THE 10 RULES OF SUCCESSFUL STOCK TRADING

WHICH IS NOT TAUGHT IN COURSES

Psychology is the pitfall of stock trading: how can you accept, that your position is at loss and how much you can trust the turning of trend. 95% of people lose money in the stock market because of psychology. You only learn technical analyses in courses, but mental facts are hardly ever mentioned. We would like to stop this gap for you!

Don't forget!

You can become successful if you take the following rules of trading!

1. LOOK FOR STRATEGY!

Do not trade on the basis of intuition:

You should not believe that the exchange rate has highly increased, it will decrease from that point. Perhaps after the expected decrease there will be an even higher increase.

You should always trade calmly, free from feelings, never with defiance and anger.

Unfortunately, the success of stock trading depends mainly on psychology, that is why the first and most important task is to find a strategy, which proves to be fully operational and makes profit.

This is necessary to repress our feelings mentioned in the strategy. You can find this strategy on your own, or try to find one on the Internet, for example on www.BeForexGuru.com

2. *BE MENTALLY STRONG!*

Prepare to have quite a lot of loss-making positions. Until you are not able to process this, do not trade with real money, but practise on a Demo account.

Take into consideration free from feelings that loss is a concomitant of trading. There is no strategy, indicator, robot or alarm system, which makes your trading profitable. It is important to have a working strategy which helps you produce an increasing account at the end of the month. It does not matter , what kind of strategy you have, but it is essential to be able to produce profit on the long run, then you must keep to its rules under all circumstances. If you do this you can minimize the human factor caused by feelings.

3. *LISTEN TO YOUR HEART!*

Do not listen to other people’s opinion. You must make your own decisions. It is easy to blame others later, but it is you who will have to endure loss.

That is why I do not support signal providers. If you follow – unknown people, – unsuccessful tradings will discourage you very quickly.

The worst thing is that you will feel that your money was taken independent from you and you are not able to do anything against it, but wait. The majority of people, unfortunately, lose with this imitation system and cannot avoid to take your trading situation under control.

4. *BEWARE OF ROBOTS!*

Another popular solution, is to transfer trading responsibility onto a robot. Unfortunately the majority of people will lose with robots as well.

It is true that the robot trades without feelings, but it will also make your account zero without any feelings.

No robot used can be as successful as you who learns trading on your own.

Unfortunately high – sounding test results which advertise these will not produce the same results as on a real account trading at real time. If this occurred nobody would trade manually.

5. *BE PATIENT!*

If you trade on the basis of indicator signals there is no problem if you leave a possibility out. Do not run after it because if you are late the motion of exchange might change by then. You would rather miss an opportunity than try to have a doubtful success.

Believe me, there will be another entry point.

6. *BE MODEST!*

Do not exaggerate trading. Do not be greedy. Extreme trading can have consequences .

You mustn't look for entry points on graphs by all means. Wait until you get a clear sign for entry or stepping out. If you don't stop and chase trading you will get smacked in your face sooner or later, and your well – built profit will be pulled down.

7. AVOID NEWS!

If you do not trade on basis of economic news, try to avoid the time of direct reports.

When important news are published we can see some immediate changes in exchange rate. But as quickly as it starts, it can correct itself. That is why these extreme, unforeseeable trends are not worth trying. You can find the economical data and time of publication on the www.forexfactory.com website. Look through it before every positional entry.

You should trade only if the news were published and the markets are calmed down and clear trend can be foreseen. So beware of market news showing extreme movements.

8. PSYCHOLOGY VS STRATEGY 1.0

If a position is at loss and you close it, do not buy anything towards the same direction. Take a big breath, calm down and do not let your feelings rule.

Do not be disappointed if you have made a mistake or did not keep the strategical points.

You should learn from your own mistakes, take notes so as not to make the same mistakes at your next trading.

You should restart trading after these, when you find an entry point according to your strategy.

9. PSYCHOLOGY VS STRATEGY 2.0

Accept that it is concomitant of the human nature if your position is more profitable, you will be more pessimistic. This is true vice versa if there is a deficit you will be more optimistic that it will change. If your position is positive you have to exit, do not wait longer, close your position immediately. Do not let your positive trading change to negative.

10. EXIT FROM A POSITION

Exit from a position is at least as important as the entry.

You have to stick to the withdrawal rules of your strategy no matter where you enter that position. The point is when you close it the balance should be positive. If you don't fluster but always trade on basis of well -defined rules, you will not be surprised. Everybody knows it is compulsory to use deficit stop, but not everybody knows whether it is worth using sliding stop. At long distance trading my suggestion is to have a theoretical profit withdrawal level, where you can say you are satisfied with the profit. When the exchange rate reaches this level, close half of your position.

Then set the loss stop at the opening position with the other half and then activate your sliding stop. If it is worst it will go back to the opening value of the exchange rate and half of your position will be zero, but with the other half you have won. If the exchange rate moves on, it seems to be endless and the process can be stopped by the sliding stop only.

These rules cannot only be used on the Forex, but in all stock trading. Unfortunately, these things are not or are not emphasized enough in courses. But these are as important as what trend line means. If you do not take my advice it does not matter how professional your theoretical knowledge is, you cannot be successful on the stock market.

I do hope I was able to make a contribution to your higher and higher profits in trading.

Good luck!

FSD TEAM

Forex Software Developer Team

www.BeForexGuru.com