

Initial Stop Loss Placement

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- The Stop Loss is a protective order that sits above or below your entry point to automatically protect you and get you out of the market if price moves against you
- Always, always, trade with a Stop Loss in place!

Initial Stop Loss Placement

You'll be able to...

Initial Stop Loss Placement

- Find sensible locations on the chart for your initial Stop Loss order

Initial Stop Loss Placement

- Find sensible locations on the chart for your initial Stop Loss order
- Calculate your risk on each trade before pulling the trigger

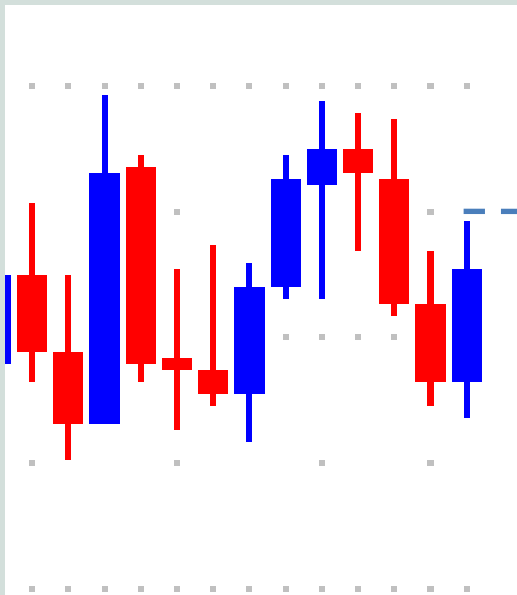
Initial Stop Loss Placement

- Find sensible locations on the chart for your initial Stop Loss order
- Calculate your risk on each trade before pulling the trigger
- Enter your Stop Loss order into the Metatrader platform

Initial Stop Loss Placement

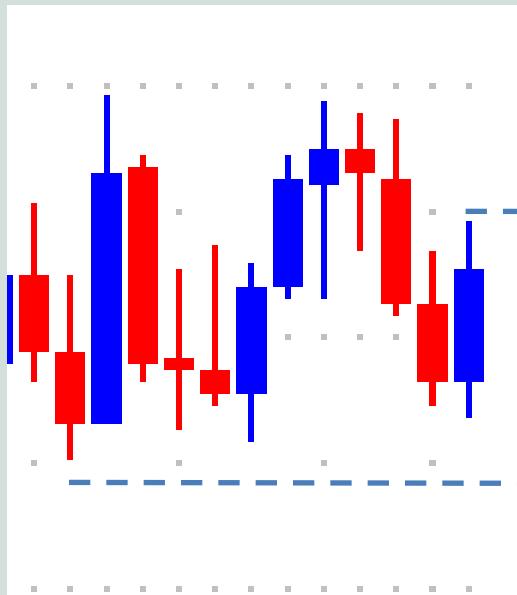
- How Stop Loss orders work...

Initial Stop Loss Placement



You want to enter the market here

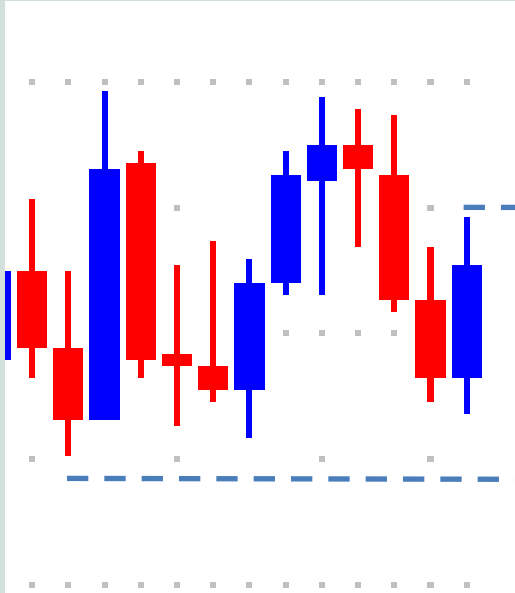
Initial Stop Loss Placement



You want to enter the market here

But if the market moves down here it shows the buyers are weak.

Initial Stop Loss Placement

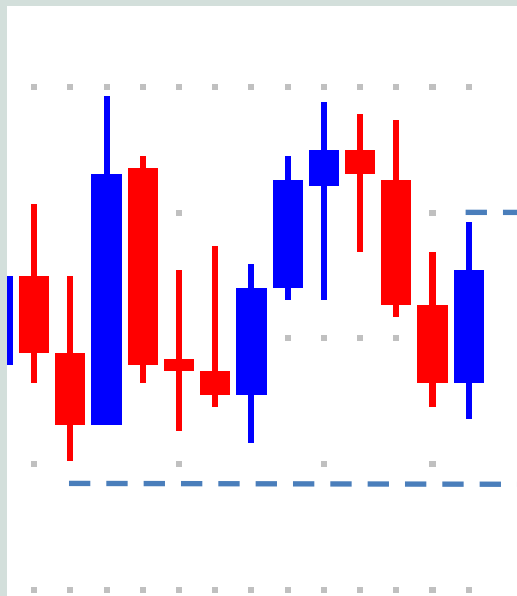


You want to enter the market here

But if the market moves down here it shows the buyers are weak.

