

# BEGINNER'S GUIDE TO BECOMING A STAR TRADER

5 Crucial Things That I Wish I Knew  
Before I Started Forex Trading

**Karen Foo**



# Beginner's Guide to Becoming a Star Trader

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# ABOUT THE AUTHOR

As a motivational speaker, Karen is actively involved in speaking at various conferences, expos and publicly-held events in Singapore and Malaysia. She has also been invited to speak to an audience of leaders from Brunei, China, Hong Kong, Laos, Vietnam, Indonesia and Myanmar.



Growing up as a victim of bullying for over 10 years and witnessing her family breaking apart, she has gone on to inspire thousands of youths, working executives and leaders of various companies with her stories. Having also been an underdog in academics and speaking, she later went on to win numerous awards in public speaking contests and scholarships. She has inspired thousands to live their wildest dreams.

Having also won the title as the #1 youth trader in a nationwide Forex trading contest, she has spoken to traders, investors and working professionals to turn them into elite traders. As a financial trainer, she has shared the stage with some of the top investment gurus and CEOs of Singapore and is the contest judge for numerous public speaking contests held around Singapore, ranging from club level to the national level contests.

She is the co-author of a book, "Turning Ideas into Profit" written with 9 Asia's leading experts and professional speakers. Karen is also the contributing author of an investment book titled "Your Cash Moves" (foreword by Adam Khoo, Asia's Top Success Coach).

For more info, visit [www.karen-foo.com](http://www.karen-foo.com)





# SO YOU WANT TO BECOME A MILLIONAIRE FOREX TRADER?

Over the years in the forex trading industry, I realized that there are too many misconceptions about Forex trading that resulted in majority of the traders getting burnt.

What I am about to share with you are some things that I wish I knew before I started trading.

I have some good news and bad news for you. The bad news is this, you have to make many mistakes as a trader first before you can become successful at it.

The good news however, is that you can learn from my mistakes so that you can shortcut your journey to a successful trading career.

Here are some of the lessons that I have learned the hard way and I want to share them with you.



# Lesson #1: You Will Not Be Able To Become An Overnight Trading Sensation

Not attempting to be negative or to put you down here. What I am doing is to break one of your misconceptions because the industry has painted a picture that is too pretty for everybody to digest.

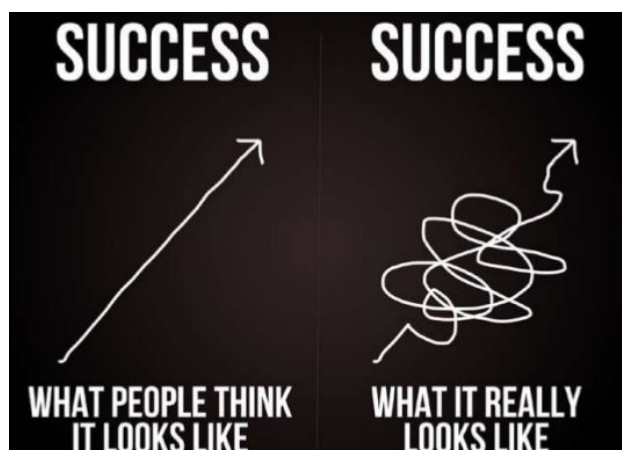
When I attended my first forex trading seminar in 2011, I thought that I could become a millionaire

within 1 month of attending the 3-day workshop conducted by the trainer. It was too tempting not to buy into his Lamborghini driving lifestyle.

The trainer painted a pretty picture that I could make big bucks just by following the signals on the trading platform. When it shows "buy", then I should click "buy". When the platform gives a "sell" signal, I should press "sell". After that, I can just sit back and wait for the money to roll in. Sure enough, almost 70% of the participants in that room rushed to the back to purchase his program. I have never seen anything like that in my life. Thank goodness, they did not accept my card as I had a lack of funds back then.

