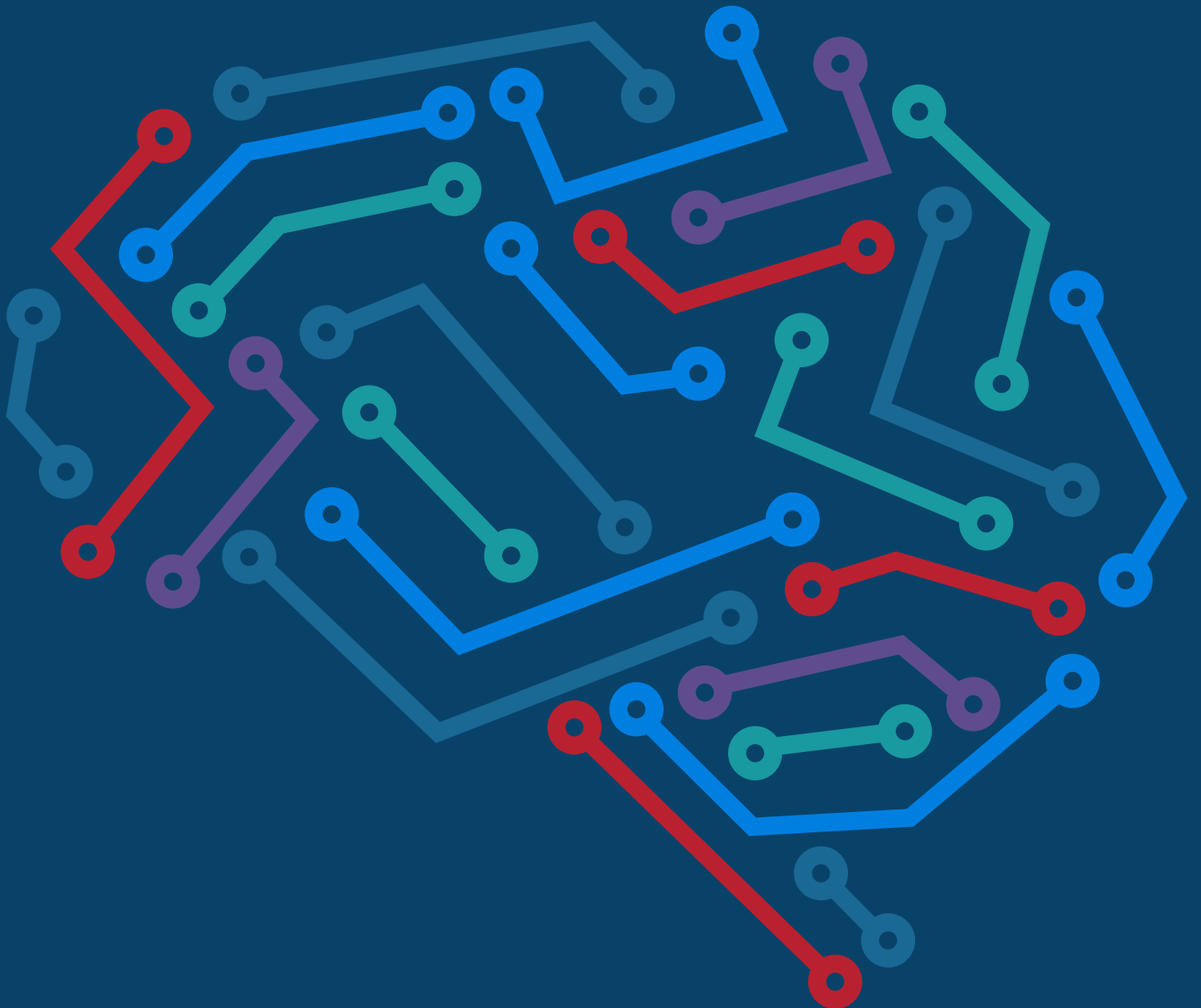


# Developing a Profitable Mindset



# DEVELOPING A PROFITABLE MINDSET

By Chris Svorcik and Nenad Kerkez

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## ABOUT AUTHORS

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Holistic market analysis expert, trader & educator Nenad (a.k.a. Tarantula) is an experienced analyst who has been actively trading since 2008 and is a valued member of the MTrading team.

