

TRADING TIPS



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Chapter 1

Forex Trading Tips for Beginner, Intermediate, and Experienced Traders

The forex market may be volatile but that does not mean it does not follow trends. In fact, the forex market follows many trends, some of which last from anywhere from hours to days to years. The forex trading tips mentioned below will help you in getting a firm grasp on the methodologies of the market. These forex trading tips have been compiled after an extensive research on the internet and the most effective ones have been included in this article.



FOREX TRADING TIPS FOR BEGINNER, INTERMEDIATE, AND EXPERIENCED TRADERS

Forex trading is the most liquid market, with trades exceeding \$5 trillion. Currency trading, also known as foreign exchange, is a decentralized global market that deals with the trade of the world's major currencies. The market is huge, and the majority of traders prefer the forex market, due to its high level of volatility, where the price of currencies fluctuate daily.

The market may be volatile but that does not mean it does not follow trends. In fact, the forex market follows many trends, some of which last from anywhere from hours to days to years. The forex trading tips mentioned below will help you in getting a firm grasp on the methodologies of the market. These forex

trading tips have been compiled after an extensive research on the internet and the most effective ones have been included in this article.

This article is not necessarily only for the training of forex for beginners. Intermediate and experienced traders may also find them useful. The former may learn something new, while the latter may be reminded of some useful technique, which they can use to improve their trades.

1. LEARN THE BASICS

One the most important forex trading tips is to learn the basics. It's a simple tip but its importance cannot be emphasized enough. The majority of new traders get into the market without the proper research and understanding of the market. Entering the market in such a way can lead to loss of your investment and other issues.

Therefore, if you're thinking about starting trading then the first step should always be to learn the basics. To start, you can read about the market through the various sources available online. A good strategy is to learn from certified courses, which are far more detailed and allow you to practice in real time. You can also learn from eBooks and blogs that are found on the internet.

These sources can help you learn the basics, or enhance your understanding of the market, if you're already a trader. Learning should never stop when it comes to trading, because the market is constantly evolving and if you wish to succeed in this field, then you need to be comfortable with studying.



2. DEFINE YOUR GOAL

Before starting a journey, you always try to get a clear understanding of the path ahead of you. It enables you to understand what you are trying to achieve. Trading is no different, before entering the market, understand what you are trying to achieve. Set an outline, a goal, which you are aiming for. This will keep you directed and help you focus when you're feeling low.

Setting a goal can also help you determine the best trading style for yourself. Different trading styles yield different kinds of profits. For example, if you get anxious after leaving a trade open over-night, then day trading would be a good option for you, as it would allow you to close your trades before going to bed. Similarly, study different trading styles and choose the one that suites your personality the best.

3. STICK WITH ONE STRATEGY

One of the biggest mistakes that novice traders make is that they change their trading strategies or methodologies too often. The problem with this is that if you change your strategies too often then it stops you from becoming an expert in any of them. There is no "Holy Grail" in trading and every strategy has its ups and downs.

Whichever methodology you choose, just be sure that the method is adaptable to the changing market conditions. Some



find trading through technical analysis tools to be convenient, while others focus on the underlying economic situation and charts to determine the right time to place orders. Being consistent is the key here. Whatever you decide to try, master it.

Moreover, leaving a strategy because it caused you some losses is not a good course of action. Every strategy has a certain number of losses across a sample size of traders. This is quite normal, and you need to understand that this is part of trading. Trading involves having ice-cold discipline and not letting the fear of losing trades govern your thoughts and actions.

4. RESTRAIN YOUR EMOTIONS

Talking about ice-cold discipline, a good trader has absolute control over their emotions. Fear, excitement, and other emotions should have no influence in the trader's calculations. Traders are also human beings, so it can be quite a challenge that they have to live with their emotions and at the same time, try to contain them and minimize their use in the decision-making process.

A good strategy to reduce the involvement of emotions, especially for beginner traders is that they should start with small amounts. This way, we can reduce the risk posed by the trade, even if it goes south and the trader can successfully calm themselves to focus on the long-term goals. Logical and rational thinking are the most commonly found traits in successful forex traders, which is why this is considered one of the most important forex trading tips.



5. CHOOSING A GOOD BROKER

Once you're ready to start trading, the next step is the selection of a good broker. The qualities of a good broker are: honesty, integrity, reputation, and a good trading platform. A beginner may ask what the selection of the broker has to do with actual trading. It has everything to do with your trading experience.

A good broker will ensure that you have all the right tools, information, and any other required knowledge to successfully place trades. Before selecting a trader, be sure to check their trading history and what policies they follow. Moreover, check the platform that your potential broker is using; it should be well-built and offer all the analytical tools that you require for successful trades.

A good broker, along with a good platform is the perfect combination and that is what you should strive for. If either of the two are not up to your expectations, then look for some other option.





