**Pre-Trade Checklist (Before Entering a Trade)**

1. Validate the Trade Setup

- Explanation: Make sure the trade aligns with your strategy’s criteria. No setup should be taken on impulse or emotion.

- Task: Ask: “Does this trade align with my strategy and meet all the required conditions?” If not, don’t take it.

2. Analyze Risk/Reward Ratio

- Explanation: Winning traders focus on high-probability trades with favorable risk-to-reward ratios (e.g., 1:2 or better).

- Task: Calculate your potential loss and profit. If the reward isn’t worth the risk, skip the trade.

3. Position Sizing Check

- Explanation: Proper position sizing helps manage risk and avoid overexposure. It ensures you only risk a small percentage (e.g., 1-2%) of your account per trade.

- Task: Use a position size calculator or formula to ensure your position size matches your risk tolerance.

4. Set Stop Loss and Profit Targets

- Explanation: Predetermined stop losses and profit targets help eliminate emotional decision-making.

- Task: Define and place your stop loss and take-profit orders before entering the trade.

5. Check Market Conditions (Volatility and Spread)

- Explanation: Volatile markets or large spreads can turn a good trade into a bad one. Make sure the market conditions align with your strategy.

- Task: Use the ATR (Average True Range) to gauge volatility and confirm that spreads are within your acceptable range.

6. Plan Exit Scenarios

- Explanation: Know in advance how you’ll handle various outcomes—whether the trade moves in your favor, against you, or ranges around your entry.

- Task: Write down your action plan for each scenario. Example: “If price moves 2 points against me, I’ll exit immediately.”

7. Take a Deep Breath and Confirm Calmness

- Explanation: Emotional control is essential for effective trading. Entering trades while nervous, stressed, or impulsive is dangerous.

- Task: Before clicking the button, take a deep breath. Ask yourself, “Am I calm and clear-headed?”

8. Log Trade Entry in Journal

- Explanation: Tracking trades helps you analyze performance over time and learn from mistakes.

- Task: Record your trade setup, reasons for entry, and emotions in your journal or tracking sheet.

**Simple Checklist for Printing and Lamination**

Use this abbreviated version of the checklist for quick reference. Print it, laminate it, and mark off each step with a grease pencil as you complete it.

\*\*Pre-Market Routine Checklist\*\*

☐ Mental Preparation: Clear mind? Feeling well/healthy?

☐ Review Market Conditions: Bullish, bearish, or neutral?

☐ Check News/Events: Any major announcements?

☐ Watchlist and Key Levels Ready: Focused assets marked?

☐ Test Equipment: Platform, charts, and internet OK?

☐ Set Daily Profit/Loss Limits: Defined max loss and goal?

\*\*Pre-Trade Checklist\*\*

☐ Validate Trade Setup: Align with strategy?

☐ Risk/Reward Check: Favorable ratio? (1:2 or better)

☐ Position Sizing: Correct exposure?

☐ Stop Loss/Profit Target Set: Orders placed?

☐ Market Conditions: Volatility and spread acceptable?

☐ Plan Exits: Prepared for all scenarios?

☐ Emotional Check: Calm and clear-headed?

☐ Log Entry in Journal: Documented setup and emotions?

This checklist ensures you have a structured approach to your trading. By following it daily and before every trade, you can remove guesswork, reduce emotional mistakes, and stay focused on your strategy. Consistency is the key to long-term trading success!

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