Futures Forthright eBook

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Official Disclaimer

Prolog: *The Futures Markets are beckoning. However, are your Eyes wide open?*

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DISCLOSURE OF RISK: The risk of loss in trading futures and options can be substantial; therefore, only genuine risk funds should be used. Futures and options may not be suitable investments for all individuals and individuals should carefully consider their financial conditions in deciding whether or trade. Option traders should be aware that the exercise of a long option would results in a futures position.

CASH AND FUTURES MARKET PRICING DOESN'T NECESSARILY MOVE IN TANDEM.
Know market information (such as seasonality) already being factored into the market place.

Past results are not necessarily indicative of future results. The risk of loss in trading can be substantial carefully consider the inherent risk of such an investment in light of your financial condition.

THE INFORMATION CONTAINED HEREIN IS BELIEVED TO BE RELIABLE BUT CANNOT BE GUARANTEED AS TO RELIABILITY, ACCURACY, OR COMPLETENESS. CANNON TRADING COMPANY INC. WILL NOT BE RESPONSIBLE FOR ANYTHING WHICHMAY RESULT FROM ONES RELIANCE ON THIS MATERIAL OR THE OPINIONS EXPRESSED HEREIN. NO PREPRESENTATION IS BEING MADE THAT ANY PERSON WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOW IN THIS eBOOK.

Commodities trading is risky and is not suitable for everyone.

The Futures Markets are beckoning. However, are your Eyes wide open?

Trading commodity futures certainly can be of interest for suitable interested individuals and institutions.

The futures contracts themselves and the markets they move in can be seductive for those suitable parties who wish to test their skills and discipline in technical and fundamental market analysis.

Regardless of the possible enticement of these markets, it is necessary to approach the risks with both eyes fully open and ready.

When it comes to trading, it's important to remember that past results are not necessarily indicative of future results. The risk of loss in trading can be substantial. Carefully consider the inherent risks of such an investment in light of your financial condition.

Futures trading is not appropriate for someone of limited resources, limited investment, trading experience, or low risk tolerance. You should be prepared for the possibility of losing all of the funds that you use for trading. Also, it is possible for an investor to lose more than the trading funds initially invested. You should not fund your trading activities with funds required to meet your living expenses as it may change your standard of living.

There are other caveats that need to be taken into consideration when exploring the possibilities of speculative profits in the futures markets.

Be wary of advertisements or other statements that emphasize the potential for large profits in trading because trading can also lead to large and immediate financial losses.

Day trading can also indeed generate substantial commissions, even if the per trade cost is low.

Day trading sometimes involves aggressive trading with high volume which requires commission payments on each trade. The total daily commissions that you pay on your trades will add to your losses or can, in some cases, significantly reduce your earnings.

Day trading on margin may result in losses beyond your initial investment.

An investment of less than $25,000 can possibly impair the ability of a day trader to make a profit. However an investment of $25,000 or more will not guarantee success.

Introduction into Futures Trading

I. Master Your Trading Psychology

Experienced traders will inform you that one of the most important elements in trading successfully is mastering your trading psychology. When entering the futures trading arena, remember that there is often a good voice and a bad voice inside of you. These internal trading dialogues are what make you a unique trader and can significantly distinguish your trading experiences from those of others. It's your ability to listen to the "good voice" that will assist you in rising above numerous trading pitfalls.

Some important examples and anecdotes from one of our senior brokers, here at Cannon Trading Co., can help illustrate this important point:

You have a client who knows how to make money. It's apparent in the daily statements; they have a good winning percentage, consistent profits, etc. Everything's moving along nicely until in seeps the Bad Voice.

The Bad Voice can motivate people to go down a slippery slope. Like a client –who is normally a day trader- decides to carry his/her losing position and make it into a swing trade. Or you are down and refuse to accept the fact it may be a losing day; so you double down and become aggressive with the intention, "if this trade is a winner, I'll have another winning day."