Unfortunately, that trainer is not in Singapore anymore. Leaving his students here to cope with their losses. Don't get me wrong. Go and attend trading seminars if you need to because there are some genuine traders who can really trade profitably rather than earning most of their income from selling courses.

However, do remember to do your homework and check their live records before you sign up for their programs. If they do not want to show you their live results, then please do me a favour and run as fast as possible away from them.



# Lesson #1:

## You Will Not Be Able To Become An Overnight Trading Sensation

They can give all the excuses in the world, that it is too personal or that they don't have the records with them. I've also heard trainers say that their records are with their accountant. How is it possible that you let somebody else track your trading records instead of you keeping it to yourself? There are no excuses which is too valid especially for a forex trading trainer.

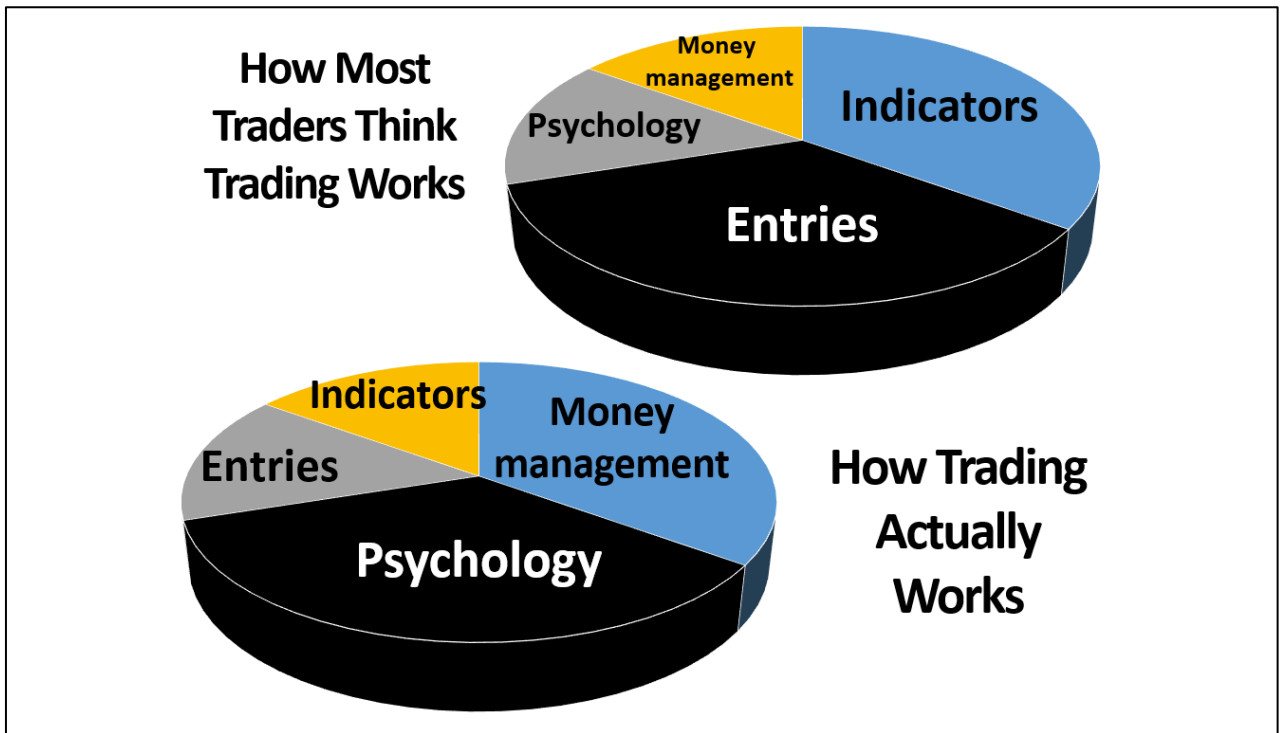
I believe that if a trainer is truly genuine, he or she will be as transparent as possible. They will show you their winning trades and losing trades. Also, if they attempt to shove the get-rich-quick mentality down your throat, run away as fast as possible. Telling somebody that they can become a millionaire after attending their 3-day intensive workshop is like telling a medicine student to operate on a real patient just after 3 days of attending medical school. Trust me, you would not want that person to touch you.

