

Online Forex Trading - These Two Simple Equations Can Lead You to Huge Gains

Enclosed you will find two equations which most traders don't understand and that's why most traders lose however if you understand them and incorporate them in your Forex trading strategy you could be on the road to huge gains...

Let's first of all start with the equation which relates to how and why markets really move and it's this:

Supply and Demand Fundamentals + Human Perception of them = Price

Simple?

Yes it is but most traders fail to see its significance which is:

It's not the facts that are important, it's how humans perceive them that is; always remember humans are creatures of emotion and don't conform to some scientific theory which means all the commonly perceived views below about trading Forex are wrong:

- You can predict market movements in advance
- You can trade breaking news and the facts
- Markets move to some mathematical theory
- You can make money from short term moves i.e. scalping or day trading.

It's clear that markets move to probabilities not certainties. So using complex theories or mathematical theories is doomed to failure; it's also impossible to work out what millions upon millions of traders will do within a day, as all short term moves are random and breaking news stories and facts cannot be traded, as the facts by themselves not important, it's how they're perceived that determines what happens next.

So how do you trade online Forex markets and win?

In an odds based market, simple systems work best and you should simply trade the reality of price change on a Forex Chart. Most traders make Forex trading more complicated than it really is. Having a successful trading system though is not enough next, you now need to understand another simple equation to succeed.

A Simple Robust Forex Trading System + Disciplined Execution = Forex Profits

The key to winning long term at Forex is disciplined execution of a system. If you can't execute your trading system signals with discipline, you have no system and don't be deceived, trading with discipline is very hard.

The reason discipline is so hard is you are going to have losing periods (all traders have them) and you are going to have to keep going while the market takes your money and wrong foots you and makes you feel a fool. When this is happening, you need to keep your losses small and stay on course until you hit a home run and this is hard.

Most traders think they will never lose and believe the rubbish that vendors of "sure fire" systems tell them which is - losing periods don't occur or are very short.

When they hit a period of losses, they simply cannot cope with them and throw in the towel. If you understand that you have to lose to win and can trade with discipline, you can enjoy currency trading success.

Most traders don't really understand how markets really move and lack the mindset to win. Above we have shown you what it takes to win at online Forex trading and the rest is now up to you - good luck!

About the Author

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