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Widespread Problem For Day Traders

Last night time I was conducting a membership interview and we touched on one of the most common challenges day merchants face. The fellow trader I was speaking with has been buying and selling a bit over 2 years and is roughly up ~eleven%. Most merchants would gladly take that performance. She feels she is leaving money on the table and wants more consistency in her performance. One in all my favourite questions that says a lot a few day trader's potential is "why do you think you generally is a successful dealer?" The typical response centers across the wins that traders always focus on. "I do know I could be profitable as a result of I have profitable trades, my problem is to do it consistently." I submit this thought process is backwards. I all the time tell my group that we need to deal with our risk before we calculate our potential gains. I don't imply to sound harsh, but anyone can win a trade. To do it constantly is the arduous part - and in addition what differentiates worthwhile merchants from people that lack consistency.

My message is that we have to focus on our mistakes, possibly more than we do our wins. So we might say that one of the keys to consistency is to avoid mistakes. Sounds easy, however most traders solely give attention to what they do nicely slightly than their mistakes. To begin to keep away from errors requires us to just accept personal accountability for every a type of poorly executed trades (or damaged guidelines). I also ask my members to connect a cash worth to their mistakes. For instance - what does it cost you every time you move your protecting stop and even worse do not use one? What value do you pay when you are not applying the proper position sizing? While clearly not the main focus of this text, we are able to see the significance of journaling our resolution process for each buying and selling session. We are able to then analyse and monitor our day buying and selling mistakes.

Observing how a lot we are dropping when committing mistakes will finally begin to hit residence and empower us to begin their elimination. We will then start to see extra profitability and consistency in our trading. In closing it is fairly easy to develop a stable buying and selling system, however very hard to execute it with out mistakes. Start by taking full duty for our mistakes allowing us to identify our weaknesses and begin down the path of more constant, worthwhile day trading.

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