

The Woodchuck and the Possum: Why most people lose money in the forex market

Possums are relatively easy to catch. They go for the fruit, they get caught, and then, when the trapper approaches the trap, the possum simply plays dead. It plays dead because that's the best defense mechanism that it has. A woodchuck is tougher to trap. A big one might enter the trap, eat the fruit, and then rip the trap apart, exit, and wander off looking for more food. Or it might roll the trap along the ground, set it off, and then eat the fruit from the outside. There is a fundamental characteristic of unsuccessful forex traders: they trade forex because it's exciting, cool, or for its sex appeal. The mystery behind the charts, the notion that profits (although elusive) do really exist, and that money can be made quickly (but not predictably) all add up to create a romantic fantasy that is too appealing to avoid. When they start to lose money, they leave their positions open, close their eyes, and hope that the trap is miraculously opened so they can be free again. This group – the Possums – is the largest block of forex traders. There is also a fundamental characteristic of successful forex traders. They trade forex because it makes them rich. They trade because they know how to do it. They do not trade for fun. Many of them are unimpressed by their own success. Most of them never share their secrets with anyone. They take a methodical, almost boring, approach to forex trading. They painstakingly build systems that, although simple, may have taken years to perfect. In the end, their lives are actually quite boring – reduced to waiting

for predictable signals that are obeyed without question. This group – the Woodchucks – is the smaller of the two groups. The Possums outnumber the Woodchucks by a ratio of at least 500:1. For every Woodchuck, there are 500 Possums. Are you a Woodchuck or a Possum? Possums don't want to learn the intricacies of the forex market – the charts, the signals, the nuts and bolts – because they are afraid that once known, all these details will ruin the romanticism of the entire adventure. The mystery, the elusive profits, the unknown, all contribute to create an excitement that would be lost if too much were discovered. Searching for King Tut or the Titanic was big news. Finding both was big news. When's the last time you heard about either? Once found, the mystery was solved and the public went on to other mysteries. Woodchucks want to learn the market. They want to know what signals are most predictive. They want to know everything they can not only about spot trading, but about their broker, their broker's practices, the governments involved in currency movement, interest rate changes, and the list goes on and on. Woodchucks want to know as much as they can. It might destroy the mystery, but they're not in the forex market for adventure. They're in it for profit. There is a myth in American culture, and it's spreading around the world: your job should be fun. You should enjoy what you do for a living. "Do what you love and the money will follow." And so on. Perhaps we've had too strong of a dose of this doctrine. The truth is that although we are better off choosing a career that interests us, we're going to be bored at work if we

learn our job really well. The promise is simple: if you become a world-class forex trader, at some point your job will be ho-hum. Not all the time, but it's not going to be an adventure every day of the week. Sorry. On the other hand, consider that successful forex traders are some of the most highly paid professionals in the world. If you pay them by the hour, they make thousands and thousands of dollars for every 60 minute period they spend working. **To read More, Please download the book. By Rob Booker** [Download This Book](#)