

Getting Through Your First Month of Forex Trading

By: Sara Patterson

If there is one time period that is the most important throughout your entire Forex career, it is the first month of trading. Actually, let me correct that. The most important time period is actually the months of preparation before you begin trading. During those months, you should be spending your every waking hour studying the market, understand the analysts, and formulating the Forex trading strategy that works for you.

Once you feel confident enough to begin trading, and you have the demo trading track record to back it up, you can start trading Forex. However, keep in mind that contrary to what Forex brokers work hard on making you think, you will most likely not achieve massive wealth immediately.

Your goal in the first month of trading should be to stay afloat. Your immediate and most crucial target should be to simply keep your trading account open. Yes, you can dream about making millions, there is nothing wrong with that, but practically speaking, if after a month of trading Forex, you have an active account, you have already succeeded where most people fail.

So how does a new trader ensure that their account will not be wiped out in the first month of their Forex career? The following is a list of some tips and pieces of advice, which will help you achieve the goal of treading water in the deep sea of Forex trading:

- **Hours of Demo Trading:** If you did not spend countless hours demo trading, that is an absolute necessity before risking your money, so go back and do that.
- **Get Ready to Lose:** This might not seem like it will help you with your profits, but it will. If you understand that you will experience losses, when they happen, you will be able to cope and keep your morale up.
- **Strategy:** By now, you **MUST** have your Forex trading strategy. If you do not, stop in your tracks and get one. Then spend your time testing it out, and monitoring its results. Evaluate the strategy every so often to make sure it is achieving a positive outcome.
- **Manage your Funds:** This is absolutely crucial. Do not risk over 2% of your account on one trade, **NO MATTER WHAT!** Use Stop Losses, Take Profits, and all other tools at your disposal that will help you effectively manage your Forex account.
- **No Emotion:** Make sure you have your emotions under control. Do not let greed, fear, or depression have any part of your Forex trading. The more you stick to the strategy and the less you involve emotion, the better trader you become.
- **Leverage:** Use leverage with the utmost caution. It can become poison to your account if you over leverage your trades. Yes, I know, it is tempting to open a \$100,000 trade with only \$200 in your account, but don't do it! Not now and maybe even not ever.
- **This is Not a Casino:** Take Forex trading seriously, this is your life we are talking about. Do not think about it as you would think of a casino, this is not recreation, this is your career.