

## Forex Trading is 70% Psychology, 20% Money Management, and 10% Technique By Winsor AGA Hoang

Students and acquaintances often ask me to teach them Forex trading techniques to profit in the Forex market. Is there such a Holy Grail that can provide guaranteed winning trades? I listen as an acquaintance continues to complain that he is losing too much money, that he is never on the right side of the market, that he keeps making the same mistake repeatedly, and why does he keep getting stopped out? After about 30 minutes of his ranting, I interject and tell him that maybe he should start learning about trading psychology. With a disappointed face, he looks at me dumbfounded.

Many Forex traders give up after one year while some traders continue to jump from system to system, looking for the ever-elusive Holy Grail. It seems that after learning a number of different trading techniques, traders tend to plateau, and are unable to improve, regardless of what they do. Somehow, there is always a new trading course offered by a most successful trading guru or an ultimate indicator claiming unparalleled results that is a must-have.

The Forex industry is so polluted with scammers and marketers that it is impossible to sort out who is telling the truth. It is extremely sad to see so many people losing money in this market; however, it is the greed that continues to recruit more neophytes. It is like a gambler looking for an easy way in life to make a lot of money in the shortest amount of time. There are traders claiming that they are not gamblers and have never stepped into a casino in their life. Welcome to the twenty first century, where gambling comes in many forms, and the casino comes to your house via Forex internet trading.

In order to gain an advantage in Forex trading, you have to realize that what you need are not the indicators or ground-breaking Forex trading techniques. The skills that you need to acquire are discipline, emotional control, patience, and the right mental attitude toward losing. It is about how you respond to pain and pleasure, greed and fear. The keys to being successful in Forex trading are all internal. It is not so much about finding the highest probability and lowest risk point of entering in the market. Regardless what you do, there is always a risk and a chance of losing. You must accept the consequences of losing or being stopped out in the market. Lacking emotional control will cause you to experience pain whenever your account goes negative and experience pleasure whenever the account goes positive. You have to realize that psychology contributes to 70 percent of your trading success. If you don't learn the proper trading psychology then you have diminished your chances of success.

Money management technique is twice as important as Forex trading techniques. If you rush to earn a lot of money in a short period of time, you will take larger risks and are more prone to wipe out your trading account. There are no shortcuts in building wealth, regardless of what industry you are in. Whether it be with manual Forex trading or Forex managed accounts, if someone claims to make consistent profit month after month, then it is likely to be a scam because there is no risk involved.

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