

# Davit's Important Comments on his Forex Edge

## Philosophy and Psychology

- The main reason I wanted you guys to watch Mark Douglas is to understand few key principles

### The 5 Fundamental Truths of Trading:

1. Anything can happen – including, trade(s) going against you.
  2. You don't need to know what is going to happen next to make money - that means putting the Edge in play and seeing the outcome.
  3. There is a random distribution between wins and losses for any given set of variables that define an edge - self explanatory.
  4. An edge is nothing more than an indication of a higher probability of one thing happening over another – for example, Pivots levels and zones like 61-100%.
  5. Every moment in the market is unique – obvious.
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- If struggling after 4 months:
  - What steps have you taken to address same issues 4 months later - like now?
  - Do you see an issue?
  - You were aware of it 4 months ago.
  - **Seriously reconsider everything and take a break. I mean take a break from Trading to clear your head. I am removing you from here.**
  - I don't think you were ready 4 months ago and nor are you ready now.
  - ***I can't have people trade my system recklessly.*** Green journey.

## Money Management

- It's not important what I do. My account size could be smaller or larger than yours. Question should be asked how comfortable are you in DD size?  
What is your risk tolerance? 2% 5% 10% account?

Let me put this in perspective:

1k account risking 2% is 20 dollars and most feel they can afford risk more since its only 1k account and 5% is only \$ 50 - so you still think it's cheaper then dinner for 2 in decent restaurant – so, you risk 10% \$100 - nothing huge deal right?

Well, everything changes when your account is 20k. Would you risk 10% 2k on a single trade? Not if you got any common sense.

So, you reduce position to match account size where you feel comfortable. It's about you - not me.

I know where I feel comfortable but it's irrelevant to you. I may risk more because I know more - should you copy me? Not really trade at your comfort risk.

In motorcycle racing, everyone rides at their levels or crashes. Find yours!

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- I think you got several issues:

1. Failing to understand what batch-trading is: When you take a trade from point (A) to point (B), that could be as large as 100 pips and should be treated as **1 trade**. So, tail end - DD does not mean anything. You are treating it as 1 trade! So, your positions should be small enough to compensate DD and allow time to work in your favor.

2. Trading pairs that you don't understand like UJ - one of the most difficult pairs to trade. I seldom trade it.

3. Having batch SL as cut-out point. Example EC short, max DD \$250 - you get there you get out. If you stay in it and it becomes \$1,500 loss, then you got fundamental issue of letting losses run wild.

The reason I prefer working with minimum 2yr traders is because I am assuming you have some things under control like patience, suppression of impulse-trading, some idea of stop loss and position size.

I can't teach that if you don't have already worked out.

**Take a break from this system and I mean it seriously.**

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