



# trading strategies

I have already been hearing many people saying that Forex trading is risky just because a person can lose a lot of money in trading Forex. Using one hand, this may be good news because it's somehow deterred some folks from trading Forex especially when they're not prepared to obtain proper education to discover ways to trade well. On one other hand, many people have decided to provide Forex trading a try, as they have been told it is a quick to be rich scheme. Unfortunately, they lost their momentum because they might not find any profitable trading strategies and thus, they concluded that Forex trading didn't work.

With due respect, I submit that trading Forex can be a successful venture but we ought to treat it as a critical business and not really a quick to be rich scheme. What this means is that individuals must understand the different segments of a Forex trading business. They're trading strategies, money management and trading psychology. In this short article, I will focus on the first segment - trading strategy. [stock option trading](#)

I believe that it is fair to state that all Forex traders will first learn trading strategies in this business before they consider one other two segments. However, as many people take the view that Forex trading is a quick to be rich scheme, they cannot have the patience to accomplish the necessary work. Instead, their primary goal is to consider probably the most profitable strategy so they can make money in the shortest time possible. My question is whether there is anything called probably the most profitable trading strategy. I understand by asking this question, I am inviting a debate here since there are a large number of Forex strategies for sale in the market. Every one of you will come up with your own personal opinion. If I might, allow me to first group all Forex trading strategies into four major categories: (i) trend strategies; (ii) trading range strategies; (iii) breakout strategies; and (iv) news trading strategies.

I know what I am going to state below will disappoint some of you - there is no such thing called probably the most profitable trading strategy. As traders, our job is to see the chart of a currency pair and decide if it is in a trend. If that's the case, we have to utilize trend strategies because it doesn't sound right to utilize trading range strategies. Conversely, if the currency pair has formed a trading range, it doesn't sound right to utilize any trend strategies.

Therefore, we have to utilize trading range strategies. In a nutshell, a trader must learn a minimum of one trend strategy and one trading range strategy.

A few of my trading buddies would rather trade the Forex market centered on news. What they do is to consider the headlines to trade and consider how a particular currency pair will react

following the announcement. Typically, news trading strategies is a quick scalp on a currency pair and derive from a chart on a lesser time frame.

Finally, the key reason why breakout strategies exist is because there are traders who would rather have a position on a currency pair after it breaks out of a trading range. [option stock trading](#)

As you will see, different traders could have different trading preference. The very first thing I think you need to do is to find out your own personal preference. Are you someone who's ultra conservative and you don't like to risk much in a trade? Or are you someone who's aggressive and it is fine for you yourself to cope with higher risk investments?

Even though I mentioned news trading strategies here, I don't trade any of them personally because they cannot fit my trading personality. I am just about emphasizing both trend strategies and trading range strategies.

Here is another important point for you yourself to consider if you are learning any strategy from another person. I am sure that the individual from whom you learn could have his own trading rules. You have to ensure these rules fit your own personal trading personality. Or even, it is likely that strategy will not do the job though it works for that person. If you determine to tweak these trading rules to accommodate your preference, you need to anticipate to spend time on back-testing and forward-testing the modified strategy to ensure it generates excellent results consistently.