

## Template: Forex Risk Management Checklist

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Based on Article: "Understanding Forex Risk Management Tools: A Comprehensive Overview"

Website: <https://nairafx.ng>

A practical checklist to ensure effective risk management in Forex trading.

### Checklist Items:

- 1. Check Position Size**  
Ensure that the position size is appropriate for your account size to avoid oversized losses.  
Reference Section: The tools that quietly protect your trading capital
- 2. Set Stop-Loss Order**  
Place a stop-loss order at a level where your trade idea fails, not where you feel comfortable.  
Reference Section: The tools that quietly protect your trading capital
- 3. Confirm Take-Profit Order**  
Define a take-profit order to secure profits and prevent winning trades from turning into losses.  
Reference Section: The tools that quietly protect your trading capital
- 4. Evaluate Market Conditions**  
Assess the current market conditions, including spread and volatility, to ensure the trade remains valid.  
Reference Section: What happens when a trade goes wrong and you have no risk plan?
- 5. Use a Position Size Calculator**  
Utilize a position size calculator to maintain consistent risk across different trades.  
Reference Section: The tools that quietly protect your trading capital
- 6. Check Risk in Cash Terms**  
Calculate the maximum potential loss before entering a trade to ensure it aligns with your risk tolerance.  
Reference Section: A quick story: how one simple check can change a trader's outcome
- 7. Assess Exit Strategy**  
Determine your exit strategy before entering a trade, knowing exactly where to exit if the trade goes against you.  
Reference Section: A quick story: how one simple check can change a trader's outcome
- 8. Implement a Trailing Stop if Applicable**  
Consider using a trailing stop to protect profits in strong trends, but avoid it in choppy market conditions.  
Reference Section: The tools that quietly protect your trading capital
- 9. Review Risk-Reward Ratio**  
Use a risk-reward calculator to evaluate whether the potential gain justifies the risk taken on the trade.  
Reference Section: The tools that quietly protect your trading capital