

## The Seven Costly Mistakes Of Traders \*\*

Find the [Three Secrets to Trading Success](#) by taking a look at the *seven mistakes* that traders make that cause them to lose a lot of money:

- **Mistake #1: Struggling to identify the direction of the market.**

They use complicated formulas, indicators and systems trying to identify a trend. They plot so many indicators on the screen until they don't see the prices anymore. They think the *more complicated* a system the better it should "predict" trends. And they completely lose sight of the basic principle: *Buy when the market is going up and sell when the market is going down.*

- **Mistake #2: Not taking profits.**

By nature traders are greedy. After all, you want to make money. A lot of money. And you want to make it fast. "Get rich quick", right?

And that's why many traders are way too greedy. They want to get rich on one trade. And that's when they lose. Here's the key to trading success: *Small profits, but consistently. Consistency is the key, because if your profits are consistent and predictable, then you can simply use leverage to trade size.* Therefore you MUST know when to exit with a profit.

- **Mistake #3: Not limiting your losses.**

Losses are part of our business. The key to trading success is to limit your losses. Too many traders are giving a trade way too much "room" and, therefore, take big hits, taking your account down by 20%, 30% and sometimes even 40%. Use small losses. Your average loss should be smaller than your average win, because then you even make profits with a winning percentage of only 50%.

Therefore, *always know when to exit a trade.* Later I will explain to you exactly when you exit a trade.

- **Mistake #4: Trading the wrong market.**

Too many traders are fixed on only one market: They trade ONLY the Forex USD/EUR, or the e-mini Russell, or the e-mini DOW, or just certain stocks, or... Here's the key to trading success: Trade a market that is MOVING, either up or down. You know that you should buy when the market goes up and sell when the market goes down. Sounds simple enough, right?

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So stay away from a market that is choppy and just moving sideways and start trading a market with nice trends.

- **Mistake #5: Lack of a trading strategy.**

You MUST have a solid trading strategy. Having a trading strategy is probably the single most important thing you can do in order to succeed with trading. Having a trading strategy means having a pre-defined set of rules you have developed for your day trading. It means knowing what you do instead of just gambling. Too many people are starting day trading without a strategy, completely unprepared. With a day trading strategy you're way ahead of the crowd and you dramatically increase your chances of making money with trading.

- **Mistake #6: Not controlling your emotions.**

What are the main emotions of traders? Here are a few: Greed, Fear, Panic, Indecision, Anger... and maybe excitement. How many negative emotions are on this list? – Too many! In order to become a successful trader you have to control your emotions. *The best strategies and tools are useless if you lose your head when being in a trade.*

- **Last, but not least: Mistake #7: Overtrading.**

Many traders think that “quantity” is better than “quality” and believe if you just throw enough punches that eventually one will hit. They trade like maniacs and make their broker rich. If you want to succeed in trading, then you must understand the concept of taking only the “high-probability trades” – less is more.