

Revenge Trading

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How dare the stock market take any money from you!

One of the hardest things to control when you first start investing are your emotions. Revenge trading results when you let your emotions control your trading decisions instead of common sense. When you start trying to hard to get back losses you have incurred while trading by rushing into wild random trades you will have fallen victim to revenge trading.

In my opinion, the easiest way to avoid falling victim to revenge trading is to set some solid guidelines that you will stick to without hesitation.

As soon as you make a trade put in a stop-loss order. Do not rely on yourself to control your losses let a stop-loss order do it for you. To many people fall victim to the old methodology that when a stock is going down it will eventually have to come back up. So they hang to a stock that simply keeps going down and down and down. A stop-loss order prevents this from happening and keeps your losses small so you can use your money to invest in more winners than losers.

When you have a trade that does not go well STOP! To many people, including myself when I first started, feel they have to get right back in the game to make up the losses. Just remember the stock market will be there tomorrow and so will another great stock pick. Take a look at the factors that caused your stock pick to go bad and learn from them before jumping into another bad stock pick. Never let your emotions or anything else make you feel like you have to make a stock trade right away.

When trading stocks you have to not become emotional and be willing to accept that not every stock you pick is going to be a winner. So the trick is to control your emotions and get rid of the losers with small losses and then move on without regret.

For more information please visit: <http://www.lucky-dog-investing.com>

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