

# General Rules for Trading Systems



Source: [Turtle Trader](#)

## General Rules

- Understand why you are in the markets. Gambling thrill or to make money?
- Use an approach and don't deviate from it.
- Use money management at all times.
- Establish a trading plan before the markets open.
- Have a detailed plan for each trade.
- Have entry and exit points and understand risk reward ratios.
- Learn to accept many small losses.
- Trade markets from the short side.
- Standing aside from a position is a position.
- Have a strong relationship with your broker.
- Speculation is a business. Develop a business plan.
- Survive to hang around for the big moves.
- Don't blame the market for your losses. You are the sole reason for losses.
- Write out a trading plan for all potential situations you may face.
- Do not look at quotes during the day.
- Do not concentrate on break-even levels when you are losing.
- Break-even levels have no bearing on the future success of a position.
- Don't liquidate a winner to keep a loser.
- Develop and maintain an exit plan. Follow this plan with rigid discipline.
- Greed kills.
- Never add to a losing position. A losing position means you are wrong.
- Big movements take time to develop. Stay patient.
- Nothing new ever occurs in the markets.
- Don't try to predetermine your profits.
- The key to wealth in trading is simplicity. Avoid techniques you don't understand.
- Don't be overly curious about the rationale behind a move.
- Trade your money not the markets.
- Bulls and bears make money, pigs get slaughtered.