

# SECRETS OF TRADING

FX:

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## 1. 90 percent of traders fail, why?

- Lack of knowledge
- Overanalyzing
- Overtrading
- Giving up too early
- Not having proper risk-to-reward ratio
- No proper money management
- Revenge trades
- Start trading and trade with high expectations

## 2. How the winning 10 percent succeed?

- Understand your own trading style
- Have a trading plan
- Know when to not trade
- Fail, fail and fail some more but never quit
- Risk only what you can afford to lose
- Be patient, consistent and disciplined
- Do not trade what you think, but what you see
- Treat trading as business just like any other. It may be fun but it is still a business

- Do not look at charts all day otherwise you will see things that are not there
- Do not listen to outsiders (non-traders).
- Keep a record
- Keep learning from your mistakes

### 3. Being realistic

- Winners were losers once
- Forex trading is not for everyone
- No short cuts
- Your trading mind is the most important trading tool you have, never take it lightly
- Trade with demo account until you keep trading profitably
- Forex trading is not a Get-Rich Quick Scheme! It is a skill that takes time to learn
- Check your emotion
- Take your time, the market will be there next year and the year after
- Trading can give you whatever you want, but just like everything else in life there is a price to be paid. That price is your ability to think like a machine and be unaffected by the inevitable ups and downs

### 4. How to create a trading plan?

#### ***a) When creating a trading plan, ask yourself:***

- (a) Will I trade only one specific currency pair or many?
- (b) Will I trade on a daily basis or hold my positions for days or longer?
- (c) How much do I want to make?
- (d) How much am I willing to lose per trade?

- (e) If I trade on a daily basis, how many consecutive losses will I tolerate before I stop for the day?
- (f) How will I analyze the market? Will I look at news and other events? Will I examine charts and price movements?
- (g) How will I use stops to control my risk?
- (h) Will I have one profit target or multiple targets?
- (i) What kind of profit can I reasonably expect to gain?

**b) Use your answers to write out a short and detailed trading plan!**

**c) It is hard, but stick to your plan for every trade you are opening**

#### 5. What is required to trade?

- Knowledge
- Skills
- Time and preparations
- Risk management plan
- Patience
- Like everything in life, SUCCESS does not occur overnight



6. Additional: read and understand what is written below

here:

**I am your constant companion, I am  
your greatest helper or your heaviest burden.**

**I will push you onward or drag you down to  
failure. I am at your command.**

**Half of the tasks that you do you might just as well  
Turn over to me and I will do them quickly and correctly.**

**I am easily managed; you must merely be firm with me.**

**Show me exactly how you want something done.**

**After a few lessons, I will do it automatically.**

**I am the servant of all great people**

**And the regret of all failures as well.**

**Those who are great, I have made great.**

**Those who are failures, I have made failures.**

**I am not a machine but I will work with all its precision**

**Plus the intelligence of a person.**

**Now you may run me for profit or you may run me for ruin.**

**It makes no difference to me.**

**Take me, train me, be firm with me and**

**I will lay the world at your feet.**

**Be easy with me and I will destroy you.**

**I am called Habit!**

**Author Unknown**

**1. NEW TRADERS WILL LOSE MONEY**

2. FOREX TRADING IS TOUGH

3. THERE ARE MORE LOSERS IN THE

MARKET THAN WINNERS

4. IT TAKES MONEY TO MAKE MONEY

5. IT TAKES A LONG TIME TO BECOME A

GOOD TRADER

6. TRADERS LEARN EVERYTHING

7. IT TAKES ENDLESS HOURS OF PRACTICING

8. PATIENCE PLAYS IN TRADING

9. TRADING IS A VERY EMOTIONAL

BUSINESS

10. TRADE THE MARKET, DO NOT FEAR IT.