Similarly, you would not want a pilot who only attended 3 days of flight school to be flying you from Singapore to Malaysia (even if it is that near). He might crash the plane before it even takes off. So if we laugh about this, why do most people think that we can become a successful trader just by attending an intensive weekend forex boot camp?

The professional Wall Street traders took years of education at ivy leagues followed by years of learning from an experienced trader and then followed by many years of practising his/her skills in a financial institution. When you come in, you are competing against these guys.

If they can become an overnight trading sensation, they wouldn't have to put in so much hard work, patience and sacrifice. My point here is this, it is going to take **years of putting in the blood, sweat and tears for you to be able to become a successful trader**. Put in the work and you are halfway there.

# Lesson #2: Trading Psychology Is More Important Than Trading System



I've had many trading students in the past. Some who have now become so good that they have become my side analyst. Some others have just quit and went around telling others that Karen Foo is a scammer without even checking my live records.

The surprising thing here is this: Both my top students and those who quit were taught the same system by me. So what is the element that makes the difference then? It is also the same reason why most traders can trade profitably in a demo account and can't translate that result into a live account. That crucial element that I am talking about is this:

## Your Trading Psychology

## Lesson #2: Trading Psychology Is More Important Than Trading System

The truth here is this. You can have the best ultimate trading system and holy grail in the world and you still will not succeed because trading is not all about just your system. In fact, I found one surprising thing:

**Trading is 70% trading psychology, 20% money management and only 10% technical system!**

Initially I thought it was hard for me to believe because the industry always talks about having the best indicators, the best trading platforms or the best trading plans for you to get an edge over the markets but never about the trading mindset! It was only after I have blown several demo and live accounts that I realized my ignorance.

I was struggling with managing my emotions despite the fact that I have a proven system that is known to be profitable for many traders in my community. After mentoring my students for a couple of years now, I realized the main element that separates my top students from my worst students.

My top students are those who have the strongest discipline and ability to manage their emotions. When they lose their trades, they don't go around blaming their trainer, the program or the school. They would come to me and learn from their mistakes. They would even study their trades over the weekends. They would wake up early in the morning and stay up late at night to back test.

Some of them would even go to the extent of back testing 12 hours a day. Taking breaks only when they need to eat, shower and sleep. They are those who will do whatever it takes to become a profitable trader. Some would go all lengths to even sacrifice their social life. In other words, my top students have the strongest discipline and hence they have a better trading psychology than most people.



## **Lesson #2: Trading Psychology Is More Important Than Trading System**

**Discipline is one of the most important traits that you can have as a trader.**

Once you have that, you literally separate yourself from 90% of the traders who struggle with maintaining their discipline. I've talked to many traders in the past who are not my students.

I realized one common thing again. The successful ones do not necessarily have a better system than the ones who are not profitable. The successful traders just have a stronger trading psychology as compared to those who are not profitable.

So is it possible that one can have a better system than the other and yet end up becoming less profitable than the next guy? You bet!

So while you may be busy learning how to trade using your technical system, don't forget to also hone the most important aspect of trading. Even until today I am still learning and improving on my trading psychology by reading books, watching webinars and listening to podcasts. The learning journey never ends.

## Lesson #3: Focusing On How Much You Will Lose Is Just As Important As Focusing On How Much You Will Win

I get that this is another part that is hard for you to take in as well because I ignored this principle when I first started trading. I mean, who goes into trading thinking about losses anyway? I'm here to make money!

When I first started out, all I focused on was how much money I can make per trade rather than how much money I could lose. Again, it is only after I get burnt then I had to learn the lesson the hard way. I realized that managing my losses is actually one of the keys that will make me a successful trader. Rather than holding on to my losses and hoping that it will reverse, I now cut my losses early and move on to the next trade.



