

CAREERIT TRADER ACADEMY

# FREE GUIDE

## 5 Mistakes Every Beginning Trader Makes

*(And How to Avoid Them)*

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### Why This Guide Matters

Most beginning traders lose money — not because they lack intelligence, but because no one told them what really matters before they placed their first trade. The financial markets are unforgiving to those who enter unprepared.

This guide identifies the 5 most common and costly mistakes beginners make — and gives you a clear path to avoid each one. Read this before you open your first trade.

*"The key to trading success is emotional discipline."*

— Mark Douglas

## THE 5 MISTAKES

**#1**  
MISTAKE

### Trading Without a Plan

*Every successful trader has rules. No plan = gambling.*

One of the most common mistakes beginners make is entering the market without a clearly defined trading plan. They open positions based on gut feeling, tips from social media, or a quick glance at a chart — with no defined entry rules, no exit strategy, and no risk parameters. Without a plan, every trade becomes an emotional decision. When the market moves against you, panic sets in. When it moves in your favour, greed takes over. This is how accounts get blown in days rather than months.

✓ **HOW TO AVOID IT:** Write down your trading rules before you place a single trade. Define: what setups you will trade, what timeframes you analyse, how much you risk per trade, where your stop loss goes, and what your target is. Follow the plan — every time.

## #2

MISTAKE

### Ignoring Risk Management

*Risking too much per trade wipes accounts. The 1–2% rule saves careers.*

Many beginners believe they can make up for poor trades by risking more on the next one. This thinking is fatal. Proper risk management is the single most important skill that separates traders who last from those who quit after blowing their account. The math is simple: if you risk 10% per trade and have 5 losses in a row — not uncommon, even for professionals — you have lost 50% of your account. Recovering from that requires a 100% gain. Most beginners never recover from this.

✓ **HOW TO AVOID IT:** Apply the 1–2% rule: never risk more than 1–2% of your total trading capital on a single trade. If your account is \$5,000, the maximum loss per trade should be \$50–\$100. This keeps you in the game long enough to grow your skills and let your edge work over time.

## #3

MISTAKE

### Letting Emotions Drive Decisions

*Fear and greed cost more than bad analysis. Discipline is the edge.*

Emotions are the biggest enemy of consistent trading performance. Fear causes traders to cut winning trades too early, skip valid setups, or freeze when they need to act. Greed pushes traders to over-trade, increase position sizes recklessly, or hold losing trades far too long hoping the market will reverse. FOMO — Fear Of Missing Out — leads beginners to chase trades they missed, entering at the worst possible price. Every emotional decision moves you further from consistency.

✓ **HOW TO AVOID IT:** Build a routine: review your charts before the session, identify your setups in advance, and commit to your rules before the market opens. Accept that losses are a normal part of trading — not a failure. Journal every trade to track your emotional patterns and correct them over time.

## #4

MISTAKE

### Chasing the Market (FOMO)

*Missing a trade is okay. Chasing it costs more. Wait for the next setup.*

You see a trade moving without you. The price is flying, your heart races, and you jump in at the top — just in time for the market to reverse. This scenario plays out every day for thousands of traders around the world. FOMO (Fear Of Missing Out) is one of the most destructive psychological traps in trading. The market will always offer another opportunity. Entering a trade after the move has already happened is not trading — it is gambling at the worst moment.

✓ **HOW TO AVOID IT:** Develop the discipline to only trade valid setups that meet your criteria. If you missed the entry — let it go. Mark the asset, watch how the trade would have played out, and use it as a learning experience. Patience is a professional skill. High-probability setups come regularly to those who wait for them.

**#5**  
MISTAKE

## Not Using a Demo Account First

*Paper trading builds confidence and skill. Skip it and you pay with real money.*

Too many beginners rush into live trading before they have built any real skills. Trading with real money before mastering the basics means you will pay for every mistake with your own capital. The emotional pressure of live trading is completely different from theory — even experienced traders know this. Demo trading is not just for beginners: it is how professionals test new strategies and stay sharp. Yet most beginners skip this step entirely because they want to make money fast.

✓ **HOW TO AVOID IT:** Commit to a minimum of 4–8 weeks of consistent demo trading before going live. Use TradingView's built-in paper trading simulator to practise placing trades, managing positions, and following your plan — without risking a single cent. Only move to a live account when your demo results are consistently positive over many trades.

*"The stock market is a device for transferring money from the impatient to the patient."*  
— Warren Buffett

## Ready to Trade the Right Way?

Join the Trading Fundamentals course at CareerIT Trader Academy and build your foundation step by step. Learn the Smart Money Concept, avoid costly beginner mistakes, and start your trading journey with confidence.

→ [www.careerit-solutions.com/careerit-trader-academy](http://www.careerit-solutions.com/careerit-trader-academy)

Trading Fundamentals | Institutional Trading Strategy | Funded Trader Track

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