

RISK MANAGEMENT IN FOREX USING MARTINGALE SYSTEMS

For any martingale system you need to allow a *minimum* of 3000 dollars for a standard account, which will be an aggressive setting, or 3000 cents for a cents account. **THIS IS PER PAIR!!!**. If you really want to trade save and relaxed then you can allow more but you still have to manage the whole account.

Always make Use Money Management = False and never allow more than 1.5 multiplier. For less risky trading you can lower multiplier if you want, test it first. For more risky trading you can use \$3000 for a standard account per pair or 3000 cents which is \$30, but you have to find a risk setting that you are comfortable with. Try to diversify and not using too many usd pairs or too many chf pairs, or too many yen pairs, etc. Remember gbp pairs are more volatile. Avoid gbpjpy and euchf totally and keep yen pairs to just 1 per account.

It is better to trade several pairs on a big cents account and diversify your risk than to trade 1 pair on a \$3000 standard account. \$3000 makes a 300 000 cents account leaving you with much more options to diversify and trade less risky and still make a steady income following conservative money management.

If you want to trade more than one EA on one account, try to diversify pairs and not trading for example gbpusd with each EA. I personally like to trade each EA on a different account.

Example of how to set up an account of \$15 000 account (can be 15 000 cents) for very conservative risk:

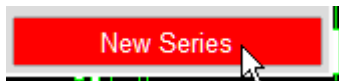
1. Allow \$5000 per pair, so for \$15000 you will trade only 3 pairs at a starting lot of 0.01 and Autolot = False.

2. Decide on 3 pairs that are not correlated for example: eurUSD; audCAD, gbpNZD

3. Manage the account in the following way:

If you see one pair in huge draw down, look at the other pairs, if one is just in slight loss, close the open trades and stop that pair until the one in draw down are out.

Make sure your chart is clean and without trades and click on the NEW SERIES button and make it red. The EA will not enter new orders until you activate it again.



This will also help to free more margin until your account has recovered from that draw down. After the recovery of that pair you can activate the New Series button again

4. You can also use the Gold Stuff indicator and look at the trend at higher time frames like Daily and H4. If they are both blue then you can wait for the 15min to turn blue and allow only buy trades by clicking on TRADE SELL and make it red. Make sure that there are no open sell trades before doing this because if there are still open sell trades the EA will keep on selling until it is out of the cycle and will stop. TRADE SELL applies only to the FIRST trade, if there are already open sell trades and you don't want more sell positions to be added then

click on the PAUSE SELL button and make it red. (The opposite applies to buy trades)

5. Trade **gold on a separate account** preferable a cents account and not less than 10 000 but rather 20 000 for initial lot 0.01. For gold you have to manage the account to trade with the trend as far as possible! Remember that gold can react on any unexpected news in the world and can wipe any account no matter how big it is!

This is the initial lot size for a deposit that are recommended by some of the authors:

Aggressive: Initial lot of 0.01 for each \$3000

Moderate: Initial lot of 0.01 for each 5000

Conservative: Initial lot of 0.01 for 10000

What to do when you have plenty of open positions and want to reduce risk?

I will explain here by referring to the chart panel of EA Gold Stuff:

1. **Using the PAUSE ON button on the panel:**

You can use the **PAUSE button and make it red** so that the EA won't add more trades in the wrong direction. See this example where you want to stop the EA from keep on selling.



The problem is if you do not allow more sell positions the EA will take longer to take profit as the TP price will go further away as the trend continues and the market needs to make a deeper retracement to get to your take profit. So rather do the following unless you have no margin left:

2. **Changing the max lot:**

The better option (that is if you have enough margin) is to look at your current max lot, say it is 0.5. You can open the settings and make your **max lot** also 0.5. Now the EA will not multiple the following lot size but you will still get another order according to your distance settings. At least your TP line will move nearer to current price.








3. **Making the distance bigger:**

You can change the "Distance" settings in the EA and make it bigger so that the EA will allow more space between trades

| | | |
|----------|------------------------|--------------------------------|
| =====... | | ///--- Distance settings ---// |
| 123 | Fix distance | 300 |
| 123 | Order dinamic distance | 6 |
| 123 | Dynamic distance start | 200 |
| 123 | Distance multiplier | 1.2 |

4. **Making the multiplier smaller**

Make the multiplier smaller than what it was:

| | |
|--|--------|
|  Autolot | false |
|  Autolot size. Free margin for each 0.01 Lots | 5000 |
|  Lot Multiplier  | 1.3 |
|  Max Lot | 1000.0 |
|  TP (0 - not use) | 100 |
|  SL (0 - not use) | 0 |

5. Changing the time frame:

The time frame on the chart defines the amount of orders, if distance is met only one order per candle will be placed. You can switch over to a higher time frame for instance from 15m to 30m to reduce the amount of orders that will take place in future until your EA hits TP..

As you can see, you have to use the EA as a “tool” to manage your account. Now after reading this you will probably say “I want to make money fast it sounds too conservative.”

You have to realise that unless you really know what you do, like the author – it is not easy to make big money consistently. Rather make 5-7% per month than making 50% in the first month and blow it up in the second month.

What happens is that these kind of traders start with a decent size account, then they blow it because they want to get rich quick. After that they scrape together a little bit of money, but because they want to make the loss back and do not have enough margin they blow it again. They are on a path of self destruction, and will keep on searching for the holy grail.

What they do not realize is the problem is with them, not with the system. Every time they start a new account they think this will be the master piece!! This comes down to bad habits and no money management plan! An EA is just a tool, like a car - is a tool to get from A to B. You have to use it in a save way!!

