

## 5 Traits of Successful Traders

We often hear the alarming statistics regarding the failure rate of traders. Stop me if you haven't heard this one... '90 percent of all traders go broke.'

Has a familiar ring, doesn't it?

The reality is, trading doesn't necessarily have a track record any worse than any other worthwhile profession. How many people start playing basketball with the dream of becoming a pro and actually make it to the NBA? I'll bet it's much less than 5%.

How about Doctors? Lawyers? Pilots? Engineers? Accountants? I could go on all day.

Like all professionals, traders have to dedicate a lot of effort to achieve a high level of success. Unsatisfactory trading results are usually the end product of someone with little or no experience throwing their money onto the market and expecting the profits to be easy pickings.

Although all traders are different, successful traders share many common traits. Novice traders need to invest in themselves to become profitable, and concentrate on developing, at least, these 5 characteristics:

### 1) Education

To be successful, a trader must completely understand their market. Like any business, trading for profit requires one to constantly be learning. Make it your goal to learn everything possible about your playing field.

The people that comprise the trading markets are constantly evolving and winning traders know they need to adapt to the ever changing landscape. Take the time to invest in your professional growth and it will pay rewards in the long term.

### 2) Patience

A successful trader can sit on the sidelines for days waiting for the proper setup. They don't jump into a trade just for the sake of trading. Yes there may be opportunities, but the smart trader waits for the best ones. Often the best trade is no trade.

Over trading by rookie traders is a big obstacle to overcome. A need to always be in the market will lead to taking trades that are likely too risky. Learn patience, it's a key to success.

A winning trader usually has an extraordinary amount of self control. Whether reaping rewards or taking a loss, successful traders will have an even emotional state.

### 3) Trading System

Top traders have developed a system to guide their trading decisions. They have established rules and once certain conditions are satisfied, they act to open, extend, reduce or close their positions.

There is no perfect system that will guarantee only winning trades, but a good system will tell you when it's time to cut your losses.

A system needs to suit the trader. Factors such as the amount of time a trader chooses to devote to trading, or the level of risk an individual is comfortable with should be major considerations when building a system that fits.

A system must be built to suit a trader's personality and this is the single biggest reason off-the-shelf systems seldom work for their buyers.

#### 4) Discipline

Trading is not a black and white game. There are no sure bets. It is about calculating the odds of success and determining how much to risk on each play.

Having the confidence in yourself and your system to make the move to book your profit or take a loss when your method tells you to is a winning trait.

You have established the rules to protect and grow your money. Success will come with discipline.

#### 5) Long Term Perspective

The current trade is only a small part of a much larger long term picture. Win or lose, you will move on to the next trading situation. Every trader must develop the ability to keep on going.

You can have many failing trades and still be profitable in the long run. Short-sightedness causes rookies to over trade, often trying to make back lost capital from an earlier unprofitable trade.

Losses are part of trading. Successful traders are independent thinkers and have achieved a healthy level of self confidence. They don't take losses personally... it's part of the game.

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