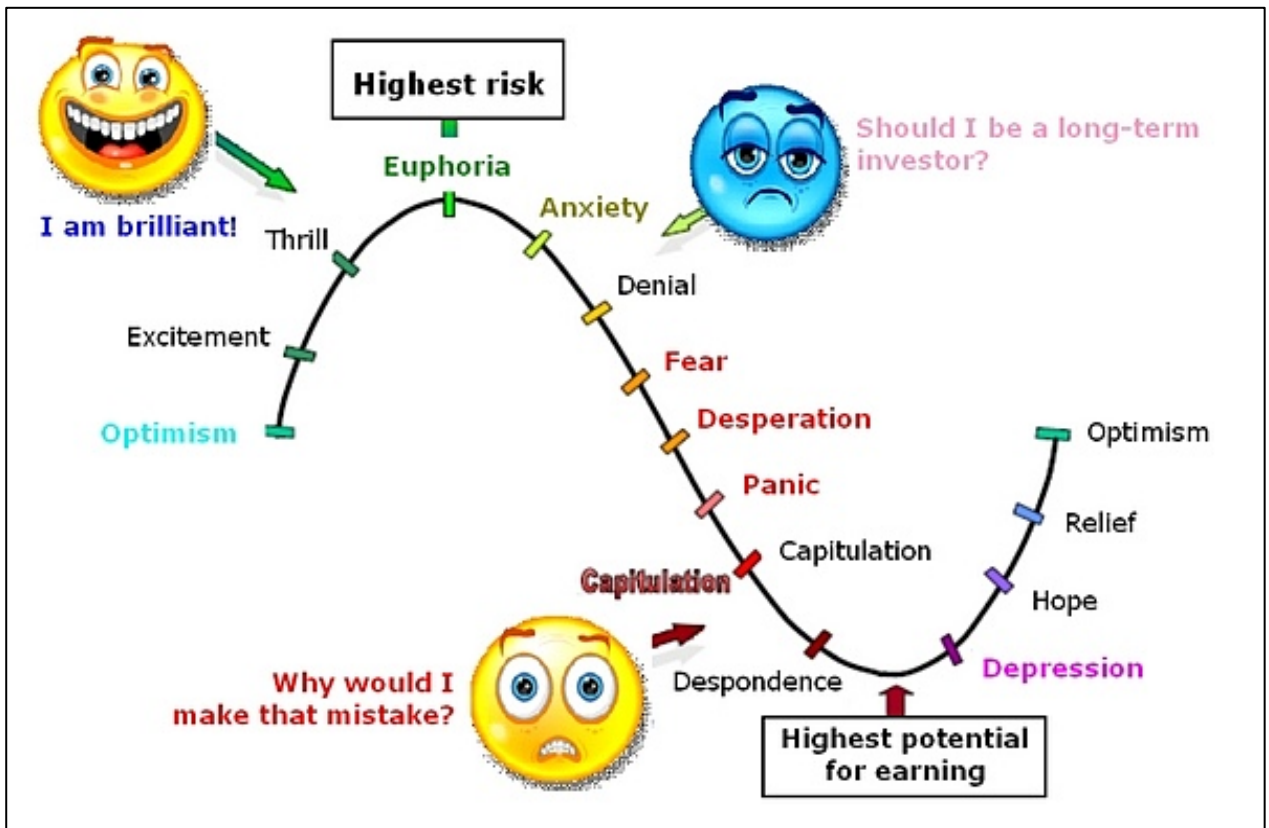
## Lesson #3: Focusing On How Much You Will Lose Is Just As Important As Focusing On How Much You Will Win

If you can recall the pie chart that I've shown you just now, you would have realize that risk management is more important than your technical system. After getting burnt in the markets, I now truly agree with that. In fact, I would say that when you focus on minimizing your losses, your profits will take care of itself. In the past, I would focus on only making the most profitable trades.

