

What is the Best Trading Platform and Why?

I was asked to write this article and before I tell you what I recommend as a trading platform, I will tell you what afflicts most traders and why your choice in trading platforms matters. We'll assume that you have chosen a reputable broker who passes your trades automatically to the Banks, and has a reputation for tight spreads and flawless execution.

So, here is the problem that afflicts most traders. WE LIKE TO COMPLICATE IT!

It is important to understand that 78% of all movement you see on a set of charts is done by institutional banks. They create a structure in the market which signals to all the other traders in the world what the agenda is and where their price objective lies. Therefore, you continuously see things like trends, patterns and waves in the market. These are consciously created in the market to pursue the objective. If they were just random, then they would be just that – random. Traders, especially those new to the market are looking for a reason to enter and since they are not yet savvy to the structure making of the Big Boys (bankers), they look for indicators or moving average crossovers to give them confidence to enter the market. Initially a chart looks like chaos, but as we add things like RVI, RSI and slow stochastics as an example, these indicators seem to help make sense of the apparent chaos of the market.

A trader finally settles on a set of indicators that seems to help them in their decision making and they see their slow stochastic say that the market is oversold. Not yet confident in their own analysis of market dynamics they consult the myriad of “gurus” out there and lo and behold, they are saying the market is oversold. Armed with this outside piece of information that matched their indicator, they enter a trade and watch as the market continues to climb an additional 200 pips against them. They have pulled their stop since the guru and my indicator cannot be wrong it is just a matter of timing, and end up upside down for days even weeks. Sound familiar?

Indicators are not little crystal balls and in fact all but the MACD is a lagging indicator. The professional trader relies on his or her analysis to assess the market and determine what the Big Boys are trying to accomplish and then gets in concert with them.

As the above unfolds for the neophyte trader they conclude that they need something else.

- A new mentor
- A new set of indicators
- A better setting for their indicators
- A new DVD series

And so, they start the search with the above in mind. They hear of someone having success with a different setting on their indicator in a forum or are now ripe for the many scams that promise you can master the market in just days if you purchase their DVD series or “Holy Grail” indicator that has been back tested to the days of the Roman Empire. And they buy in and in doing so have now done the worst thing they can do. **They have complicated it.**

I have trained many successful traders including hedge fund managers. I have also interviewed many more and have traveled with many successful traders. In 100% of the cases the successful trader can tell me in less than 45 seconds how they trade. **The professional trader uncomplicates it, the retail trader complicates it.** The professional trader has learned to control their emotions when things are not going

their way and instead of abandoning their methodology, they control their emotions. They make a business decision about their trade (is it still ok or should I take it off) and execute accordingly within the frame work of their analysis.

"Success in trading doesn't correlate with IQ... what you need is temperament to control the urges that get other people into trouble. " Warren Buffett

With proper risk management even, a marginal strategy can produce great results. A trader would do far better, spending their time learning to become a great analyst of the market structure then all of the time they spend trying to tweak indicator settings or abandon their methodology and start all over using yet another "guru tested" way through the maze of the Forex. A study was conducted by the CIA on how their analysts make decisions*. Here is what they learned:

*"Once an experienced analyst has the minimum information necessary to make an informed judgment, **obtaining additional information generally does not improve the accuracy of his or her estimates. Additional information does, however, lead the analyst to become more confident in the judgment, to the point of overconfidence**".*

Can you see how this could sabotage your trading?

So, all of that said, the most important thing a trader needs is the #1 tool in your arsenal. The tool that is going to be best at unraveling the structure of the market and the multiple factors that contribute to each day's individual chart of their respective currency. The market is NOT complicated, but it is complex and understanding each piece of the market structure on the charts is more important then any indicator or setting. That #1 tool is great charts.

"There is no rocket science in the Forex. The market is not complicated, but it is complex. The most important thing is to learn the pieces of the forex that are operating in your chart today and each day can be a different set of factors." Scott Barkley

As you look at your choices for a trading platform you will find those that are extremely robust (think complicating it) and have all kinds of options that theoretically will help your trading. A trader needs to resist that plethora of choices since these are designed to entice the trader in. While some tools are great (Fibonacci tools, channel tools etc.), most are unnecessary and again make a trader who is struggling think that more is better.

So, after all this what trading platform is my choice in the Forex. It is Metatrader 4 which is designed specifically for the forex. The added advantage is that once you learn the platform those skills travel with you if you move to another broker since almost all forex Brokers make this platform available for free*. Keep it simple and successful (K.I.S.S.). It is robust enough and will help the trader UNCOMPLICATE it! The most important thing is to find great charts, your #1 tool.

[*https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/psychology-of-intelligence-analysis/art8.html](https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/psychology-of-intelligence-analysis/art8.html)

**Well not exactly free, you pay for it each time you make a trade since it is part of the spread.