

## Twitter Thread by Abhishek Kar



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**This thread is about the top reasons why most traders fail. If you want more finance and business related threads on regular basis, don't forget to retweet and share with your friends.**

### 1. Negligence of risk management

While we can't foresee what the business sectors will do before long, hours, or days, however we do have full power over our danger levels at some random time. Risk management not just includes stop loss but also avoiding unnecessary trades.

### 2. Not having it planned out

A philosophy, or set of rules, is necessary. The business sectors can be tumultuous and confounding, particularly for somebody without a particular game plan that can be utilized over and over. Hence, planning essentially is going to help in any case.

### 3. Wanting to be always right

Numerous unpracticed informal investors center a lot around their triumphant rate. There will be times when you'll question your trading abilities, or even think whether trading is the correct occupation for you. No one is right always, cut losses.

### 4. Bad risk-to-reward ratio

There are two reasons traders end up with a poor risk-to-reward ratio:

a. They don't have an exit plan and rather essentially respond to the market without doing maths.

b. They can't hold their winners... yet they hold their losers.

### 5. Not sticking to a trading strategy

Numerous informal investors, particularly in their initial days, hop starting with one trading/investing system then onto the next.

They spend too little energy to get comfortable with one setup only.

### 6. Lack of discipline

Discipline is the foundation. It takes control to follow your technique, execute your trades at the perfect time, and close them at the most ideal time, some time cost to cost or mil loss.

Without rules, there just can't be discipline.

#### 7. Keeping losing trade and getting rid of winning ones

A major issue with most is that they don't cut losses quickly unless it become emotionally unbearable.

You need to do that ASAP else you will hurt your folio & trail your winners.

#### 8.Overtrading

Overtrading is another significant motivation behind why most traders fall flat. Overtrading alludes to taking an excessive number of unverified trades with a lot of size. Make a rule of max number of trades you will take on any particular day & stick to it.

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