

Title:

How Not to Lose Your Shirt Trading Forex

Word Count:

537

Summary:

90% of new forex traders lose all their money within the first 3 months. This means 90% of all forex traders don't know what the heck they're doing! They just jump right in and rely on luck, only to end up giving away all their money to the other 10%. Let me show you how to be part of the 10%.

Keywords:

Forex, forex trading, foreign exchange, currency trading, currencies, fx, forex trader, forex system

Article Body:

I'm going to be 100% honest with you and tell you the following before you consider trading currencies:

1. All forex traders, and I mean all traders lose money on trades. Ninety percent of traders lose money, largely due to lack of planning and training and having poor money management rules.
2. Trading forex is not for the unemployed, those on low incomes, who can't afford to pay their electricity bill or afford to eat. You should have at least \$5,000 of trading capital (in a mini-account) that you can afford to lose. Don't expect to start an account with a few hundred dollars and expect to become a kazillionaire.

The foreign exchange market is one of most popular markets for speculation, due to its enormous size, liquidity and tendency for currencies to move in strong trends. You would think traders all over the world would make a killing, but success has been limited to very small percentage of traders.

Many traders come with false hope of making a gazillion bucks, but in reality lack the discipline required for trading. Most people usually lack the discipline to stick to a diet or to go to the gym three times a week. If you can't even do that, how do you think you're going to succeed trading?

Short term trading is not an amateur's game and is rarely the path for quick

riches. You can't make gigantic profits without taking gigantic risks. A trading strategy that involves taking a massive degree of risk means suffering inconsistent trading performance and often suffering large losses. A trader who does this probably doesn't even have a trading strategy - unless you call gambling a trading strategy!

Forex Trading is not a Get-Rich-Quick Scheme!

Forex trading is a SKILL that takes TIME to learn. Skilled traders can and do make money in this field. However like any other occupation or career, success doesn't just happen overnight.

Forex trading isn't a piece of cake as some people would like you to believe. Think about it, if it was, everyone would already be gazillionaires. The truth is even expert traders with years of experience still encounter periodic losses. Drill this in your head: there are no shortcuts to forex trading, it takes lots and lots of time to master.

There is no substitute for hard work and diligence. Practice trading on a demo account and pretend the virtual money is your own real money.

Do not open a live trading account until you are trading profitably on a demo account.

If you can't wait until you're profitable on a demo account. at least demo trade for 2 months. If you can't hold out for 2 months, cut your hands off. Concentrate on 1 major currency pair.

It gets far too complicated to keep tabs on more than one currency pair when you first start trading. Stick with one of the majors because the spreads are the best and they are the most liquid.

You can be a winner at currency trading, but as in all other aspects of life, it will take hard work, dedication, a little luck, a lot of common sense, and an abundance of good judgment.