6. AUTOMATE YOUR TRADING BUT DON'T RELY ON BOTS

To remove the human factor from your trading, an effective approach that you can use is to automate your trades. This does not mean using bots for your trades, rather, it means not to improvise and let the trade close on the point you initially decided through your trading platform's function. By not improvising, you remove the emotional effect that you may have on a trade. Excitement or happiness when the trade is going in the green, may ask you to push the trade higher and get more profits. However, this can easily become the reason behind your downfall, therefore, automating your trades is one of the most effective forex trading tips.

Automating should never mean the use of bots, which are rather famous these days. Before using a bot, just ask yourself, if someone is smart enough to build this bot then why aren't they using it to become millionaires themselves? If they aren't comfortable with using their own products, then you shouldn't use them either. There is no easy way or a shortcut to success, you have to grind hard to get there.



7. DON'T GO AGAINST THE TRENDS

Some people like going against the trends. Maybe it satisfies their ego or maybe they believe that it offers more opportunities. However, whether you are a beginner or an expert trader, going against the trend is not a good option. If you're going to go against the trend, then the chances are that you are probably going to suffer from continuous panic attacks and will always be uncertain of your orders.

This advice holds true for all traders but especially for the beginners, who may lack a large amount of capital. Join the trends and relax your mind, it will help you eliminate the factor of emotion from your trades and give you a better chance at winning.

8. LET THE MARKET DECIDE

One of the worst decisions that traders can make is to trade the news. This is far riskier, and you can call it pure gambling. The right thing to do is to trade on price actions, which is the actual calling of the market and gives a more factual description of the movement of the market. If you think you can outsmart the market by making a predictive trade ahead of big news, then the chances are, you'll probably end up damaging your capital.

Trading on price action is an old and tested concept, which has worked for hundreds of years. People who used to trade before the advent computers used to rely on price action. This method is tested, more logical and minimizes your risk.

The tips mentioned above will help you in your forex trading career. One thing to keep in mind is that trading is a risky business and you should never invest the money, which you cannot afford to lose. Be rational and cool-headed and learn your techniques. Your trades will become successful once you discipline yourself and act on information and not emotions.



Chapter 2

CFD Trading Tips That Make Sense

Since CFD trading is dependent on a CFD broker, it stands to reason that one of the best CFD trading tips is that the investor should carefully select the CFD broker. Most of the time, brokers do not charge any fees for initiating a trade, instead they make money when the investor pays for the spread, a percentage of which is kept by the broker as a form of service charge. Brokers have all the conventional orders like guaranteed stop losses and OCO. The selection of an experienced and reputable broker can go a long way towards increasing one's chances of profitable trades.



CFD TRADING TIPS THAT MAKE SENSE

Talking about CFD (contract for difference) can quickly become complicated and difficult to understand. People make CFD sound like something out of this world and overcomplicate it. In reality CFDs are one of the most flexible instruments available for trading. They involve minimum oversight and have the potential for earning greater returns.

CFD is a smart trading instrument that allows investors to make money from the movement of the asset, without having to own the underlying asset. This provides higher leverage to the investor, allowing for a greater spread of capital. This can increase the return on the initial investment, but also carries the risk of higher losses.

CFD trading is done through a CFD broker and they provide access to the commodities of the world's major markets, as well as bringing around-the-clock access to the market. CFD trading is also free from shorting rules and allows investors to short assets quickly and on demand. Because the investor does not own the underlying asset, they don't have to pay the borrowing costs.

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HOW TO START TRADING CFD

The first step in getting started in CFD trading is the creation of a CFD account. Perhaps one of the best CFD trading tips is that you should always choose a platform that has good reviews and preferably a 24/7 customer service department. Experienced and readily-available customer services reps will help you whenever an issue arises in the system.

A good platform means that you will get the best service and will be able to order your trades on time, without any inconvenience. Always check the reviews of the platforms before making an account in them. The reviews will give you an idea about the performance of the platform and what possible problems arise for the usual customers.

Our next trading tip is to familiarize yourself with the market and common trading terms before you start making trades. As such, another thing to look for in a platform is the presence of learning tools, such as books, webinars, and one-on-one training

FINAL THOUGHTS AND TIPS

Just like any other trading method, there are disadvantages of CFD too. One of the biggest disadvantages of CFD is that the trader has to pay the spread. By doing so, the traders lose the ability to profit from small movements and also are put at risk of greater losses, if the price does not move as predicted.

And so our final tip is to trade smart. Exercise restraint and never invest more in CFDs than you can afford to lose. Familiarize yourself with the market. Develop a strategy in concert with your broker that allows you to pursue your financial goals without assuming more risk than you're comfortable with. Acknowledge that you will occasionally experience losses, and commit yourself to learning from the experience. CFD trading is frustrating at times, but an overall rewarding experience. Happy trading!

