

Forex Price Movement - Is Chaotic and Unpredictable But You Can Make Money Here's How

Don't let anyone tell you that can predict Forex price movement with scientific accuracy, it's a lie. Prices don't move science but you can make money, here's how...

The reason Forex prices are not predictable is obvious, humans decide the price of any currency and you can't predict what they will do with certainty.

There is a big industry selling Forex robots and gurus selling get rich quick systems, telling you that you can predict prices in advance but common sense tells you this cannot be true - why? Because if you could predict price, everyone would know the price in advance and there would be no market. Prices move because you can't predict them, NOT because you can.

You can make money though!

To make profits you have to calculate and trade the odds successfully.

While you cannot predict human nature with certainty, it is constant and never changes. The emotions of greed and fear are always present and these emotions are reflected in high odds, chart patterns that are tradable for profit.

When you trade Forex, you need to trade like a good poker player, who folds or passes by hands that have low odds and then bets when the odds are in their favour. If you do this and have sound money management, you can make a lot of money.

We all want to be perfect and pick market tops and bottoms in advance but it's simply not possible.

To win at Forex, you need to trade the reality of price change only. Prediction is simply hoping or guessing and you will find your predictions (if you try them) are as accurate as your horoscope.

The best Way to Trade is:

Look at a Forex chart and you will see long trends that last for many weeks or months.

Most of these big trends start and continue from new chart highs or lows. You should therefore trade breaks of important support and resistance levels and follow them, as chances are a big trend will develop. You're NOT predicting, you're trading the reality of price change and increasing your odds of success.

Most traders can't trade breakouts because they think they have missed the start of the move and wait for a pullback to get in. It doesn't come and the trader misses the move.

To build a breakout trading system is easy and will always have the opportunity make money, as markets will always trend.

Simple systems work best in Forex trading and we will show you how to put together a simple, long term, forex trading breakout system, in part 2 of this article series.

Trading the odds and trading long term, is the way to make money and you don't need to predict anything!

About the Author

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