



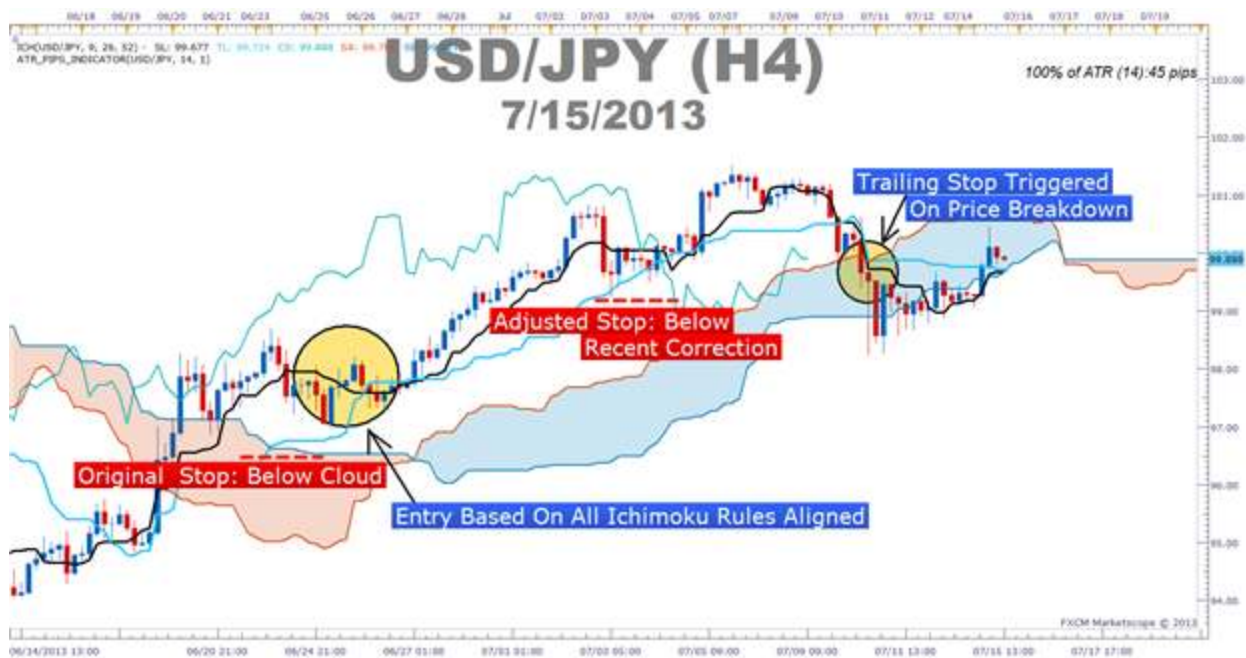
micro LEARNING

Actively Managing Your Live Trading



Actively Managing Your Live Trading - Lesson 6

Trading well has just as much to do with how you behave once you're in a trade as well as how you prepare for a trade. This lesson will walk you through how you can actively manage your trade to make sure your time and money are being well utilized. Naturally, when the trade stops acting as though your bias will be confirmed, you can tighten your stops to protect your most important asset, your trading capital. We don't often use Ichimoku rules, however this gives a good guide on how to manage trades.



When thinking back on trading mistakes that run rampant among forex traders, one stands out clearly. That mistake is that traders are often too lenient on managing their live trades which causes them to allow large losses which should have been cut much earlier.

Two Great Fears Confronted In Trading.

One of the biggest difficulties about trading well is that trading confronts two big fears every time you open a trade. The first fear is that of losing money which is of course faced on every live trade as there are zero guarantees when trading. The second fear that is continually fronted when trading is being wrong which goes against our ego and thanks to the first fear, being wrong has a price tag attached to it when trading.

As you can imagine, trying to avoid this fears will likely cost you a potential trading career because if you avoid taking a loss now, you may eventually be forced to take one later. Often the best method for confronting any fear is to face it head on and realize that you will stand after the fear is confronted regardless of how immobilizing it may first appear. In trading, this means that you need to understand that **as long as your trade size is appropriate, being wrong and losing money is perfectly within the behaviors of a trader who can be successful.**

Learn Forex: Looking For Trend Support Once You're In A Trade

Trading is a business of strict rules and flexible expectations. The strict rules will help you avoid succumbing to the two major fears mentioned earlier. Having flexible expectations can help you not get fixated on a trade having to reach a specific price target so that if the fundamental news changes that is supporting your trade or price breaks a major level against your trade you can get out and protect your trading capital.

