

## HOW TO REALLY MAKE MONEY IN FOREX PART 2

Since far as I am concern, the real opportunity to make money in Forex trading lies in directional trading. Most often than not, the market moves in a particular direction. A trader should be able to detect and follow the markets direction or trend. This might be a short-term trend or a long-term trend. A careful study of the chart especially higher time-frame chart will reveal the trend. It should be noted that a trend on a lesser time-frame chart could be a mere consolidation on a higher time-frame chart. So, it is advisable to study the market from a holistic point of view.

While much as making the trend your friend is valuable, so is entering and exiting the market. The secret of thriving Forex trading is in entering the market at the optimal point. The optimal point or price is where the trader could trade with the barest least risk while at the same time maximising promising profit. A good trader would not enter the market to make just some pips without taking into the account the risk at stake. A good Forex trader will never play around with his/her resources. He would only trade as the risk level is very low and profit margin high. I would suggest a risk-reward ratio of at least 1:3.

However, it is equally crucial for a trader to know when the party is over and exit the market. A trader should have a definite target in mind as opening a trade and this ought to be set in the trading platform. Many a time, the market may not get to your target; a helpful trader ought to be able to read the charts to envisage this and close the position. I have seen many promising trade go bad at the end of the day. It is needed for a traders to manage their trades by using trailing stop loss to shield some of the gains made. This desire help you to rank in some pips if the market goes critical of your trade. This is why the use of trailing stop loss is inevitable.

Having the exact psychology is dominant in currency trading. You should appreciate the fact that absolute no one can influence the market. So you ought to develop the right mind set that you have done your own part by applying your strategy and the golden rule and it is left for the market to play out. No matter how skilled your trading strategy is, you can never by right every time. There will some bad trades. As a matter of fact, expect it - that is why you cannot trade without stop loss. This will help you to control your emotion. The most valuable thing is to develop a working trading strategy and adopt sound money management. You will positively make a victory trading the foreign exchange market.

In synopsis, the underlying principle of our trading success at forexseed has been revealed in this article. With our trading strategy, we simply trade in the right direction, at the right price with the right stop loss and target coupled with a sound money management plan. If you can apply this principle, you would have joined the 5% of successful Forex trader.

### About the Author

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