Now, I focus on taking trades that pose the least amount of risk. In other words, I would only take trades that has the most desirable risk to reward ratio. (I.e. Risk: reward=1:1)

In fact, never let your losses define your worth as a trader. Every loss is only a lesson that can make you a better trader in the long run. **Always think in terms of the big picture when it comes to overcoming your losses.**

# Lesson #4: Don't Let Your Emotions Control Your Trading Journey



Again, this comes down to discipline again. Just now, I was talking about your emotions during trading. I know you are sick of the word by now but trust me on how important this is for you. Now, I am talking about your emotions after trading.

Why is this so important? Because I have seen too many traders quit because they were too emotionally attached to the outcome of their trades. What do I mean by that?

## Lesson #4: Don't Let Your Emotions Control Your Trading Journey

There are too many traders who become sad, depressed or anxious when they lose a trade. On the contrary, there are also traders who become too happy, egoistic and excited when they win a trade. Some traders even vent their frustration by throwing furniture in the office or scolding their bosses who have the power to fire them. They just couldn't control their emotions. You can imagine by now what will happen to you if you put yourself into these states. In trading, some days you will win big and some days you will also lose big.

The only thing that is going to happen to you every day is that you will always be on an emotional roller coaster. If you look at the best traders in the world.

George Soros, Paul Tudor Jones, Kathy Lien...

**They do not trade with any emotions whatsoever.** Which means that whatever their outcome is, they are going to be like "Ok, it's just another trade". If you feel that it is impossible to turn yourself into a trading robot, think again because I'm here to tell you that it is possible. Again, that requires an extremely strong level of discipline.

There is a reason why some of the top trading floors in the world would hire people who are not only top students, they also want their new hires to be former athletes. Juggling studies with sports takes tons of discipline and that can be translated into making successful trades.

As a former competitive swimmer at the National University of Singapore (NUS), it helped me with my trading as well because it took tons of discipline to jump into a cold pool early in the morning and go through 2 hours of gruelling practice. In fact, I have to do that at least 3 times a week. That does not even include gym training and land training. All I can say is, I was always feeling half dead after every workout.



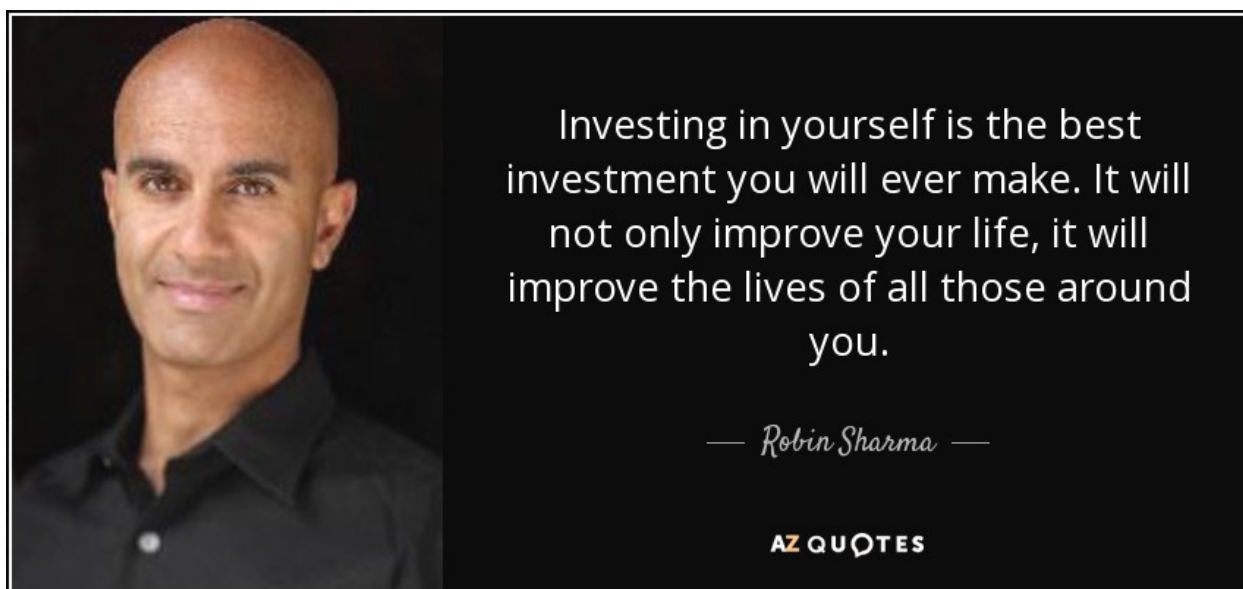
## **Lesson #4: Don't Let Your Emotions Control Your Trading Journey**