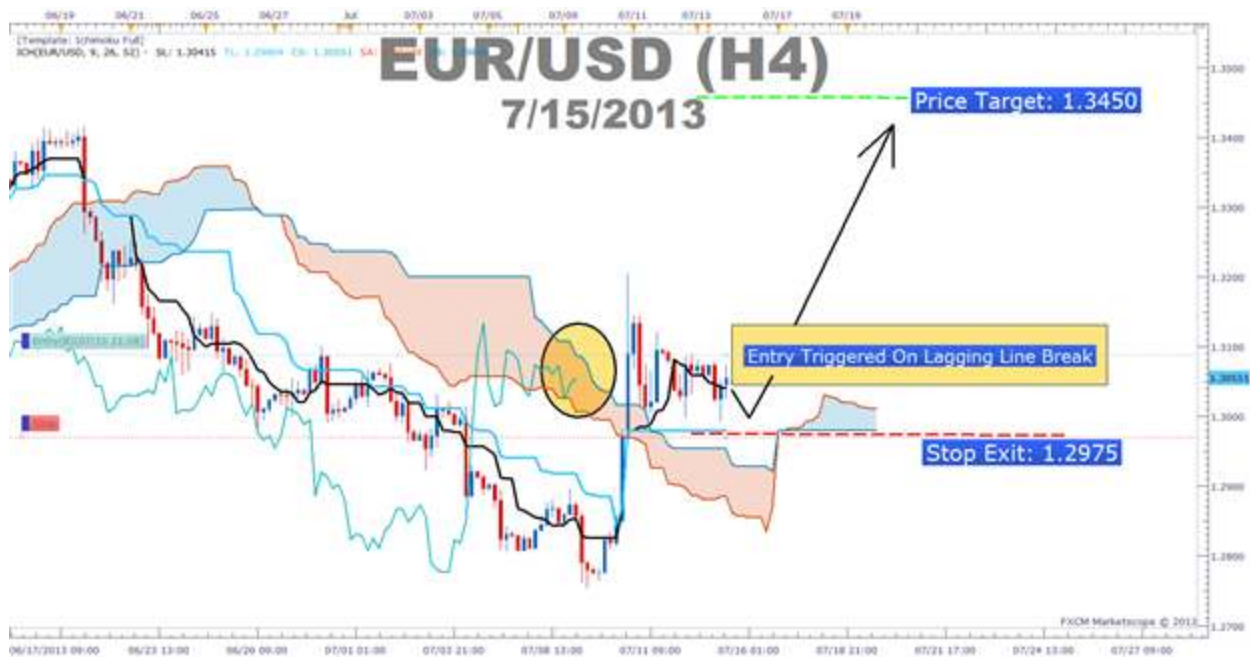
Do Not Give Up What You've Already Fought For

Ichimoku is a great indicator and trend trading system to help you trade with the path of least resistance. However, as a trader of your own capital, you have to be on guard for identifying [corrections on the trend you're trading](#) so that you can see when a correction no longer holds. Put simply, when a correction no longer holds, the trend that Ichimoku helped you identify, is becoming suspect and it may be best to adjust your stops or get out of the trade until the waters begin to settle again.

In 1935, Gerald Loeb wrote the trading classic, *The Battle for Investment Survival*, which states protecting your capital by accepting losses is the most important investment device to insure your safety. In trading, this means that you should be on guard for a changing landscape and not fear the market turning against you. When trading with Ichimoku which develops along with the trend, many traders will adjust their stops with recent correction extremes or to an important part of Ichimoku like that base line or cloud.

Ichimoku Weekly Trade: Buy EURUSD When Lagging Line Breaks Through Critical Resistance

Actively Managing Your Live Trading With Ichimoku



Ichimoku Trade: Buy EURUSD If Lagging Line Breaks above the Cloud And Price Remains Too

Entry: 1.3075 (Price where Lagging Line Would Break Through Cloud)

Stop: 1.2975 (Support near top of the Cloud)

Limit: 1.3450 (Near Weekly R2 on Classic Pivot)

If this is your first reading of the Ichimoku report, here is a recap of the rules for a buy trade:

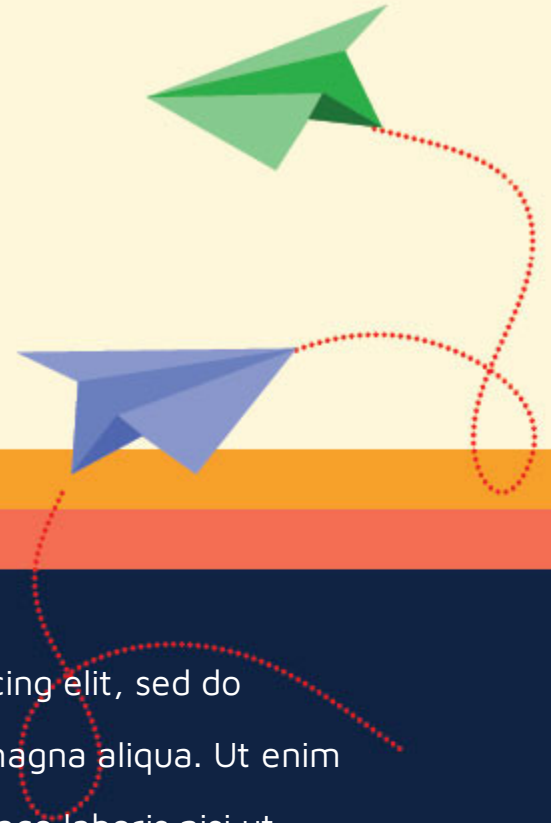
-Price is above the Kumo Cloud

-The trigger line (black line on my chart) is above the base line (baby blue line) or has crossed above

-Lagging line is above price action from 26 periods ago (this is the trigger we're looking for)

-Kumo ahead of price is bullish and rising (displayed as a blue cloud).

Vivamus vestibulum nulla nec ante.



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