Find places where the market shows you the trade is not working...

Initial Stop Loss Placement



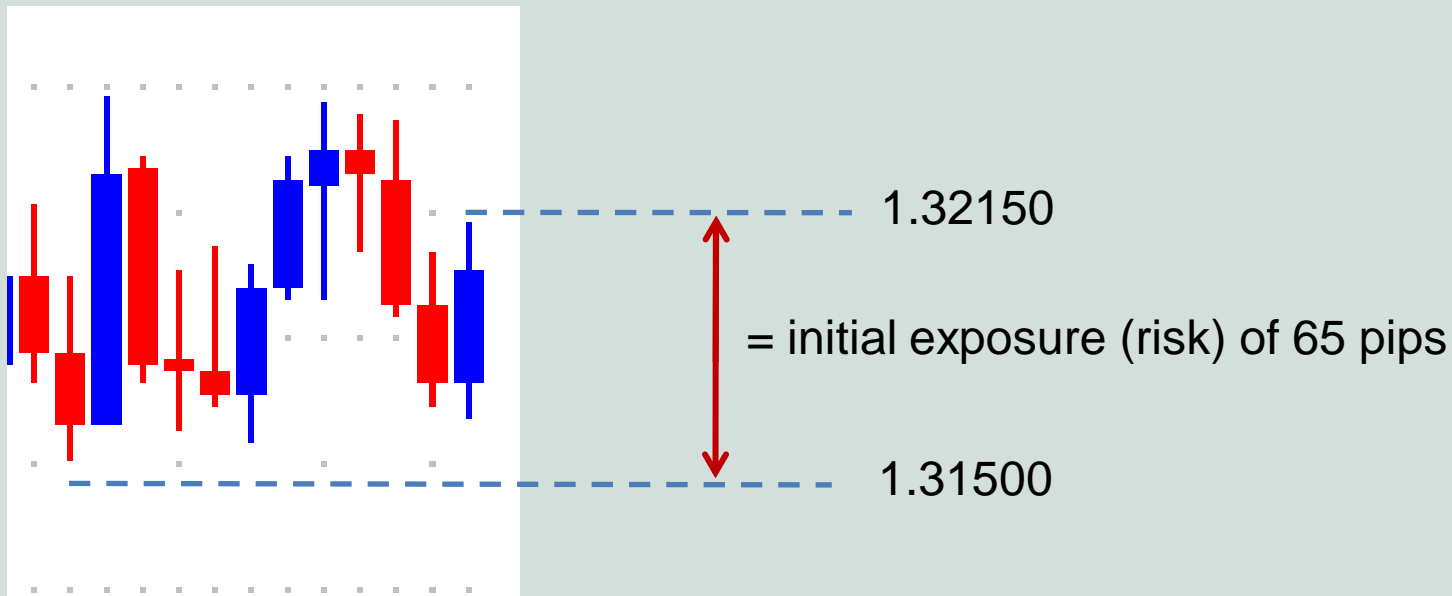
BUY STOP (entry order)

STOP LOSS (exit losing trade)

Initial Stop Loss Placement



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Initial Stop Loss Placement

- You specify the price of your initial stop loss order at the same time you place your entry order on the Metatrader platform...

Initial Stop Loss Placement

The screenshot displays the 'Order' window for the GBPUSD pair. On the left, a price chart shows two lines: a blue line representing the current price and a red line representing a pending order. The blue line is at 1.52422, and the red line is at 1.52401. The right side of the window contains the following fields:

- Symbol: GBPUSD, British Pound vs US Dollar (Bet per 0.0001)
- Volume: 1.00
- Stop Loss: 1.31500
- Take Profit: 0.00000
- Comment: (empty)
- Type: Pending Order

Below these fields is a section for 'Pending Order' with the following details:

- Type: Buy Stop
- GBPUSD 1.00
- at price: 1.32150 (highlighted with a red box)
- Expiry: 2015.05.06 13:40

A 'Place' button is located to the right of the 'at price' field. At the bottom, a note states: 'Open price you set must differ from market price by at least 20 pips.'

Initial Stop Loss Placement

The screenshot displays the 'Order' window for the GBPUSD pair. On the left, a price chart shows the current price at 1.52422. The right side contains the following fields:

- Symbol: GBPUSD, British Pound vs US Dollar (Bet per 0.0001)
- Volume: 1.00
- Stop Loss: 1.3150 (highlighted with a red box)
- Take Profit: 0.00000
- Comment: |
- Type: Pending Order

The 'Pending Order' section includes:

- Type: Buy Stop (highlighted with a red box) GBPUSD 1.00
- at price: 1.32150 (highlighted with a red box)
- Expiry: 2015.05.06 13:40

Open price you set must differ from market price by at least 20 pips.