Tarantula is well known in the Forex community for expertly covering over 25 currencies on an intraday basis, for websites like [forexfactory.com](http://forexfactory.com) and [elitecurrensea.com](http://elitecurrensea.com) (his partnership site with Chris Svorcik).

Some of the other strings in Nenad's professional trading bow include holding a Masters in economics, development of the proprietary trading/analysis strategy CAMMACD™ and co-founding a trading education website.

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## ABOUT AUTHORS

### Chris Svorcik

Chris is a professional market analyst who provides daily Forex analysis, live market webinars plus daily wave analysis for sites like [fxstreet.com](http://fxstreet.com), [investing.com](http://investing.com) and his own jointly driven [elitemurrensea.com](http://elitemurrensea.com).

Trading the Forex market using technical analysis, Chris focuses a decade's financial market experience on interpreting waves, Fibonacci, moving averages, trend lines, pivot points, time factor, market structure and patterns.

Born in Holland but now living in Prague, Chris has completed two Master's degrees in finance and economics.

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## ABOUT US

### Admiral Markets is a market-leading, fully regulated online trading provider, offering:

- Easy access to Forex and CFDs trading, on
- stocks, indices, precious metals and energy, via
- the highly advanced MetaTrader 4 Supreme Edition plugin on the popular MT4 platform.

Our success revolves around a combination of trading technology, competitive trading conditions, educational resources and excellent customer service.

## GENERIC PREFIX

The trusted information included in the **Developing Profitable Mindset** ebook, has been thoroughly tested by a group of established Forex professionals.

Our sole aim in providing this ebook, is to help you excel in Forex and CFD trading via expert education.



## YOUR MINDSET DETERMINES LASTING SUCCESS



**New Mindset**  
**New Results**

A profitable mindset is a decisive component of all long-term Forex and CFD trading success. This ebook explains how you can create it.

We emphasise practical tips rather than theoretical ideas and simplify decades of trading experience for your convenience.

Why? Because we want you to be successful beyond a few trades and eventual losses.

So, are you ready to discover our robust and easy approach to developing a profitable mindset?

If yes, then please read on. If not, then perhaps you will enjoy reading expert coverage of [other Forex and CFD subjects](#).

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## WHY A PROFITABLE MINDSET MATTERS

A trader with a profitable mindset will make confident and balanced trading decisions. The exact opposite is true of a trader with a fearful, greedy or emotionally-driven mindset.

Fearful traders often exhibit problems like over risking, over leveraging and not learning from their trades.

### Other negative trading mindsets that cause poor trading reactions, include the:

- greedy trader, who takes profit too late
- emotionally hopeful trader, who exits too late
- impatient trader, who exits too soon.

You will also find that a profitable mindset enables you to more openly analyse your trading process, attitude and actions.

Being open to learning as you go - is critical to professional growth.

### Furthermore, two decades of combined Forex and CFD trading experience tells us that building a profitable mindset:

...will allow you to replace fear, greed and emotional attachment...

...with a positive, can-do attitude.

And with the latter driving your daily trades, the sky's the limit on what you can achieve.



## FOSTER A PROBABILISTIC MIND

The simple reality is that traders can never be 100% certain what will happen in the market. Forex and CFD traders - at least all those we know - simply are not psychic.

Our first tip is therefore, to always approach trading with probabilities in mind and to understand that no trade is a sure win.

This often scares traders and makes them feel insecure, which could be as dangerous as over confidence.

### But the worst is when a trader is:

- over confident about the market (leads to over-risking, etc), or
- under confident about their approach (leads to missing trades, etc).

To be a successful Forex trader, you need to find an equilibrium between being confident of your trading approach and simultaneously able to consistently apply probability.

