



CAPITAL
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7 TRAITS OF A SUCCESSFUL CFD TRADER



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INTRODUCTION

A CFD trader is someone who trades in the CFD markets. As with anything, there are always winners and losers. To be a successful trader, you need to have certain personality or character traits. You also need to be aware that gaining these traits cannot be done in a short-term. It will harden you through a lot of practice and strict discipline, as only hard work and commitment can bring you the most rewarding things in life and generate golden opportunities. In this tutorial, we will present you seven traits of a successful trader that ensure success. Let's begin.

SELF-CONTROL

The first and foremost trait is the self-control. A CFD trader must not be emotional; he/she should be cool and calm in his/her character. A trader who is on a profits streak can easily get tempted to scale up trade volumes beyond acceptable risk levels in order to land that one big payday. Many accounts with several winning trades have been taken out by one huge trade gone amiss. Self-control keeps the trader in check; using only acceptable risk levels to compound profits.

CAUTION

A CFD trader should be cautious in trading. Caution obviously does not mean missing clear trading opportunities but it means filtering out the best out of best trades. For example, you may find out a very good trade setup, meeting your all technical parameters but its risk/reward ratio may not be very healthy so in that case you should filter out such trade and wait for the next solid trade setup having good risk/reward ratio.

BOLDNESS

Boldness is also very much required in CFD trading. Rather than getting paralyzed by several losses, or missed opportunities, a bold trader is one who is not afraid to make the trade when the opportunity to profit presents itself again. It also takes boldness to recognize a failing trade and use the Early Closure/Stop Loss function to kill the trade off and conserve capital.

Sometimes, on a day when one's methodology is impaired by market conditions, one needs to be bold to accept failure and even stop trading for a session/for the day.

PRACTICE

The beaten to pulp cliché "practice makes a man perfect", is key to success in CFD trading, as much as to anything else in life. There are thousands of strategies that can be used but it's best to pick a few that work well and practice them relentlessly on a demo account or paper trades (noting entries and their

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expiry times in a notebook) until they become profitable. Needless to say, practicing requires time, study, and a certain degree of psychological and physical devotion.

PATIENCE

Another key trait that a CFD trader should develop is the patience. Many bad trades are screened out by patient traders, who prefer to wait for clear opportunities rather than nebulous ones. Some of the strategies discussed or illustrated by market participants, are those which require patience for them to setup properly for the trader.

DISCIPLINE

Discipline is also an essential ingredient in trading, and it is not something which you can find on a website, download, or buy from someone else. It is more valuable than any trading system, trade alerts, or magic black box, to help you make money. Without it, no trading system will be profitable, and money management would be impossible. And it is also one of the toughest skills in the world to develop, not just in trading, but in life too.

CONSISTENCY

Another important trait you should develop as a CFD is consistency. If you're not consistent in your actions and choices and the basis for those choices, you're not going to achieve consistent success. You might achieve intermittent success, but eventually you will lose everything since you're relying too much on luck, or instincts.

Consistency requires that you come up with trade rules that have some specific basis; that you test those trade rules and see how they work before going live; and that you then continue to use those trade rules when you trade in real life.

CONCLUSION

Making arbitrary and impulsive decisions only, results in arbitrary profits and losses. Adjust your methodology as needed, when the market changes. But do so with specific reasons and testing behind your decision, not because you're arbitrarily changing things.

The above is only the core of the rules and habits of successful investors and traders, which goes a long way in developing a strong body of practical rules. There is never a limit to the improvement in trading fitness that an investor/trader can achieve and thus one should always be on the lookout for positive practices. We shall cover more such practices in the very near future.

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