Initial Stop Loss Placement

- Finding good spots on the chart...

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- Finding good spots on the chart...
- You want to find places where the market is showing you short-term strength has changed in the market

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- Finding good spots on the chart...
- You want to find places where the market is showing you short-term strength has changed in the market
- Make it prove probability now favours a move against your trade

Initial Stop Loss Placement

- And let the Stop Loss do its job of protecting you against bigger losses

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- And let the Stop Loss do its job of protecting you against bigger losses
- There's nothing wrong with taking losing trades – don't let your ego get in the way

Initial Stop Loss Placement

- And let the Stop Loss do its job of protecting you against bigger losses
- There's nothing wrong with taking losing trades – don't let your ego get in the way
- The key is to get out quick and keep losing trades under control

Initial Stop Loss Placement



15 min chart

(Below the MOR and Sellers have control)

Entry point

Initial Stop Loss Placement



15 min chart

Stop Loss B (loose)

Stop Loss A (tight)

Initial Stop Loss Placement

- Personal preference...

Initial Stop Loss Placement

- Personal preference...
- The way that suits you is the right way

Initial Stop Loss Placement

- Tight Stop Loss...

Initial Stop Loss Placement

- Tight Stop Loss...
- Keeps losing trades small

Initial Stop Loss Placement

- **Tight Stop Loss...**
- Keeps losing trades small
- Returns potentially high reward to risk on your trades

Initial Stop Loss Placement

- **Tight Stop Loss...**
- Keeps losing trades small
- Returns potentially high reward to risk on your trades
- More trades 'stopped-out' than with Loose Stop Loss

Initial Stop Loss Placement

- Loose Stop Loss...

Initial Stop Loss Placement

- Loose Stop Loss...
- Keeps you in more trades

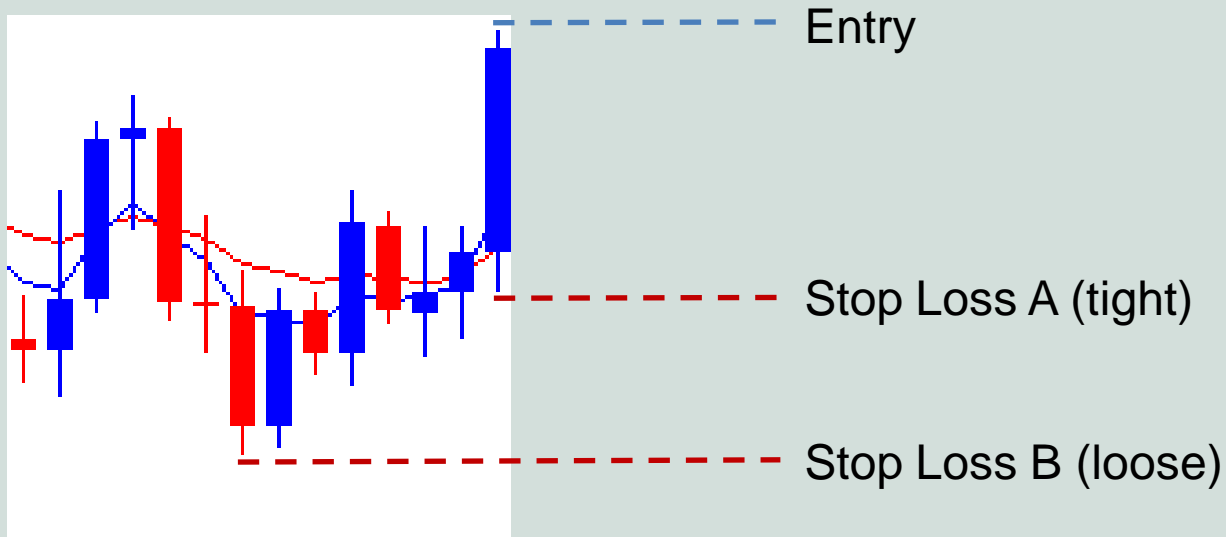
Initial Stop Loss Placement

- Loose Stop Loss...
- Keeps you in more trades
- Greater initial exposure (pips at risk)

Initial Stop Loss Placement

- Loose Stop Loss...
- Keeps you in more trades
- Greater initial exposure (pips at risk)
- Smaller reward to risk ratio than with Tight Stop Loss

Initial Stop Loss Placement



5 min chart

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Initial Stop Loss Placement

- Always use a Stop Loss!

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- Always use a Stop Loss!
- Locations to use for your initial stop on 15min chart & 5 min chart

Initial Stop Loss Placement

- Always use a Stop Loss!
- Locations to use for your initial stop on 15min chart & 5 min chart
- How to enter your Stop Loss price into the Metatrader platform

Initial Stop Loss Placement

- Tight Stop Loss vs Loose Stop Loss

Initial Stop Loss Placement

- Tight Stop Loss vs Loose Stop Loss
- Your preference

Initial Stop Loss Placement

- Tight Stop Loss vs Loose Stop Loss
- Your preference
- I prefer Tight Stop Losses!

