



4 Key Trading Rules to Learn from Gann Trading

Trading rules and strategies from Gann trading have been used for years in the trading industry. This trading technique stands out among thousands of ways to trade in the stock market. The rules set by this trading technique can shape up your financial future if you put them to use. Gann indicators are based on geometric angles. These angles precisely measure each factor from price to the time-frame. You could get insight into past, current and future market conditions.

Here are some trading rules from Gann theory of trading to help you put on the right course while trading:

1. Never Ever Indulge in Overtrading

According to [Gann trading](#) rule, you should never overtrade. If you risk it overtrading, you will get stuck into multiple losses. Set realistic goals and open only a handful of trades per day to minimize the risk involved. Limiting the number to 2 or 3 trades a day is the best way to start with it.

2. Keep the Doubt Out of Trading

An element of doubt could put your trading into a path to losses. So you should keep doubt at bay while trading. If you aren't sure how to trade without doubt, better get a trading guide or look for a course that teaches you ins and outs of the trading process. To be confident while trading, make sure you back-test your trading guide to get to know when to trade in and trade out.

3. Invest Only in Active Stocks

Being a trader, you should know where to invest. Trading in active stocks works best because they have huge movements. You shouldn't invest in inactive companies where the chances of

money movement are pretty low. Similarly, you should treat the currencies. Invest in volatile currencies such as Euro, GBP and USD rather than investing in emerging markets currencies.

4. Divide Capital into Several Parts

Trading is uncertain, in most cases. It's because stock market trading depends heavily on macro-economic, micro-economic and various other factors. Any incidence in or out of the country you trade could affect the trading. For instance, in a war-like situation, the market falls down rigorously. This is why you shouldn't put all the eggs in just one basket. You should divide your capital into 10 equal parts and invest in trades accordingly. If one market gets affected, you won't suffer that badly.

Conclusion

[Stock market](#) trading is unpredictable so you should keep the rule handbook with you to ensure minimum risk. Using theories such as Gunn theory, Elliott wave theory could help you predict the price move in a better way. You should learn from these theories and make the right move while trading to optimize your chances for financial success. Get your hold over Gunn theory principles to leverage its potential to earn more and emerge as a successful trader.

Want to learn Gann trading? We could be of great help to you! Invest in I3T3 program to master the intricacies of the trading process. We have helped several traders in making the best of the lessons learned from Gann patterns and trading techniques. Register with us now to learn Gann principles for trading.