

## 8 FOREX TRADING MISTAKES THAT COULD RESULT TO MARGIN CALL

### 1 IGNORANT OF NEWS EVENTS

Most ignorant technical traders often have their trading account badly damaged if not wiped out during news event releases. I therefore recommend that you get familiar with economic calendars even if you do not like trading them.

### 2 OVER TRADING.

Most ignorant traders often over trade in any of the following ways: opening more positions than they should, not knowing when they have exceeded their trading limits. I recommend trading only one position at a time as a beginner.

### 3 NO TRADING SYSTEM

One of the worst things that can happen to a trader is to chase after pips or dollars without a proven system. To succeed in trading you need a proven and tested decent trading system.

### 4 NO TRADING PLAN

A plan gives you the road map to your destination. When you have no plan, you will surely not know when you miss the way.

### 5 NOT KNOWING WHERE TO PLACE STOP LOSS ORDER And have high probability for profits

It is one thing to place stop loss orders, it is another thing to know where to place them in order to avoid being stopped out before price resumes in your analyzed trend and entry direction.

### 6 NOT KNOWING HOW TO MONITOR MARGIN ACCOUNT.

If you do not know when your account is running into margin call, certainly you will not know when to cut your losses..

### 7 NOT KNOWING HOW TO IDENTIFY A TREND AND RIDE WITH IT.

Your trading system should be able to identify new market trends and , trend corrections and trend reversal.

### 8 ALLOWING MAXIMUM DRAW DOWN ON AN ACCOUNT

When your account is drawn down by say 50% in one trade, you should know that it will not take you a profit of 50% to return to your previous balance. It will rather take you 100% profit in your remaining balance before the account was drawn down.

The above 8 mistakes put together can result in a margin call.

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### About the Author

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