

Simple Ways To Avoid Losing Money In Forex

The ratio today of people who make money in Forex Trading and those who lose money in Forex trading is roughly about 99/1, this is if we look primarily at retail forex traders. If we add institutions and other professional trading outfits, then we would find the number of traders that actually lose money will be considerably less.

These guys in the so called professional trading world are not any smarter than you are, they are committed to trading but definitely not smarter, so how can we stop traders from losing money in Forex?



When I first start trading, as a young trader, there is often a buzz and a constant need to trade, as you mature I think that buzz dies down. It is healthy if you simply trade less and trade only at opportune times. In my [Trading Titans audio podcasts](#), I talk a lot about picking your moment, like poker players, you don't play every hand. This will stop you losing money on unnecessary hands.



Trading multiple assets. Often you will see traders have 10 assets all live. The currency market is one of the largest correlated market places because of the pair system. This means that a trader buying EURUSD now has exposure to EURCAD, EURAUD, etc. If a trader were to say take a long and short or simply a short on all he has triple exposure and thus will lose 3x what he normally would have lost or end up in a hedge that will cost him in broker cost and spreads.



Please, Please... Get some professional training. This reminds of those people who by firearms and then blow their nuts messing about. There are many sceptics out there but to cut a long journey short focus on [market profile](#), too many people are still losing tons of money trading some crazy ideas, this is serious business so don't get caught up in the hype. I run a [Transformation Program](#) for beginners and both institutional traders who may be moving across from other areas into prop trading. Trust this piece information has saved you thousands already.

This is not so obvious but deposit and trade in US Dollars. Brokers can exchange rate arbitrage you so I would stick largely to Dollar pairs. This, most people find out the hard way. Not saying you can't trade other currencies but note that you will pay a cost for doing so.

To conclude the above ideas are some of the simplest ways to avoid losing money in Forex. There are ways we can adjust risk parameters and other processes to reduce risk further, you cannot eliminate risk but you need to reduce risk to a negligible position.

If you want more information on me, then go to www.marketprofile.org, I have worked with thousands of traders globally and continue to help traders make real progress. You can see my

humble begins in my book [The Guerrilla Trader](#) and how boldness and sound knowledge turned me into a trader.