The Bad Voice: It's in all of us all the time. It's like when you are unbuckling your belt at a Las Vegas buffet but still decide to go back for another round of cake; or you decide to run the yellow light even though you're running early to your next appointment. But when it comes to trading, there's bigger risks involved than a traffic ticket or a tear in your pants. These bad choices can have a snow ball effect and turn a mediocre day into a bad day or a bad day into needing a stiff drink.

This comes from the inability to accept loss. I have had this happen to me numerous times as a trader. Trading is tough mentally and emotionally, which is why it's smart to have a solid game plan to serve and follow. Following through with a plan will make the Good Voice strong. It will give you a sense of accomplishment and direction. The Bad Voice will only come in when you are lost or too emotional. The Good Voice will tell you not to double down or just keep the stop. Ground yourself when the Bad Voice starts to whisper to go ahead and reverse the position and double it.

Ultimately it takes experience –good and bad- to help build the muscles and endurance that makes listening to the Good Voice strong. So if you're starting out, remember to step away when the Bad Voice enters your head and reconnect with your game plan. It'll make your trading all the better.

II. 8 Steps to Successful Futures Day Trading

The following steps are guides to progress, and are not necessarily in sequential order. Some of them are always required, but each trader is different and will relate to these stages in their own ways. While attempting to learn and progress, one must keep in mind that futures trading is risky and can involve significant losses. All trading is risky, but with that kind of risk you should have an eagle eye to reap big rewards.

1. Education

Hopefully if you are already trading you have completed your initial education: contract specs, trading hours, brokers, platforms, the opportunities as well as the risk and need to use risk capital in futures, and so on. Understanding this information is essential to trading. The second type of education is ongoing: learning about trading techniques, the evolution of markets, different trading tools, and keeping your hand on the pulse of the markets. Meaning, hear the headline news that might change the technical aspects.

2. Find a System

I am definitely not advising you to go on the web and subscribe to a "black box" system (using buy/sell triggers if you don't know why they are being generated). What I am advising to develop a trading technique: a general set of rules and a trading concept. As you progress, you may want to put the different rules and indicators into a computerized system, but the most important factor is to have a focus and a plan. Don't just wake up in the morning and trade "blank."

3. Survival

This is the key! Do what you need to do in order to survive this brutal business and give yourself the chance of being here down the road with more experience and a better chance of success. Survival is probably the biggest key for beginning traders. There is a saying in this business: "live to trade another day." It is so true!

4. Money Management

While it is closely related to survival, money management can also stand alone. For your own survival, you must set trade/daily/weekly loss limits. Sound money management is closely associated with knowing your risk-reward ratio (again, per trade and per time frame).

5. Goals

You should have a game plan and established goals which will function as a road map to measure your progress and improvement. Set per-trade goals, daily goals, weekly goals, etc. Many of you who are clients are familiar with these questions: What is your daily profit goal? Where do you see yourself in a week from now.? Six months from now? A year from now? How are you planning to get there? Break it down into small steps, and you'll always know whether or not you're on the right track. And do not forget to continually reevaluate your financial situation as it pertains to risk capital.

6. Experience

If you made it to this stage you're on the right track! Just like anything else in life, the more experience you have, the greater your success is likely to be. The key is to acquire the experience without devastating your risk capital. What good is experience without risk capital in your trading account? An experienced trader should take all his or her emotional impulses out of the trading equation.

7. Learn your Setups, Strengths, and Weaknesses

Teach yourself to recognize different set-ups that you feel comfortable and confident with. Then attack. You cannot get to this stage without going through the previous steps. If you did not survive, develop a trading system, set goals, etc., you may recognize the right setups but lack the confidence or the cash to take advantage. I sometimes compare being the "pro" to the lion that is waiting patiently for its prey and then attacks when the time is right! He cannot risk the meal!

8. Trading on a Consistent Basis

This means you will continue to evolve as a trader and go through these stages over the years again and again.