Keeping probability in mind, thankfully removes any lingering attachment to a trade, setup or analysis.

### Without this approach, many traders:

- stake out a position when analysing the markets, but cannot change their bias when new information presents itself
- cling on to their open trade or analysis, in the hope that the market will prove the trader right and the market wrong.

Traders with a balanced probability and profitability mindset, do not seek validation from the market or care about being right or wrong in the classroom sense either.

## FOSTER A PROBABILISTIC MIND

**But they do care about closely observing price action and mastering their tools (e.g. indicators) without bias or judgement, because they want to:**

- keep the flow of information open
- recognise and appropriately act on, undesired warning signals
- keep emotions from clouding their decision-making process.

Traders with a balanced probability and profitability mindset, do not seek validation from the market or care about being right or wrong in the classroom sense either.

**Basically, successful traders don't rush their trading:**

- ...instead they approach each trading day with with a state of relaxed focus...
- ...because nobody knows how a new day will unfold.

## MINIMISING THE GAP



Successful Forex trading psychology reflects the gap between your trading plan and your trading reality.

The more trading psychology issues you have, the bigger the difference will be between what you planned for and what you actually execute.

## And vice versa.

This difference or gap needs to be as small as possible, which is why trading psychology is so important.

One very important way to reduce this gap, is to ensure your trading psychology is in sync with your risk management approach and strategy.

Interestingly enough, one of the reasons this gap widens is because we generally like to break the rules.

## MINIMISING THE GAP

### Wondering why?

Well, Forex traders are rule breakers by definition because we choose to earn income non-traditionally.

Remember, most people earn a living by working from 9 to 5 for somebody else.

This common approach to gaining income is generally considered safe and socially accepted:

...but for traders it tends to represent low yield and no challenge.

Your typical Forex trader wants to be innovative and circumvent traditional restrictions.

So now we know that you are probably a rule breaker - we need to ensure this attitude does not turn into a weakness when trading Forex.

There are two main reasons why less successful Forex traders tend to break the rules.

### Namely, they either:

- treat trading as a hobby rather than a business, or
- they do not set-up their trading plan before making trades.

### If you remember nothing else at the end of this ebook - remember this:

...most of your trading decisions should be clearly outlined in your trading plan...

...and consistently adapted as you progress from beginner to pro.

Having a clear trading plan, helps keep your head cool and focused on making the most profitable decisions.

But hey, as mentioned earlier, trading is not 100% predictable either.

Even with a trading plan, decision-making sometimes get messy in the heat of trading battle.

Mainly because Forex traders are also humans and therefore tend to make emotional decisions on occasion.

## MINIMISING THE GAP

### Be warned:

...emotionally motivated Forex trading decisions...

...do not tend to end well.

But emotions are not the only reason why a trader following a plan, might find it difficult to make a trading decision.

### Three more common instances are when:

- the trading plan is not sufficiently detailed to explain what action the trader should take
- the trading plan is too difficult to understand and therefore cannot be followed
- the trader has the urge to abandon the trading plan during a particularly volatile, exciting or stressful trade.

So conclusively, problems mostly occur from an incorrect trading psychology or an unclear trading plan.

And in both cases, you must avoid conducting emotional and/or impulsive trades.

## CONSISTENCY AND ROUTINE MATTER



The best way to achieve anything big in life, is generally through consistent hard work, determination and practice.

Trading is no different, which is we recommend you [get a demo account](#):

...it's a risk and cost free vehicle to practice on...

...and the more you practise, the more consistent you become.

Without consistency, traders will swing between moments of interest or distraction, which will be interpreted as periods of success or failure.

The best way to stay consistent in Forex trading, is to implement regular trading activities i.e. establish a routine.

Having a trading routine can build consistency and therein confidence, in multiple areas.

