

Adapted from post by Paulus on Forex Factory forums. This should be read and followed by all the traders out there.

The big drawback we have in trading is the fact that there is too much out there. Too many time frames...too many indicators...too many Ea's...too many experts....too many Internet freebie's...too many systems for \$99 etc etc. I myself have fallen victim to this. How many system ideas have I looked at designed that have 3 losing days in a row only for me to delete them. In hindsight, it may well of been the worst losing run in 12 months of trading my timing was just bad.

A typical scenario that we have all been in

trade 1 loses

trade 2 loses .. we get nervous make up excuses about it and decide to sit out the next signal

trade 3 wins ..we did not trade

trade 4 wins ..again did not trade

We now say market looks better so we decide to take the next signal

trade 5 loses !

We stop for the day we have had enough 3 losers

trade 5 and 6 win ..but we did not trade those

We go and have a cry !

You need to get back to basics: Why does price move? What does price react to? What do professional traders look at? All indicators are just lines number-crunched from price data, they highlight certain movements at certain times. Some of the best things to look at, in my own opinion, and from the experience of 13 years are:

-Pivot points - All pro's look at these

-Fibonacci esp 61.8 % - reflects trader psychology

-123 set ups - reflects traders psychology

-Diversity - shows weakness and strength

-Keep your charts simple clear and uncluttered

-Decide upon 1 idea/method and look only at that and try and become an expert in its use

-Try and remain blinkered to all the links to various (free and paid) "get rich quick"-systems and schemes