In Conclusion: Don't be discouraged by reading this. Succeeding in futures trading takes hard work and time. Please be realistic, make sure you only try this with risk capital only and periodically check yourself and try to learn from your mistakes and successes.

III. Different Types of Orders

Whether you're a novice trader or an old pro, it's always important to go over the basics. The following are the different types of market orders and stops that you will use day-to-day in your trading.

Market Order is the most basic of orders. It assures you of getting a fill as long as, for example, you are not trying to sell into a market that is locked down the daily permissible limit. A market order to sell can get you filled at the closest bid and a market order to buy can get you filled at the closest offer.

The Limit Order is price specific. The limit order price to buy is below the market, while the limit order price to sell is above the market. Unlike the Market Order the fill price, on a Limit Order is limited to a specific, predetermined price.
What makes limit orders riskier than market orders is that you could miss the fill of a limit order if the market never went high or low enough to trigger that specific order.

Fill or Kill Order or "FOK" is for immediate action. If requested, you will try to fill an order at a specific price. There will be three attempts to fill the order. If the order hasn't been filled, then it's "killed" or cancelled
You cannot continue to place the order throughout the trading session.

Market on Opening Order also known as a "MOO" order, is only executed within the opening range. You'll look to execute an order at the best price within that time.

Market on Close Order also known as a "MOC", is only executed within the closing range and like the MOO becomes a market order at that time and is filled best price available.

Stop Order is an order to buy or sell when the market trades at the price entered. Once the order is triggered it becomes a Market Order and is filled at the at the best price available. This can be used o exit a losing trade, in which case it would be a Stop-Loss order .A Stop can also be used to establish a position or enter the market.

Stop-Limit order, which are orders that have features of a stop order and a limit order. Stop Limits will be triggered once the specified price has traded. Once this happens, the stop limit becomes a market order so you can buy or sell at a price somewhere between the stop price and the limit price. The limit price can be put at the same price as the stop to guard against any possibility of "slippage" in the fill price that can occur with a straight Stop Order. Slippage can occur when a market is very volatile. The danger of placing the stop price and limit price at the same level, especially if you are in a trade and want to be out, is if the market is moving so fast the stop cannot be filled exactly at that price and doesn't take you out. The way to help ensure that you are out of the market with minimal slippage is to put the stop at one price and the limit a few ticks away to allow some slippage but not too much. Even then, in a very thin market, There is no guarantee of the stop being filled. The placement of contingent orders by you or your trading advisor, such as a "stop loss" or "stop limit" order, will not necessarily limit

your losses to the intended amounts, since market conditions can become extraordinarily volatile it may make it impossible to execute such orders.

Market if Touched Order or ‘MIT’ is used to enter the market or initiate a trade. An MIT order will not happen if the market does not hit the MIT specified price. MIT orders are a conditional order that becomes a market order once the limit price is hit. This means that an MIT has a specific price placed on the order in the beginning, and becomes a market order if the limit price is touched and filled at the best available price.

Conditional Order is an order that has set criteria you make when entering the order, but will soon be submitted or canceled depending on whether that set criteria is met.

Market on Close Order must be placed by 3:50pm EST. This is because this order is a non-limit order that is carried out as close to the end of the market day as possible at whatever price is available within the closing range. You may reserve the right to refuse Market on Close orders 15 before the close.

Spread Orders are the difference between the two prices of a simultaneous long and short position between different months of the same futures contract, which is an intra- commodity spread or the difference in price of two different futures contracts which is an inter- commodity spread. You do this to make a profit through the price differential. These are two individual orders combined to help create one trading strategy.

Open Order also known as “Good 'til Canceled” or “G.T.C” orders stay as valid orders until cancelled or filled.

OCO Order, also known as “Order Cancels Order” or “One Cancels Other”. Some traders also refer to this type of order as a “Bracket” order It involves two sides or two separate orders, a stop and a limit order linked together so when one side is executed the other side is automatically canceled. It is a good way to “circle the wagons” so to speak. For example, let’s say you have a long position and have a good idea of where you would like to take a profit above the current price and at the same time have determined where you will exit the market should it turn against you. You would, at the same time, place your sell limit above the market and stop below the market and “set it and forget it.”

