

Unbreakable Forex Trading Rules Guaranteed To Increase Profits

There are a few important forex trading rules in trading that should never be broken. If you apply these rules consistently, and with discipline, you will become a profitable trader. Many traders have learned a diplomatic code of conduct that have been learned the hard way by many traders, through trial and error, and by making the inevitable mistakes that everyone makes when they start a trading business. I've gone over a couple of these codes of conduct in this article. Learn from them now, so you won't have to relearn them later. As a trader one of the first forex trading rules is this, you need to know what you are trying to achieve. Without specific forex trading rules in place like goals and objectives, it's difficult to succeed at any enterprise. It amazes me how often we can hit our targets, meet our objectives, and reach our goals, when we've taken the time to write down what we want to achieve. One of the second forex trading rules is that you need to have measurable, achievable goals. In trading, the primary objective is obviously to make money, but it is important to have other objectives that are not strictly cash related. Remember, reward and risk go hand in hand when you are trading. You can't achieve high returns without planning and bracing for high risks. Your objectives and goals have to fit you if they are going to work, but they should also have the following characteristics to be useful. First, your forex trading rules need to be measurable. If you can't measure your results against your goals, how will you ever know if you've achieved them? Secondly your forex trading rules need to be realistic and achievable. Make sure they are worth the time and effort you are going to put into them. Lastly, these should be positive goals. It's easier to be successful when you are trying to do something, rather than to not do it. If you know what you are trying to gain in your trading, and when you are trying to achieve it, the whole of your efforts will be focused on meeting your objectives. It focuses your attention on the things you really want to achieve with the time and resources that you have available. Having goals will also give you a way to effectively measure the success and progress of your trading strategy. It's pretty clear why traders who have well defined objectives are more successful than those that do not. Once you have set measurable, achievable goals in your forex trading rules, you need a way to meet them. Successful traders that have good forex trading rules in place do this by being consistent and disciplined in their approach to trading. How do they make their approach consistent? By developing and following a carefully planned trading system. This is a system tailored to their trading style, as their goals are tailored to their preferences. Once you have your system in place, you need to follow it. The system will tell you when to enter a trade, where to set your stops, and when to exit. A good trader follows their system and does what it tells them to. One of the third set of skills you need in your forex trading rules is that you need to be confident in your system, to have access to the right kind of technology and information, and to have the discipline to stick to your plan. Without a plan you will be trading on impulse, guided by emotions. There is no more reliable way to loose trades than by trading that way. With a trading system you are prepared for every situation you may face in your trading. This ensures you'll be consistent in your trading no matter what happens. To make sure you cover everything, your system should have:

1. You guidelines for entering, adding to, and getting out of your positions.
2. You need guidelines that have an action plan in case your trading computer, internet connection, broker, power, telephone etc. break down, or fails to be of any real use.
3. You need a code of conduct that will tell you what you will do if you are unable to trade.
4. You need a standard procedure that will tell you what you will do if you lose a certain percentage of your account
5. You need formalities that will tell you what you will do if all the markets are closed and you can't get out of your current positions.

Unless you have answers for all these scenarios that you need in your forex trading rules, you stand a good chance of loosing money. With the answers, and discipline you'll be able to tell if you trading system needs to be tweaked, or if it's just the markets. You will be well on your way to becoming a successful trader.

About the Author

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