The secret is, when I see a breakout that looks serious, I will immediately disable all pairs that are not active and even those charts that are in small losses I will cut it. Then I will give my full attention to the pair/s that are in draw down. I will analyze it a few times a day, check where is support or resistance, pause it to not open more trades until it reaches resistance in an uptrend, then enable it again or lift the pause. I do it regularly. Last month it was audnzd. It can go on for only so long before it is totally overbought/oversold.

Using 4000 or even 5000 for initial lot 0.01 is a good guide for a martingale. On big accounts I avoid gold. Because the bigger the account the lower my risk because I don't want to lose a big account. Have a look at correlation also. If you trade audusd and nzdusd you will probably go in draw down on both at the same time. Watch calendar for serious news like FOMC and NFP and try to disable charts that has no open trades a day before the announcement.

Forex is about tacit knowledge, it is knowledge you cannot really explain, it is a feeling that

you develop through the years only by spending millions of hours in front of the charts, learning about patterns and market behaviour, about channels, about support and resistance about millions of things. Within a few seconds of looking at a chart your brain compiles all that knowledge which will take months to write in a book! And you can still make a mistake, and will still learn, you will never stop learning but the knowledge you gained took years and you cannot tell it all because it is in your head and in your "feeling for the market"!

This is my personal strategy and won't suit everyone, different traders have different risk appetite

SPECIAL OFFERS AND DISCOUNT!!

a) Get all EA's for free!! RoboForex:



Open an account with **RoboForex** (<https://roboforex.com/>), deposit a minimum of \$ 500 and get all EA's free: Use code "TLRD" when opening the account and contact us to get free EA's: @forexmechanic or @vstrukovEA or @ Dkmillion on telegram.

Open a Trading Account - RoboForex Ltd

The image shows a screenshot of the RoboForex 'Trading Account' registration form. The form has three tabs: 'Real' (selected), 'Demo', and 'CopyFX Trader'. The 'Real' tab is highlighted in green. The form contains several fields: 'Trading platform' (dropdown menu set to 'MetaTrader 4'), 'Account Type' (dropdown menu set to 'MT4 Pro'), 'Currency' (dropdown menu set to 'USD'), 'Leverage' (dropdown menu set to '1:1000'), 'Password' (text input), 'Confirm Password' (text input), and 'Affiliate code' (text input). A red arrow points to the 'Affiliate code' field, which contains the text 'TLRD'.

Please enter affiliate code "TLRD" as in screen shot above

RoboForex cents accounts:

mt5: minimum lot is 0.01

mt4: minimum lot is 0.1

Please send me the account number The EA will be coded for your TWDS account number and **will only work on that account number**, not on any other account (also not on a demo, you may request for a demo).

Let me know if it is mt4 or mt5

Send me a list of the EA's you want, take note that these EA's are martingale and it is better to use a cents account as you need about 3000 per chart but for Network you can start with \$500

(Please remember that author will first check if your account number is on his affiliate list. It takes time to code every EA for your specific account number and if you open an account with \$500 then obviously it will be impossible to run every EA's on that account. So think about this and plan your system before making your request. Remember that every time you change account number you have to use the TWDS code again and request author to code EA for new account number.)

b) IC Markets affiliate:

Open an account using this link at IC Markets and get all EA's for free coded for your account:

<https://icmarkets.com/?camp=62611><https://icmarkets.com/?camp=62611>

Please send me the account number The EA will be coded for your TWDS account number and **will only work on that account number**, not on any other account (also not on a demo, you may request for a demo).

Let me know if it is mt4 or mt5

Send me a list of the EA's you want, take note that these EA's are martingale and it is better to use a cents account as you need about 3000 per chart but for Network you can start with \$500

c) Discount on a good and fast, reliable vps!!



SPECIAL PROMOTION ON THE BEST AND FAST VPS! GET 5% DISCOUNT!

* To use an EA you need a VPS: Click on this link for Chocoping.com

(<https://chocoping.com/processing/aff.php?aff=567>)

When you open the account type in the discount code to get 5% off: CHAMP0001

d) Buy one EA/Indicator and get another one free!

You are welcome to have one free gift for every one EA you bought. Please send me the screen shot of your purchase. You will then qualify for your gift. **You have to send me 2 account numbers, the EA will be coded for those account numbers and will only work on those numbers, no other account.** Please let me know what other EA or indicator you want and send the following information (you can also use my telegram address here: @vstrukovEA or @Dkmillion)

1. Send EA/Indicator you want
2. Send maximum of 2 metatrader account numbers so that I can code it for your account
3. Let me know if it must be coded in mt4 or mt5

e) **Cashback for rebates on spread!!**



We highly recommend that you use cashback for spread rebates - best choice:

Cashbackforex

https://www.cashbackforex.com/dashboard#aid_159482

Use above link and link your account to get monthly cash from the spreads on all your trades!

STOP LOSS

We recommend that you use Equity Shield to protect your account.

Available here: <https://www.mql5.com/en/market/product/86312?source=Site+Profile+Seller>

Links to manuals and set files is here:

<https://www.mql5.com/en/blogs/post/753060>

Risk Warning:

Trading Forex involves significant risk and can result in the loss of your invested capital. You should not invest more than you can afford to lose and should ensure that you fully understand the risks involved. Trading leveraged products may not be suitable for all investors. Before trading, please take into consideration your level of experience, investment objectives and seek independent financial advice if necessary. Make sure that you fully understand the risks before you make any trading decisions.