Stop Close Only Order, or “SCO” is an order that becomes a market order to buy or sell if the price on the order Is traded in the closing range. This is for traders who place emphasis on where a market closes to either exit a trade they are in or establish a position or enter the market based on where the market closes.

Working or” Resting Order” is an order that has been placed in the market that has not been executed or become a Filled Order.

Cancel Order is an order that is placed to void a Working order before it becomes a Filled Order.

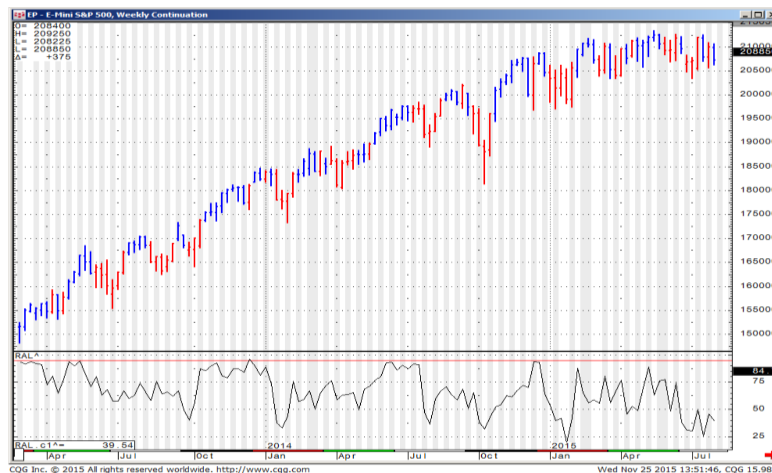
IV. Swing Trade

A lot of the intraday buying and selling in the market is based on short term greed and fear. Swing Trading differs because instead of buying and selling frantically trying to achieve a profit like a day trader, a swing trader comes in to the market with the idea to hold a trade for some time. The trader would do this because this is a position that is entered on technical analysis and technical patterns of the market from larger time frames usually daily or weekly. When you swing trade in the market, you'll be there for an intermediate period of time (defined by us as a couple of days to a couple of weeks).

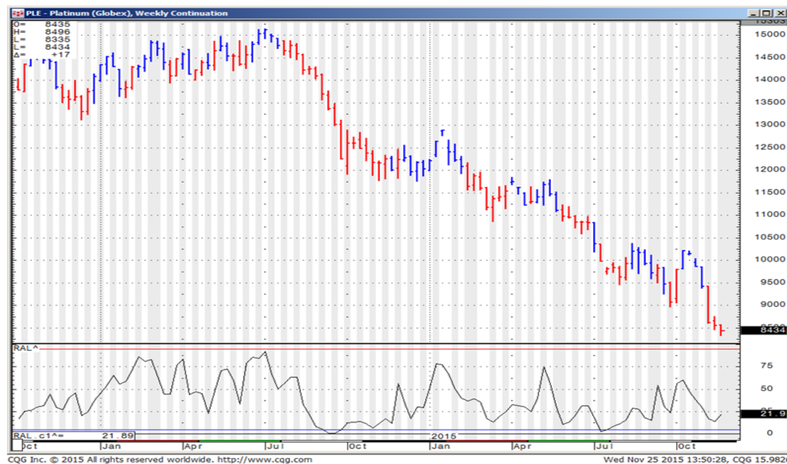
Swing Traders need to wait through several market progressions or retracements before reaching the target.

Investopedia.com defines Swing Trade as "A style of trading that attempts to capture gains in a stock within one to four days. Swing traders use technical analysis to look for stocks with short-term price momentum. These traders aren't interested in the fundamental or intrinsic value of stocks, but rather in their price trends and patterns."