## CONSISTENCY AND ROUTINE MATTER

Consistently fearful mindset	Consistently confident mindset
Acts in fear and has irregular periods of insecurity	Is fearless, but not overconfident or reckless
Is focused on being correct and having a high win %	Is mostly focused on the return %, not the win %
Fears the market and views it as a dangerous place	Does not fear the market - just listens to it
Challenges the market rather than self	Challenges self rather than the market
Might not have a risk limit or might exceed that limit	Knows the risk limit and never risks more than allowed
Is impatient and absent minded	Is patient yet alert
Might freeze in decision-making, due to fear and stress reducing the ability to evaluate new information	Is open and responsive to new information; able to (re)evaluate the trading situation without stress
Does not review individual trades or the trading day	Reviews every trade, every day's trading and even own evaluations
Does not learn from mistakes and does not progress	Learns from mistakes and professionally grows

## PRACTISE POSITIVE THOUGHTS

To develop a profitable trading mindset, you need to practise positive thinking.

It's one of those simple things that will improve your focus and physical health.

Conversely, negative thoughts tend to weaken your mental health and that can cause your immune system to respond - so your physical health can suffer too.

Having a positive outlook results in focused personal development, rather than self-doubt and feeling insecure.

Stay focused on your Forex and CFD trading goals.

# Ours include:

- I will manage my trades (to protect my capital)
- I won't be influenced by greed (I want to trade safe)
- I am responsible for my account (I will not blame others for mistakes)
- I will respect the trading plan (to make money)
- I know trading is not easy (and will dedicate myself to mastering it).

## THE 3C APPROACH

Every serious Forex trader, needs to know who he/she is and what he/she wants to do in the markets.

It's especially critical for new traders to have a good understanding of themselves.

The 3C approach is merely a framework for asking yourself three core questions, including what is your:

- concept
- conviction
- contingency?

This includes noting the drivers for initially entering this profession and developing goals appropriate to those drivers.

What are your motivators for being here and what do you hope to get out of it?

It is very easy to say that you will plan your trades and trade your plan:

...the challenge is understanding what goes into your plan...

...so that plan is effective in getting you exactly where you want to go.

Then of course there's the final challenge - being able to professionally execute your plan.

## THE MAIN TAKEAWAYS

The backbone of a profitable mindset includes three dominant factors, including a:

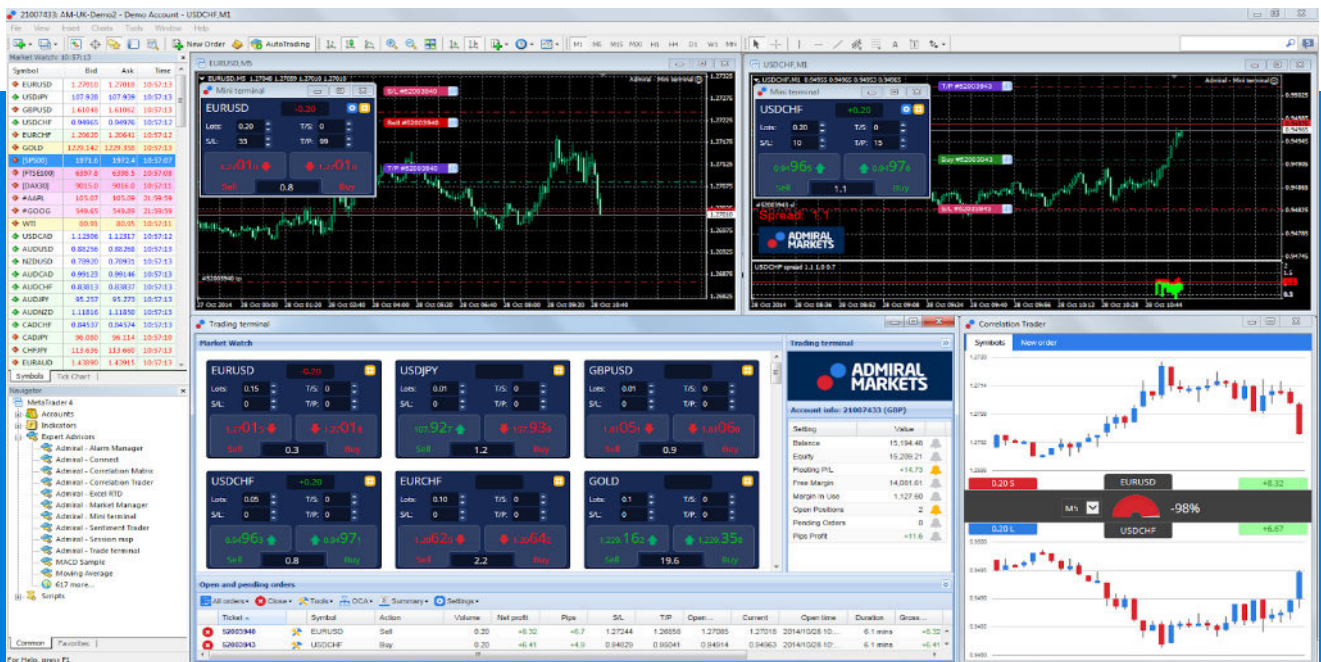
- probabilistic mindset
- flexible approach
- regular routine.

