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Psychoanalysis Of The Movements Of A Forex Trader.

A trader is offered two variants:

1. With probability of 100 % to win 85 000 US dollars;
2. With probability of 85 % to win 100 000 US dollars and with probability of 15 % not to win anything.

The objective profitableness of both variants is the same - 85 000 US dollars. However the overwhelming majority of people will prefer the first variant. The first conclusion - when a person wins, he/she isn't going to risk. In the second case a trader also is offered two variants:

1. With probability of 100 % to lose 85 000 US dollars;
2. With probability of 85 % to lose 100 000 US dollars and with probability of 15 % not to lose anything.

Here the objective profitableness of both variants is the same - 85 000 US dollars. But the overwhelming majority of people will prefer the second variant. The second conclusion - when a person loses, he/she is inclined to risk. We are afraid to run risks, when there is no any danger, but we run risks and we hope, when danger is great. The following situation usually happens on the market: as a result of purchase of some goods for some moment the first part (a buyer) has got profit in 85 000 dollars. This part doesn't run risks further and takes profit, making sale of the given goods to the third part. The probability to earn of this third party of 15 000 dollars makes 85 %, and the probability to lose is 15 %; the other part of the operation (a seller) for the same moment of time had a loss of 85 000 dollars. However this part doesn't close a position and hopes to save his/her own assets in the best case; further the price, predictably, has grown and has provided to the third part the income in 15 000 dollars, and the similar loss to the seller; but there is and other variant of the given situation - the third part can lose 85 000 dollars, according to the probability of 15 %. However in the reality losses of this third part are much less because of the statement of reasonable stop-loss order.

Who is this third part? As a rule, it is a professional player or a trader. This person uses fear of the winning person to lose the received income and the hope of the person who is losing money to get them back. The professional in the last moment as though puts between the first and the second parts and with a huge probability of success (85 %) takes away the share, staking rather small sum.

Our weaknesses this is the "food" for professional traders.

All beginning traders win often and a little, and lose seldom and much. As a result total losses exceed total profit. The primary goal of psychoanalysis of actions of a trader is revealing of the mental lacks, able to lead to losses, and their correction.

There are two ways you can make money on Forex.

You can study the basics of Forex market trading with the help of a nice [forex book](#) and do the [forex trading](#) personally.

OR you can hire experienced traders to manage the money on your trading account and they will trade for you. Read more about [forex investment](#).