

How start risk-free without risking a single penny

You can have the best daytrading plan but you'll never make any money if you don't take action and actually start trading. But how can you start without risking a single penny of your own money?

After all, you are still new to trading and don't want to lose thousands of dollars because you made a small mistake in your trading plan, do you?

The best thing you can do to get started is to get a so-called "Paper Trading Account". And the best: You can get a paper trading account for free from your broker. Or just contact me and I'll set you up with a free paper trading account.

So what is a paper trading account?

A paper trading account let's you trade your system with "virtual money". You will get live quotes and can enter the trades according to your plan. The [daytrading system](#) will simulate fills, and you'll find yourself in a trading position. Paper trading accounts show the profit and loss in real time, and you can see LIVE how much money you are making or losing. Keep in mind that we're talking about "virtual money", so actually you're not making any money yet.

Why you MUST trade your day trading system on a paper trading account first.

The biggest enemy of a trader is discipline. Traders lose because of the lack of discipline. Your day trading plan might be excellent, but if you don't have the discipline to follow your trading plan then you're doomed. Trading your system on a paper trading account will help you to gain confidence in your daytrading system and developing the needed discipline to actually make money with it.

Don't make this mistake

Many traders start "improving" their trading system after they experienced a loss or a few losers in a row. Though encountering a loser might be exactly within the expectations of your system, you start questioning the system. You start "improving" the system by changing a few parameters or adding some filters. You forget that you tested your system on more than 2,000 trades; you traded it for a few days and think that's it needs some "fine tuning".

That's the biggest mistake a trader can make. If you developed your system based on the outline I gave you in Step 1 and tested it against the principles I gave you in Step 2, then most likely you have a robust [daytrading system](#).

Keep in mind that trading a system does NOT mean having an ATM in your front yard. Losses are part of our business, and NO trading system has an equity curve that's straight pointing up without any dips. You need to trade your system for at least 40 trades before you should think about modifying it.

How to become a successful trader

In order to become a successful trader you need a trading plan. After reading thus far you already figured that out, did you? :-)

Equally important is having the discipline to follow the plan.

Lack of discipline is caused by your emotions, basically greed and fear:

You fear losses and if you're experiencing a winner you become greedy. And that's when you start tampering with your system: You might want to give your trade "a little bit more room" and increase the stop, or you want to "get a few dollars more" and start moving your profit goal. And BOOM: You just lost the discipline you need.

By watching your trades on a paper trading account you will learn a lot about yourself and how to deal with emotions:

- Can you "pull the trigger" when your entry signal appears?

- How do you feel when you see the trade moving against you?

Do you feel the urge of moving your stop loss?

- How do you feel when the trade makes a profit?

Do you want to get out?

Do you want to stay in a little bit longer?

- Do you have the discipline to trade your system according to your rules?

Trading a system on a paper trading account will help you:

- Watching yourself and your feelings.

- Helping you dealing with your feelings.

- Developing the discipline you need to become a successful trader.

- And of course: testing your trading system under "realistic" market conditions

A neat trick to increase your learning curve

The best way to trade your system is to fully automate it!

By automating a system you'll immediately gain these four advantages:

Advantage #1: Discipline

The easiest way to follow a trading plan is to automate it. Almost every trading system can be automated, and you could let the computer trade for you. You won't have to worry about your discipline any longer, as the computer mechanically trades every setup for you.

Advantage #2: Controlling your emotions

Automating a system removes emotions from trading. If you don't automate your strategy try to make decisions when the market is moving, you are liable to become emotionally attached to positions. You may experience panic and indecision when the market does not move in your favor, as you do not have a prepared response. That's when most traders lose their money. If you automate your system the computer will trade for you no matter what the market does.

Advantage #3: Controlling your losses

You probably have heard the saying Let your profits run. Unfortunately most traders let their losses run. Automating a trading system will get you out of a position when the predefined stop is hit. Unless you override the system to give the trade a little bit more room the computer will stop the loss and therefore limit your losses.

Advantage #4: Commitment

You won't believe how many traders show a lack of commitment and therefore lose money. Lack of commitment means that they stop trading after the first loss, and don't give their system a chance to make back the money they lost. Trading is not a one-way street, and losses are part of our business. If you can't accept the fact that there will be losses, you shouldn't trade. Fortunately the automation of a trading system can help you to overcome this problem; an automated trading system continues trading according to the rules, and therefore adds much more consistency to your trading.

The next step

If you read until here, then you learned a lot. By now you know

- How to define your financial and trading goals.
- How to select the right market for your trading goals.
- What timeframe you should trade in.
- The difference between trading styles and how to find the right one for you.
- How to create a basic trading plan.
- How to make sure that your trading plan will work in reality
- How to start trading your system without risking a single penny
- What it takes to become a successful trader
- How to develop the habits of successful traders
- A shortcut to become a successful trader

Now the ball is in your court. It's up to you to take the first step.

If you want to get started within the next 24h, then you should definitely check out the trading systems Smart Start and EaglePro.

Both systems are fully automated, and they have a risk/reward ratio that's perfect for beginners. Each system comes with a free paper trading account that lets you test the system risk-free.

It's your turn now.

Author's name

Markus Heitkoetter

Author's Info:

Markus Heitkoetter is a 19 year veteran of the markets and the CEO of Rockwell Trading. For more free information and tips and tricks how to make consistent profits with online trading, visit his website www.rockwelltrading.com.

About the Author

Markus Heitkoetter is a 19 year veteran of the markets and the CEO of Rockwell Trading. For more free information and tips and tricks how to make consistent profits with [online trading](http://www.rockwelltrading.com), visit his website www.rockwelltrading.com.