

Forex Charts - Make Bigger Profits by Following These Key Points

Forex charts are a great, time efficient and proven way to make bigger profits but most traders don't use them correctly and here we will give you some key points to help you make bigger profits...

Let's look at some key points for more profitable technical analysis with forex charts.

If you look at any forex chart you will see big trends that can last for many months and trend following these can be very profitable and if you want to make money out of them you must understand this key fact:

Most big trends start and continue from breakouts to new highs and lows on the chart and you must go with these breaks - most traders don't. They want to wait for the pullback and of course it never comes and they are left behind. While it appears like you have missed the first part of the move, the odds of continuation are high so go with them.

Always be patient when using forex charts. You don't get rewarded for your efforts or how many times you trade but being right with your trading signal. I know traders who trade just a few times a month yet make triple digit gains - so wait for the right opportunities.

When you have a trend you want to hit always check price momentum is on your side and make sure that you use momentum indicators that show price acceleration in the direction you wish to trade. Two great ones, you can learn, in about 30 minutes are - the stochastic and RSI. These two combined will increase your odds of success by getting the odds more on your side.

Never believe anyone who tells you there is a mathematical formula for market movement - there isn't. If of course there was, we would all know the price in advance and there would be no market. So forget trying to predict and only trade the reality of price.

Its probabilities that you need to understand and like a successful poker player, you won't win every hand - but if you keep trading the odds, you will win long term. When using forex charts, the simpler your forex trading method the better, as simple systems tend to be very robust and have fewer elements to break, than complicated ones.

I have used a simple breakout method which uses trend lines, RSI and the stochastic and made money with it for over 20 years sure, it's simple but it works. Forex charts give you the reality of price before your eyes and you can spot areas of over valuation and under valuation. Humans create trends and they also (due to their emotions) push trends to far up or down in either direction.

You can of course ride trends - but you will also see big price spikes and history tells you they don't last long and taking trades contrary to the majority can be very profitable. Charting is an art not a science and you need to practice your art. The successful captain of a ship uses charts to navigate safely, but he also knows that use them wrongly and he will drown and it's a very similar situation in forex.

The Good News

You can learn forex charting in around 2 weeks and soon be piling up big profits in around 30 minutes a day spotting and hitting high odds trades and enjoying great profits. The good news is forex trading and using technical analysis is a learned skill and one you can master with a little practice.

About the Author

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