Traders with this mindset *will* be:

- open to feedback and learn from their trading mistakes
- proactive and focused on consistently improving their trading.



# Trading tools



## MetaTrader 4 Supreme Edition

The trusted information included in the Profitabel Mindset ebook, has been thoroughly tested by a group of established Forex professionals.

Our sole aim in providing this ebook, is to help you excel in Forex and CFD trading via expert education.

- advanced partial closing with a mini terminal
- correlation trader
- real tick chart and mini charts to see any single tick
- a unique trading simulator to test manual strategies.

See the [full features list](#) or [download now](#).

## FREE EDUCATION AND ANALYTICS



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# Trading Calculator

Admiral.Markets Admiral.Prime

**Main parameters**

**Instrument:** EURUSD ▾ **Lot:** 1   **Leverage:** 1:100 ▾ **Account currency:** EUR ▾

Minimal lot value is 0.01 and maximum is 100

**Contract parameters (optional)**

**Open price:** 1.08967  **Close price:** 1.08968  **Buy/Sell:** Buy ▾

Estimate your profit or loss, compare results for different open or closing rates and calculate the required margin for your positions.

[Open Calculator](#)

# Economic Calendar

Keep track of important financial announcements, that may affect underlying economies and create price movements.

[Open Calendar](#)

Europe/London

English

2016/11/04

2016/11/04

↻

Filter ▾

**Friday, November 4; Current time: 14:46**

Time	Country	Impact	Event	Actual	Forecast	Previous
00:00	RUB	●○○	National Unity Day			
00:30	AUD	●●○	Retail Sales MoM	0.6%	0.4%	0.5%
00:30	AUD	●●●	Statement on Monetary Policy			
00:30	JPY	●○○	Nikkei Services PMI	50.5		48.2
00:35	CAD	●●○	BoC Gov Poloz Speech			
08:15	EUR	●●○	Markit Services PMI	54.6	55.2	54.7
08:45	EUR	●●○	Markit/ADACI Services PMI	51	51.5	50.7
08:50	EUR	●○○	Markit Services PMI Final	51.4	52.1	53.3
08:50	EUR	●○○	Markit Composite PMI Final	51.6	52.2	52.7
08:55	EUR	●●○	Markit Services PMI Final	54.2	54.1	50.9
08:55	EUR	●○○	Markit Composite PMI Final	55.1	55.1	52.8
09:00	EUR	●○○	Markit Services PMI Final	52.8	53.5	52.2
09:00	EUR	●○○	Markit Composite PMI Final	53.3	53.7	52.6
10:00	EUR	●○○	PPI MoM	0.1%	0.0%	-0.2%
10:00	EUR	●○○	PPI YoY	-1.5%	-1.8%	-1.9%
11:30	INR	●○○	Foreign Reserves	\$367.16B		\$367.14B