

Published based on [Essential Forex Trading Tips](#)

Essential Forex Trading Tips

1. At trade in spreads it is necessary to apply the same principles of risk management as in case of unilateral positions. It is very easy to calm down on thought that spreads move slowly enough and consequently there is no necessity to worry about protective stops.

2. Don't buy options planning; at that price of an underlying asset the transaction will be liquidated.

3. Don't fix small fast profit on transactions in a direction of the main trends. In particular, if you are absolutely assured of the transaction never fix profit in the first day.

4. Don't hasten to close a position after rupture origin in your direction. Use rupture as an initial stop; then enter watching stops.

5. Try to use watching stops, placing them proceeding from development of a market situation instead of fixing profit on target objectives. Use of the purposes often prevents to implement completely the possibilities given by the main trends. Remember, from time to time the big victories are necessary to you to block failures.

6. Despite the previous rule, all the same it is useful to determine the initial purpose at the moment of transaction opening that will allow to apply a following rule: if during a short time interval after position opening the most part of target profit (for example, 50-60 % for one week is reached or 75-80 % for two or three weeks) it is necessary to fix profit parts, meaning restoration of the liquidated contracts at market correction. The idea consists that would be correct to take fast considerable profit.

Though this rule can often lead to loss of the rest of profit on the liquidated position, position keeping in a similar case can often lead to feverish liquidation at the first sharp return of the prices.

7. If the purpose is reached, but the position still is pleasant to you, leave it, using a watching stop. This rule is important from the point of view of possibility to trade in a direction of the main trend. Remember, the patience is necessary not only during those moments when you wait for good transactions but also not to close a position when it makes profit. Inability to get adequate profit on the correct transaction in a trend direction is the key driver limiting profitableness of trade.

8. One private exception of the previous rule consists in that if you are at very big position and cost of your assets grows it is necessary to consider possibility of partial fixing of profit. When all goes too well to be truth, be on the alert! Probably, it is time to start to fix gradually profit and to place close watching stops.

For those who want to participate in [forex trading](#) should start from learning the basics of this market to make sure you do not experience problems with this industry.

There is another option - you can hire professional traders to do this job for you - read more about [forex investment](#) here. Also make sure to search for the knowledge in a good [forex book](#).