

24 Most Important Rules Of Trading **

1. Always cut your losses and let your profits run. Take small losses and large wins.
2. Once you have defined the trend, trade only in that direction.
3. Always have a game plan. Never enter a trade unless you know where you should get in and where you should get out.
4. Always use a protective stop to limit your losses.
5. Be patient. Wait for the right opportunities. Don't just trade for the sake of trading.
6. If the reason you entered the trade is no longer there, get out.
7. Do your homework. By the time you enter a trade you should already know what you are going to do and what you expect from the trade. Placing a trade should be the easiest part of trading. If you are still trying to work things out when you enter the trade, you are not ready for that trade.
8. If your method of trading is working, don't change it.
9. The market is never too high to buy and never too low to sell.
10. Every trader has losses; don't let your losses get to you psychologically.
11. There is no such thing as an indicator that is 100% right all the time. Use common sense along with your method of trading. If your indicators are telling you one thing but the market is obviously doing something else, listen to the market.
12. The market is always right.
13. Use money management (principles) in your trading.
14. Only trade markets you are sufficiently capitalized for.
15. Never trade with money you cannot afford to lose.
16. Be disciplined.
17. If you hit your target profit, take it. Don't get greedy and hope that you will make more.

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18. Don't try and regain all your losses in one trade.
19. Don't blindly follow someone's recommendations. Do your own homework.
20. If it's not going well, take a break for a few days or weeks. Make sure you are in the right psychological frame of mind before you start trading again.
21. Don't trade too many markets. It's better to be an expert in one market than a novice in many (markets).
22. Never meet a Margin Call. If you have a Margin Call, it means something went wrong with your trade (and money management system).
23. By the time everyone knows that it's a bull or bear market, it's probably too late.
24. Losses in trading have no bearing on you as a person.