NAIJAFX

Template: Forex Trading Risk Management Checklist

Generated: 7/17/2026

Based on Article: "The Psychological Aspects of Risk Management in Forex Trading"
Website: https://nairafx.ng

A practical checklist for managing psychological aspects of risk in Forex trading.

Checklist Items:

- [ ] **1. Keep Lot Size Stable**
  Maintain the same risk model for each trade, whether after wins or losses. Avoid increasing lot size after a winning streak or doubling size after a loss.
  Reference Section: Emotional mistakes that quietly damage risk control

- [ ] **2. Respect Market Conditions**
  If spreads widen or liquidity thins, reduce your trade size or refrain from trading altogether to avoid unnecessary risks.
  Reference Section: Do vs don’t when pressure rises

- [ ] **3. Log Emotional Triggers**
  Document what emotions or events prompted impulsive trading decisions, such as fear or excitement, to identify patterns in your behavior.
  Reference Section: Do vs don’t when pressure rises

- [ ] **4. Avoid Revenge Trading**
  Do not trade to recover losses from previous trades. This mindset often leads to a series of poor decisions and larger losses.
  Reference Section: Emotional mistakes that quietly damage risk control

- [ ] **5. Follow Your Trading Plan**
  Stick to your established trading plan and rules, even when emotions run high. This consistency helps mitigate emotional reactions.
  Reference Section: Why risk feels harder than it should in Forex

- [ ] **6. Accept Missed Opportunities**
  If you miss an entry, accept it and refrain from chasing the move. Maintain discipline to protect your trading account.
  Reference Section: Emotional mistakes that quietly damage risk control

- [ ] **7. Use Smaller Risk Per Trade**
  Limit your risk per trade to a fixed percentage, typically within the 1–2% range, to prevent significant losses that can jeopardize your account.
  Reference Section: Emotional trigger vs disciplined response

- [ ] **8. Practice Emotional Restraint**
  Develop the skill of emotional restraint to avoid impulsive decisions during high-pressure trading situations. This discipline is crucial for long-term success.
  Reference Section: A trader story that shows how one bad decision grows

- [ ] **9. Implement Pre-Trade Checks**
  Establish a set of pre-trade rules that require you to slow down and evaluate your decision-making process before entering a trade.
  Reference Section: A trader story that shows how one bad decision grows