

Key Rules To Use The Stop Loss Like A Pro Trader



If you are new in the market, you will hear about the importance of a stop-loss order in the Forex market. At first, you need to learn what is stop-loss and how does it work? You won't be able to trade profitably if you don't know the proper use of the stop-loss order. Setting up the stop loss at the right place is more like an art. You must have precise knowledge about the key support and resistance level. Unless you learn to draw the key support and resistance level in the higher period, it will be tough to place the stops in a very organized way.

There are mainly two types of stop-loss orders, one is the automatic stop and the last one is the mental stop. You can use any of the systems but pro traders mainly use the automatic stop as in the mental stop you need to check again and again to set the order. But in the automatic stop, you

don't need to recheck your order.

Don't move your stop with emotion

In your trade you should not [set the stop-loss order](#) with emotions, this is one of the biggest mistakes the new traders do. New traders often set their stop-loss at a higher point to make more profits but instead, they lose their money in a higher percent. Setting the stop-loss order without emotion is one of the key steps to make profits, don't ever be panic while setting your stop-loss order.

Moving your stop is more like killing the risk to reward ratio. In fact, you are creating a big hole for yourself. Stick to your stop loss so that you don't have to take a bigger loss than anticipated. Though moving the stop loss might work for some instances, it is still one of the key reasons for blowing up the account.

You need to trail your stop

New traders should be careful while using the trailing as it requires enough knowledge to set the order to make profits. Placing trailing stop means moving towards a winning trade, this will lock your profits and it will also manage your risk. Trailing can be profitable if you can set it accurately, pro traders use the trailing stop in their trade to make profits at a higher rate and stops are also uses to protect one's capital. The trailing stop will only move to the direction of the price is favorable.

You can also use the [auto chartist](#) tool to find your desired stop levels of each trade. Though it's a bit more advanced tool, still it can save you from many losing trades.

Never widen your stop

This is one of the dangerous steps the new traders do and later they regret, you will only increase your risk if you widen your stop and soon you will lose your amount. It's better to make money gradually, don't widen your stop out of greed. Many traders even don't understand why it's not a good idea to widen your stop because widen your stop means that there will be no stop at all and by this, the number of risks increases and you lose your money. Pro traders always suggest not to widen your trade, if you can maintain your trade without widening your stop, you will observe effective profits in your trade.

Conclusion

If you want to trade profitably, you need to follow your stop-loss order very wisely. A good stop-loss order can [lead you to the winning moment](#) and on the other hand, if you set the stop-loss order without giving it a proper thought, you will soon end up losing your money. As a trader, you should never widen your stop as this increases the risk factor unnecessarily and no one would want to trade for losing. Before you place any stop-loss make sure you have the idea about their outcome.