CHECKLISTS TO GRADE YOUR TRADES BEFORE YOU ENTER THE MARKET
How Did You Do?

< 40% Potential Sideways Market
40% - 50% Fair Trade
60% - 70% Good Trade

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**EQUITY MANAGEMENT PLAN**

**HOW TO USE:**
With proper equity management, even if you lose more than you win, you can still come out in the positive. Use our example equity management plan example as a guide.

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**Risk 1:1**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>-50 PIPS</td>
<td>+50 PIPS</td>
</tr>
</tbody>
</table>

Win 60% Trades +300 PIPS  
Lose 40% Trades -200 PIPS

**Your Net Profit:** +100 PIPS

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**Risk 1:2**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>-50 PIPS</td>
<td>+100 PIPS</td>
</tr>
</tbody>
</table>

Win 40% Trades +400 PIPS  
Lose 60% Trades -300 PIPS

**Your Net Profit:** +100 PIPS

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**Risk 1:3**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>-50 PIPS</td>
<td>+150 PIPS</td>
</tr>
</tbody>
</table>

Win 30% Trades +450 PIPS  
Lose 70% Trades -350 PIPS

**Your Net Profit:** +100 PIPS

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**Risk 1:5**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>-50 PIPS</td>
<td>+250 PIPS</td>
</tr>
</tbody>
</table>

Win 20% Trades +500 PIPS  
Lose 80% Trades -400 PIPS

**Your Net Profit:** +100 PIPS

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**Equity Management Plan Example Disclaimer**

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The Equity Management Plan is a model that mathematically computes the potential earnings in the forex market given certain parameters. This model is in no way a guarantee of performance, whether expressed or implied. Results are compounded. Certain assumptions are made when using these estimates that include but are not limited to, not taking into account commissions, deposits/withdrawals, spreads, slippage, and rollover. This model may not hold true or be relevant for your particular situation. It is NOT intended to be your sole source of information when making financial decisions. Use your judgment as necessary. The information contained in this model does not constitute financial advice or a solicitation to buy or sell any Forex contract or securities of any type. MTI will not accept liability for any loss or damage, including without limitation any loss of profit, which may arise directly or indirectly from use of or reliance on such information. All examples are hypothetical and are for illustrative purposes only.
BUYING OR SELLING TRENDLINES
With Stochastic RSI Indicators

UPTREND BUYING

CHECKLIST

☐ Define trend by drawing UPTREND lines.

☐ Stochastic RSI (aka Velocity Fuel Gauge) in OVER-SOLD range in an UPTREND (below 20)

☐ Entry trigger is a counter-trendline break in the direction of the trend. The stop goes 10 pips BELOW the most recent LOW in an UPTREND

☐ Targets are levels of RESISTANCE that makes equity sense or the Stochastic RSI moving into the OVER-BOUGHT (above 80) territory

BUY ZONE STOCHASTIC RSI

DOWNTREND SELLING

CHECKLIST

☐ Define trend by drawing DOWNTREND lines.

☐ Stochastic RSI (aka Velocity Fuel Gauge) in OVER-BOUGHT range in a DOWNTREND (above 80)

☐ Entry trigger is a counter-trendline break in the direction of the trend. The stop goes 15 pips ABOVE the most recent HIGH in a DOWNTREND

☐ Targets are levels of SUPPORT that makes equity sense or the Stochastic RSI moving into the OVER-SOLD (below 20) territory.
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1 MTI 2014 Client Survey compared to the Profitability Analysis by Forex Capital Markets, LLC. for Quarter 4 in 2014.
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