

Position Sizing

**How to ensure each trade
doesn't risk more than 3% of
your account**

**1) Check the current balance of
your trading bank**

£1,635.00

2) Divide your balance by 100

$$\text{£1,635.00} / 100 = \text{£16.35}$$

£16.35 = 1% of account

**3) Multiply by 3 to get figure
for 3% of account**

$$\mathbf{\pounds 16.35 \times 3 = \pounds 49.05}$$

£49.05 = 3% of account

**4) Make a note of the pip risk
on the trade you are
considering**

**Difference between entry price
and Initial Stop Loss**

Buy @1.34552
-Stop loss @1.34336
= 21.6 pip risk

5) Divide your **3% figure** by the number of pips risk to get your maximum **stake per pip**

$$\text{£}49.05 / 21.6 \text{ pips} = \text{£}2.27$$

**The maximum stake per pip
you could use to risk a
maximum of 3% of your
account is **£2.27****

**I've included a position size
calculator on the resource page
for you too...**

