My 3 Biggest Trading Screw Ups and How I Overcame Them – *EminiMind.com*

Doh! Crap! Idiot! …we've all been there.

I've certainly made my fair share of mistakes over the years. I even talked about some of them in my talk at the Las Vegas Trader's Expo.

Here are three screw ups I made early on in my trading and how I overcame them.

Screw Up #1: Exiting too Soon

Solution: Calculate your expectancy

Exiting a trade too soon is usually a result of fear of giving back profits. Take the time to run the numbers and gather some trade data and run an expectancy calculation and R-Multiple.

Having at least a general guideline as to what you can expect to make on average helped me stick to my plan and hold onto trades longer.

Other Helpful Techniques: Some other things I did to help me stay in trades longer and take more profits were to:

- ***Minimize the DOM*** – After entering a trade I hide my P/L and just focus on the chart.
- ***Accept the loss before you place the trade*** – Before I place a trade I envision what it would feel like to take a full stop out. This keeps me in check as I make sure I'm comfortable with my loss limits.
- ***Walk away from screen*** – Sometimes the best thing to do is to walk away. If you have profit targets set and a stop loss in place getting up from the computer and letting the trade begin to work can help prevent micromanaging of the trade.
- ***Keep positions small*** – As I said before exiting too soon is usually a factor of trading with fear. I'd rather trade small and consistent, than large and have wild fluctuations in P/L because you can't follow your trade plan.

Screw Up #2: Giving it All Back

Solution: Utilize trail stops

Having a trade go your way, almost reaching your profit target only to reverse and stop you out is a terrible feeling. It was at this point in my trading that I adopted the use of a trail stop in conjunction with my profit targets to help lock in profits on the way up, at the same time giving the trade room to work.

It's better to pick away at the market (in my opinion) hitting singles and doubles, than holding out for the home run.

Other Helpful Techniques: Giving back profits can also be a result of a series of losing trades. It's important to not just limit your loss per trade, but also set a daily loss as well. I limit myself to 2 losing day trades on the day. At that point, I stop trading for the day.

Getting back to expectancy, running the numbers can also help you tweak your trading strategy such that one loser doesn't offset a half dozen winners.

Screw Up #3: You Start Trading a New Strategy Just as the Market Changes

Solution: Pick one thing and stick with it

When I talk with struggling traders, or meet with them one on one it often results in identifying the trading strategy, indicators, or principles that resonate with them and developing them further.

I found that when I focused on the style of trading that resonated with me the most I was able to better clarify my ideas and become a master of my craft. Just as a business owner knows the ins and outs of their business, you need to know the ins and outs of your strategy and bouncing around from strategy to strategy only prolongs this achievement.

In my trading rules guide, not only do I outline my rules and methods for trading the markets, I talk in depth about the principles and concepts that make up my trading and how they came to be.

Many traders say that while the trading rules outlined elevated their trading to the next level, it's the way that they're presented that has the greatest impact. You can check out my trading rules here.

Other Helpful Techniques: Become a master of one strategy. Get it down to a science before incorporating other markets or time frames. At this point, a trader's intuition begins to take effect and things will start to "click".