt