

## Template: Forex Trading Readiness Checklist

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Based on Article: "Forex Trading Strategies for Beginners: Getting Started"

Website: <https://nairafx.ng>

A comprehensive checklist to ensure you're prepared for forex trading as a beginner.

### Checklist Items:

- 1. Understand Forex Terminology**  
Ensure you can explain key concepts like spread, market orders, limit orders, stop-loss, and stop-out without assistance.  
Reference Section: Start here: Are you ready to trade?
- 2. Know Your Leverage Limits**  
Familiarize yourself with your broker's leverage cap. For example, in the EU, ESMA limits leverage to 30:1 for major pairs and 20:1 for non-major pairs.  
Reference Section: Start here: Are you ready to trade?
- 3. Test a Demo Account**  
Practice placing orders in a demo account to see how your trading plan behaves under real market conditions, rather than just watching charts.  
Reference Section: Start here: Are you ready to trade?
- 4. Identify a Simple Trading Strategy**  
Choose and clearly define entry, exit, and invalidation rules for at least one straightforward forex strategy.  
Reference Section: Start here: Are you ready to trade?
- 5. Check Your Broker's Status**  
Ensure that your broker is regulated by checking their status with the relevant authorities such as CFTC and NFA in the U.S.  
Reference Section: Start here: Are you ready to trade?
- 6. Manage Your Risk Tolerance**  
Determine a small risk limit that won't affect your mood and discipline during trading.  
Reference Section: Start here: Are you ready to trade?
- 7. Set Aside Review Time**  
Allocate time to review and analyze your trades after each trading session to identify patterns or mistakes.  
Reference Section: Start here: Are you ready to trade?
- 8. Understand the Costs of Trading**  
Be aware of all trading costs, including spread, commission, and rollover, and how they affect profitability.  
Reference Section: Forex basics every beginner must know
- 9. Choose the Right Trading Times**  
Identify the market hours that have the most liquidity, such as the overlap of the London and New York sessions.  
Reference Section: Forex basics every beginner must know

## **10. Utilize Backtesting Tools**

Use tools like MT5's Strategy Tester to backtest your strategies before committing real money.

Reference Section: Start here: Are you ready to trade?