When you are a swing trader, you should be looking for major movement and patterns. When you're in an up-trending market, you're buying dips,to enter the trend, and selling rallies to exit. When you're in a down-trending market, you're selling rallies,to enter, and buying dips to exit. Below is an up-trending market:



See how you are flowing with the trend instead of selling anytime there is a dip. Following this trend, the price of the market increases on an up-trend although there are definitely moments of fear.



As these charts show, bullish traders play the uptrend based of an initial upward movement in a major trend whereas bearish traders look for an initial downward movement in a major trend.

Since it is unknown how many days or weeks a pullback or counter trend may last, you should enter a bullish swing trade only after it appears a market has resumed the original uptrend. One way this is determined is to isolate the counter trend move. If the market trades higher than the pullback's previous day's high, the swing trader could enter the trade after performing a risk analysis. This possible point of entry is known as the "entry point." This should be examined against two other price points to assess risk and determine your upside target.

First, find the lowest point of the pullback to determine the "stop out" point. If the market declines lower than this point, you should exit the trade in order to limit losses. Then find highest point of the recent uptrend. This becomes the profit target. If the market hits your target price or higher, you should consider exiting at least a portion of your position, to lock in some gains.
In other words, the difference between the profit target and the entry point is the approximate reward of the trade. The difference between the entry point and the stop out point is the approximate risk.

When determining whether it's worthwhile to enter a swing trade, consider using two-to-one as a minimum reward-to-risk ratio. So your potential profit should be at least twice as much as your potential loss. If the ratio is higher than that, the trade is considered better; if it's lower it's worse.

Tactics used to take advantage of the uptrend can also be applied to trade the downtrend. Again, since it's very difficult to predict exactly how long a bear rally, or "counter trend" may last, you should enter a bearish swing trade only after it seems that the market has continued downwards. To do this, examine the bear rally very closely. If the market heads lower than the counter trend's previous day's low, the swing trader could enter a bearish position.

Once again, you should only enter a swing trade after you have evaluated the potential risk and reward. As with bullish swing trades, if the reward-to-risk ratio is acceptable, you could enter your trade using a sell-stop limit order. After your trade is open, you could then place a One-Cancels-Other order to cover both your stop loss price and your profit taking price. If one of these trades were executed, the other order would be cancelled."

Of course, all of this is speculative. The risk of loss in swing trading typically increases in a sideways price movement, as compared to a bull or bear market that is moving in a specific direction. The best pieces of advice is to enter the market with a plan/ exit strategy, stay with your plan during moments of fear, and have an understanding of the commodity/ product, and use stops.

Work Cited:
"Swing Trading Strategies." *TradeKing*. N.p., n.d. Web. 30 Nov. 2015.

V. Trading Futures Spreads

Over my 20+ year career as a commodities futures broker, I have studied and implemented a wide range of approaches to trading the futures markets. From candlestick formations to the commodity channel index, from condors to turtle trading, there's an enormous catalog of tools and methods available for traders to consider.

One method I have noticed is surprisingly underrepresented among retail traders is futures spread trading, where a single position in the market consists of the simultaneous purchase of one futures contract and sale of a related futures contract as a unit. I call it surprising because some of the most invested players in futures trading – and arguably the most sophisticated – include large speculators and commercial firms who regularly employ spreads. They includes traders in the markets who often actually buy and sell the physical commodities we trade: farmers, ranchers and other food growers along with food producers; petroleum companies who either drill for oil or natural gas or refine these products or both; financial institutions with enormous holdings in treasuries, equities or currencies; mining interests and their buyers. All these areas of production and distribution employ spreads from time to time as an important aspect of their businesses. Indeed, spread trading is a fundamental and essential part of the commodities futures markets.

And despite the remarkable increase in interest and in the volume growth of the futures markets over the years, spread trading is typically dismissed by most other traders in search of a trading strategy. With so much attention focused on other approaches related to straightforward directional trading (and within that category, day-trading) it's not difficult to see how spread trading can be overlooked.

Besides, spread trading can be challenging to figure out. On the surface, buying July soybeans and selling November soybeans, for example, might look like a downright futile endeavor. What's the point of being long and short soybeans at the same time?

But there are some important reasons why spread trading should be considered if you're looking for an approach to trading futures.

Lower volatility: many futures contracts can be extremely volatile, not just during their U.S. daytime trading hours, but during those nighttime hours when the preferred activity for many traders is sleep – and trading volume can be greatly reduced. Certain types of spreads can greatly reduce volatility risk for futures positions and be a viable substitute for placing stop orders. In this case, a spread might enable you to withstand the "surprises" that often appear when you rise to a new day.

Lower margin: because of the lower volatility, the exchanges set margin requirements for many futures spreads that can be much less than an outright futures position. For example, the current initial margin requirement for July soybeans is $2,310. The current *total* initial margin requirement for the July soybean / November soybean spread mentioned above is $495 (as of 1/'16).

But, why bother educating one's self on the inner workings of futures spreads? What advantages come with lower volatility and lower margins? Those qualities by themselves don't very strongly suggest futures spread trading is worth pursuing. Buying an out-of-the-money futures option for $200, after all, is also low in volatility and risk.

Well, consider this: those same large speculators and commercial firms who regularly employ spreads – again, some of the most invested and arguably the most sophisticated players in futures trading – are often employing spreads based on market conditions and events that recur at periodic intervals.

Maybe the most obvious of these intervals is the cycle of weather from warm to cold and back to warm. For agricultural and energy futures markets, weather – more accurately the seasons – can have an important affect on price movement. For example, enormous supplies of soybeans, once harvested, dwindle throughout the year. The same goes for other agricultural commodities such as wheat, corn, sugar, and cotton.

Seasons and weather changes affect energy prices as well. Demand for heating oil typically rises as cold weather approaches but subsides as refiners meet the anticipated demand. Memorial Day typically marks the beginning of the "driving season" in the United States and similarly, a vast number of the rest of the world's population prepares to "go on holiday." As a result, gas consumption rises.

Seasons and weather changes aren't the only cycles affecting the markets. Cycles in the financial arena can affect related futures markets. Consider how a nation's fiscal year and tax

due date is often at variance with others who are important trading partners. That can influence currency flows and the forces on interest rate-sensitive instruments.

All these forces, though certainly not 100% predictable, give rise to recurring price phenomena - to greater or lesser degree and in a more or less timely manner – and reveal a tendency for prices to move in the same direction at a similar time every year.

And spread trades can take advantage of these types of cycles. Consider this: the long June '16 Brent Crude Oil / short Dec. '16 Brent Crude Oil spread has closed in favor of the June contract between January 28 and March 6 in 20 of the last 23 years.

And how that spread found itself into this article leads me to the heart of the article: where can you find out more information about futures spread trading?

They may be harder to find, but there are some very good sources of research on futures spreads available for your investigation. My personal favorite is Moore Research Center, Inc. (www.mrci.com). They're responsible for the description and record keeping of the energy spread I just cited.

Although spread trading represents an important slice of the overall trading volume in the futures markets – and is used as a strategy by some very sophisticated participants, it as an approach worthy of investigation by futures traders more broadly, including most of our readers. Even if spread trading takes on the directional characteristic of straight futures trading, it is certainly an overall different approach and that can be the strategy diversification you're looking for.

As is always the case when we share trade proposals of this sort, we want to make sure we square up our discussion with the always-important information: spread trading like all futures trading, isn't without its risks. Even with regard to the annual cycles referenced above, which will inevitably ebb and flow both daily and longer term – no spread works every time. Just look at how some summers are hotter and dryer - and at more critical times - than others. This can affect a grain, livestock, energy, possibly even other types of spreads. Make sure you're aware of the risks to trading futures spreads as you should with any futures trade.