However, that is the same reason that the NUS swim team is able to dominate most of the inter-university competitions because our training is 10 times more gruelling than the other school teams. We need to muster 10 times more discipline than the other swimmers. Similarly, if you can out-discipline others and manage your emotions, you will be way ahead of other traders who still think that the trading system is more important than their trading psychology.

## Lesson #5: Never Ever Stop Learning No Matter How Good You Are

There was one point in time where I had a ton of winning streaks. I was winning most of the trading competitions (although not all). I made this crazy mistake of stopping my learning process. I stopped consulting my mentor when I made a mistake. I stopped learning from my losses. I stopped visiting the library to borrow trading books. I stopped reading trading articles, watching trading webinars and listening to trading podcasts. I felt like that there was no point learning anymore because I was already profitable.

Again, I learned this lesson the hard way when I wiped out all my winning streaks just because of one trade that was made out of ego. I increased my leverage and overtraded my account. I went into a deep depression and told myself that maybe trading is just not for me. It was only after consulting my mentors that I realized my mistakes and that I was trading wrongly all along. I was clouded by my own success and ignorance.



## Lesson #5: Never Ever Stop Learning No Matter How Good You Are

After that painful incident, I started reading books again and as a result of that humbling experience, I started learning again. Because I was able to stay humble no matter how many winning streaks I have, I am now more consistent in my trades rather than letting one single trade wipe up all my months of hard work. When you reach a point where you are getting winning streaks, be very careful of not letting your ego get into the way of your learning journey.

Even the best traders in the world still have a mentor and still constantly learn from them. You will realize that there is always more things to learn in the markets no matter how smart, experienced or great you think you are.

**The best investment that you can make in the world is not the currency markets, property, stocks, mutual funds or REITs. The best investment that you can ever make in the world is the investment in yourself.**

If you are to do me a favour after reading this book, it would be to **constantly grow, learn and improve no matter how great of a trader you become in the future.** Keep doing this consistently. One day, you will become that millionaire trader that you have always dreamt of.

# FINAL NOTE FOR YOU...

If you want to take up this forex trading journey with me, I do have some bad news for you again. I do not take up all the students that come to me. I only take in students who are willing to put in the hard work and those who are willing to do whatever it takes (legally of course).

I believe that if it is so easy to succeed in forex trading, then everybody would be doing it. There wouldn't be a failure rate of 90%. This industry is extremely tough. I don't want to tell you that it is going to be a walk in the park or a picnic. It takes a person of character, integrity and strong will to be able to join the leagues of the master traders.

If you feel that you have what it takes to join me, drop me an email at [karen@karen-foo.com](mailto:karen@karen-foo.com). Alternatively, you can join me in my upcoming workshop (more details at my website [www.karen-foo.com](http://www.karen-foo.com)). Otherwise, I wish you all the best in your journey to becoming a successful Forex trader. No matter who you decide to learn from in the future, my hope is that you keep in mind these 5 principles that I have shared with you because that will give you an edge over the markets.

**TO YOUR TRADING SUCCESS 😊**