

Forex Loser Checklist

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No one likes to think of themselves as a loser. However admitting the reality can be a hard pill to swallow. I came up with this checklist to help you identify your true self. See if you qualify.

Account Wipe-outs

Did you ever wipe out a trading account? If not, then congratulations, but I hope you do so sooner than later. It sounds strange, however every successful trader at one stage have wiped himself off. Remember those sleepless nights and loss of appetite. Once you been through it, you promise yourself never to repeat it again and learn the most valuable lesson, "Use Stops and Get Stopped", before a bad trade burns your account completely.

Keeping Poor Trading Records

What were your last ten trades? Do you know how much was the drawdown before they turned into profit? Did you remember how did the chart setup look like?

If you are not saving screenshots and maintaining a spreadsheets of trades then you are most likely to fail. I recommend using MS Office OneNote for keeping screenshots of every trade you take/miss/leave. Analyze every week or month depending on trading frequency and look for common mistakes and recurring patterns.

Urge to Trade

The "Need To Trade" is the biggest challenge for new traders. The constant desire to trade to either meet the goals or fulfill sense of excitement burns their account individually.

I recommend creating a trading plan. Every trade you take mark it down as "Impulse" if it didn't meet your trading plan. At the end of the month look back and see how many were "Impulse" and their success rate. This will give you a better idea about your own mental process.

Switch Trading Systems

Are you continuously looking for some new systems? Are you visiting forums to look if there is new indicator or setup that can improve your trading. Let me tell you a secret, a lot of system out there are profitable only if traders start to follow their trading plan, keep records and analyze their mistakes. Blaming the system and moving on only hides the real cause of the problem – Trader Himself.

Buy New Soft wares / EAs

Have your come across websites that promise that their Expert Advisor would take away your emotions out of trading by trading automatically for you and you only have to log in once a week to check your profits. Those companies also promises 2000% return annually, simply incredible. Before your spend another penny on such software ask yourself would you bother to open up a website to sell your incredible EA which makes you tons and tons of money for \$99 a month and then sit there and reply to customer inquiries. I guess NOT.

Double Up Losing Trades

Have you ever added to your losing position, hoping that when it comes back it would be even more profitable? If yes, then you are suffering from “Marrying the Trade” syndrome. As I said earlier “Use Stops and Get Stopped”. Every time a trade hit stop loss you should congratulate yourself for following your trading plan.

Reverse and Trade in Opposite Direction

Tell me who has not done this? This happens when we doubt ourselves and stop following trading plan. Once you have placed the trade then stop looking for confirmation or analyze it further. Leave it alone and let it do its thing. Come back later to check if it all worked out alright.

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Before deciding to undertake such transactions with any other firm offering similar services, a user should carefully evaluate whether his/her financial situation is appropriate for such transactions. Trading foreign exchange may result in a substantial or complete loss of funds and therefore should only be undertaken with risk capital.

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