DISCLAIMER:

Seasonal tendencies are a composite of some of the more consistent commodities futures seasonals that have occurred over the past 15 years. There are usually underlying fundamental circumstances that occur annually that tend to cause the futures markets to react in a similar directional manner during a certain calendar period of the year. Even if a seasonal tendency occurs in the future, it may not result in a profitable transaction as fees and the timing of the entry and liquidation may impact on the results. No representation is being made that any account has in the past or will in the future achieve

profits utilizing these strategies. No representation is being made that that price patterns will recur in the future. Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. Results not adjusted for commission and slippage.

VI. Market Noise: How to Ignore It

There's so much hype that goes into and revolves around professional fighting. So much media coverage, bad mouthing the opponents, analyses of past fights, corporate sponsors, bets being placed and Pay-Per-View orders that it sometimes seems as if it would be nearly impossible for the actual fighters to focus on the fight itself.

That is how trading can be, minus the Pay-Per-View orders. It's called market noise. Market noise can consist of the daily rumbles and cadence of news that is rumored to impact the markets. Market noise is not fact. Young traders or sensitive traders may interpret this as fact, which can result in the prevention of successful trading results. It can be equally useful and a nuisance, depending on how you use the noise.

The bad way to use the market noise is to have it determine your trades in the long run. These are day to day sounds that cannot be seen as definite directions. Traders may disagree on the direction of commodities, which will make the market noise even louder, thus more distracting. This is why market noise is not of any use to most traders. They usually have been burned before by listening to the noise and have been distracted from making a good trade. It's easy to latch on to the noise because it feels the most tangible in a very uncertain market. The way to combat this is a constant reminder of what is real and what is not.

Now, there are some uses for market noise. Keep a distant eye on it because the noise can help you understand and spot overall trends of the market. Listening to government economic reports or some trading analysts, whom you trust, can indeed sometimes help. Have in mind that traders tend to be more successful when they watch and react to overall trends of the market, even though this makes less of a noise and isn't always in your face.

Going back to the fighter analogy, let the less experienced ones wear themselves out in the beginning and come in at the end with a great K-O.

VII. Top 7 Mistakes of Trading

1. Don’t trade for the sake of trading

Patience pays off. Wait for a great opportunity to come to you, because they always will. The market cannot be controlled. Take the bull personification to heart. You don’t charge the bull; you let the bull come to you.

2. Use stops

Stops are like your close friends who keep you from ordering that fifth drink at the bar. They do a good job at keeping you from going too far. Using a stop is also a nice way to create an agreement between the trading and the client on how much the client is willing to risk on a trade. Although stops are very useful, remember that they are not perfect protection in futures trading.

3. Have perspective

There is a bigger picture to the market than just the daily trends. The weekly and monthly charts give a bigger perspective that is more indicative of trends. Weekly and monthly checks have less instant gratification, but will ultimately serve you better.

4. Trading too many markets at once

If you happen to notice you’re collecting losses, go against your instinct to trade more to recover the lost trading assets. This instinct comes out of panic, not prudence. Have a clear, concentrated mind at all times. Many or more trades do not increase your chances of a lot of profit.

5. “Hope” isn’t a plan in a losing trade

If you’re sitting on a losing trade, “hope that the market will turn around in my favor,” isn’t a good excuse to continue to sit on it. Accept the losing trade and move on before it gets worse. The way to prevent this is by setting a stop that is highly protective. With a very tight stop, the losses can be held down to a minimum. There is not much you can control in the market except whether to place a stop and when it is time to move on, so be sure to exercise your trading options properly.

6. Ego is the enemy

Money management is the key when trading a client's account. They do not need to have $250,000 in their account to guarantee success. You can be successful with an account size of below $10,000 if the money is managed correctly and large risks are not undertaken. Do not allow your ego make you believe you can get away with risky behavior. But if you do decide to take giant risks and it fails, it's best to reflect and take blame. Save yourself future troubles by being honest with yourself instead of sharing blame.

7. Have a plan

If you enter a trade without a specific plan or idea, things can get out of your control very rapidly and you won't know when to leave. Always have an exit strategy. You never want to be the last person at the party because then you have to clean up the mess.

Happy Trading!