



## THE CRITICAL SUCCESS FACTORS YOU NEED TO BECOME A SUCCESSFUL TRADER

**STRATEGY:** - There are so many different strategies: value, growth, momentum, short selling, etc. Find one that fits your personality and do your best to master it. The fastest way to learn is to study success. In other words, find someone who is successful at the strategy you like, and then mimic them with your own style. Another key is to recognize when the market environment is not conducive to your strategy and make the proper adjustments.

**CONFIDENCE:** - If you don't have confidence, you have very little chance of succeeding. This doesn't just apply to trading; it applies to EVERYTHING in life (business, athletics, relationships etc.). With regards to trading, you have to believe in what you are doing and not be afraid to make mistakes. The key is to learn from them, make adjustments and constantly reevaluate your progress.

**PRODUCT FOCUS:** - There are so many different trading vehicles, like most things in life it is better to be the master of one than a jack of all trades across several different trading vehicles. We are FOREX traders.

**KNOW YOUR TIME FRAME:** - You must find a timeframe that fits your personality. If you are too nervous, maybe short-term trading isn't for you. Everyone wants to make tons of money in the market really fast, but keep in mind that is not a healthy approach. Most people with this mindset tend to be "boom and bust" traders. They make a bunch of money and eventually blow up. If you are truly passionate about trading and hope to be in the game for a long time I recommend focusing on a slow and steady approach.

**ABILITY TO MAKE DECISIONS:** - If you go to McDonalds, stare at the menu for 10 minutes and still can't decide what to order ... then you have NO shot as a trader. You HAVE to be able to make decisions. You can't hesitate all the time and trade with fear. Who cares if you make a bad decision, just MAKE ONE!!! If you are wrong, you will learn from it and make a better decision next time. As a motivational speaker would say "Good decisions come from experience, and

experience comes from bad decisions.” The key is to stop trading with so many fears and MAKE a decision. Who knows? You might end up making the right choice, which will increase your confidence and enhance your ability to make sound decisions in the future.

**CONVICTION:** - This is very similar to confidence, but what I am referring to specifically is to have conviction in your ideas. It amazes me how many people will buy a stock just because someone on TV or Twitter mentions it. Don't get me wrong I love to listen to ideas, but it has to fit my strategy in order for me to buy it. Same thing applies when someone says something negative about a trade you are in. Don't be so easily swayed or talked out of your positions. Have conviction and let the MARKET prove you right or wrong! If you did your research to enter the trade and if nothing has fundamentally changed – stick with it.

**ABILITY TO CUT LOSSES:** - I've studied the best traders in history and they all have the same number one rule: CUT YOUR LOSSES! As a Trader, think of your cash as your inventory. If you can't cut losses quickly, eventually they get bigger and bigger, and you will have no inventory left to work with. I have a strong conviction in my ideas but when the MARKET proves me wrong, I let go of my ego, cut my losses and move on.

Scott Pickering  
The Pip Accumulator

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