

## LOM

### Loss Order Management

#### LOM - 1 Step

##### Loss Order Management

#### Fragmentation

When you go in the market with 1 Lot so cut this 1 Lot into pieces, say 10 x 0.1 Lot Sizes.

When you trade normally 0.1 Lot so reduce to small pieces 10 x 0.01 Lot.

To do so has several benefits.

(A) You could go in with one (or several) 1/10 order(s) more and moreover when the price will turn in the counterpart direction.

(B) You could set your Stop Loss not so tight by giving the market its breath.

(C) The market signalizes different options of making a profit. Some Price Levels perform a higher probability. Not every market situation "promise" the same profit. So it's absolutely stupid to go in the market every time with the same Lot Sizes.

(D) When you don't have the time to monitor the market, you could set different input and output levels, dependent at which time frame you will go in and out of the market. (e.g. see #523 the green highlighted trades. The exit levels were set based on different Pivots or so).

#### LOM - 2 Step

##### Loss Order Management

#### Right Calculation - Profit per Day

When I set the target of 1% Profit per Day, so I have to earn an infinite deal more, e.g. 1.5%, 2% or 3% every day.

These trades are balanced out the losses.

Today I have earn a profit of 7% (see #523), so I have 6% for the war chest.

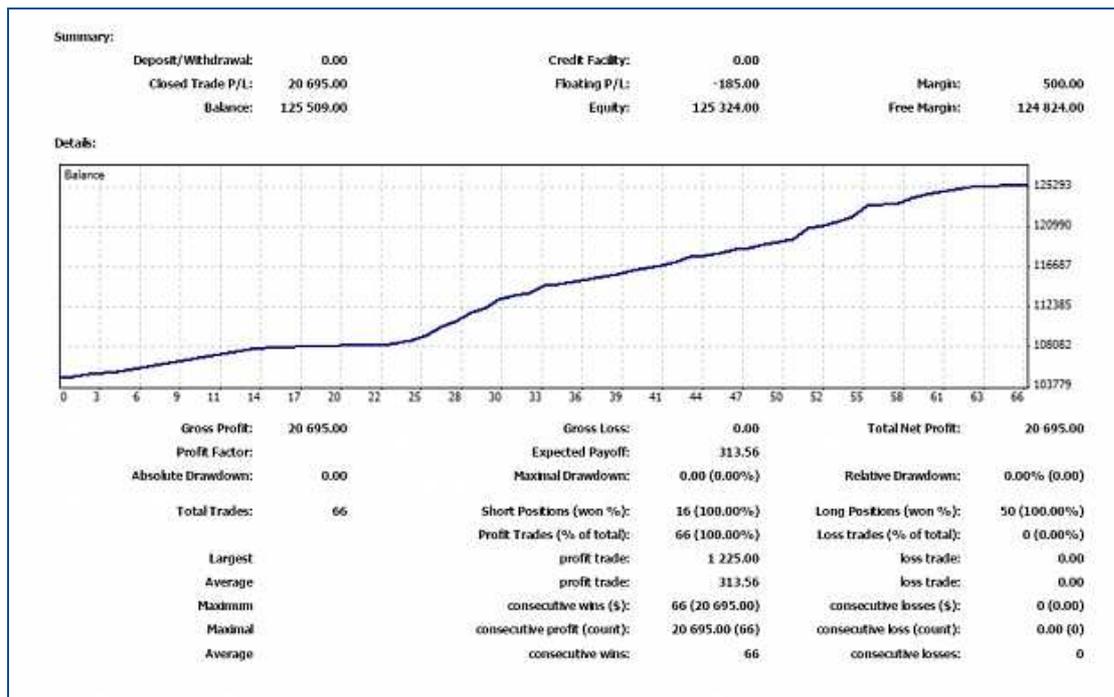
This could give an area of freedom. This psychological momentum could be advantageous to traders who don't like to be stressed when they trade the forex market.

#### LOS - 3 Step

#### Life Trading

##### Loss Order Management

Examples will follow in Life in the next weeks.



Hi kader

- (1) Stop loss is dependant at the timeframe at which you order your trades. M5 trades needs a tighter stop loss then H4 trades or daily trades.
- (2) Stop Loss is dependant at your lot sizes, which you invest in your entry order. My entries have 1/10 of my normal entries. So I could set the stop loss theoretical 10 times far away.
- (3) Stop Loss is dependant on your winning versus losing trades.

At first I would minimize the "lot sizes", say if you go normally in a trade with 1 Lot so enter with 0.1 at first or several 0.1s (3 x 0.1 or so). If you trade with 0.1 Lot sizes normally and you couldn't go in with 0.01 lot sizes change the broker and open a mini account and try it there with 0.01 lot per trade.

It's better when you post some real trading examples here (entry, TP-Level, stop loss) at this board and others (and I) could give you their (our) feedbacks.

I can set my stop loss far away at the next pivotal points or two pivotal levels ago or 25 points above the last daily Low or High concerning my one-tenth and I make fewer losses in this way, because 95% of all these trades will turn in the winning zone sooner or later; - so why to kill it with the feeble-minded 2% rules before? There's no sense for me! When worse comes to worse you could hedge some of these ones. Think about it!

In the Forex literature you could read often something like this:

"Just how big should a stop loss be? The most common method of setting a stop loss is based on the size what you expect to gain. You should never you a stop loss of less than 2:1. Meaning, that what you stand to profit from the trade should be twice as large as what you are prepared to lose, or the size of your stop loss. Going any smaller than a 2:1 risk reward ratio will ultimately blow your account in the long run".

**This is absolutely bullsh\*t!**

Work out your own parameters, which fits you!

I like also to trade short, shorter, shortest (Scalping). My trades needs only a profit, absolutely independant how much it is! When you make 20-100 winning trades per day (net) it adds up and

at the end of the day you have earned maybe 1%, maybe 5%. This applies to mini profits per day (e.g. 0.2%) also.

Kindest regards  
FXcube

I hedge loss positions frequently instead of setting a stop loss most of the time and I open a new account when the old one has doubled or tripled (100% or 200% win). So it could be not a misfortune for me when one or two accounts per year could incur a complete loss (ordinarily the High Risk Accounts). At the end of the month/year you should stay in a clear profit. Then you could quit one's job and could live by selling one's property, if you could like this way of life. I don't know.



Stop-loss is one of the best inventions of the financial trading. At the same time it's also one of the most cursed things in Forex — how many times was your stop-loss hit just before the trend reversed in the direction of your position? For many traders stop-loss orders are the reason of depression and despair. Unfortunately, not many of them understand that if they didn't use stop-loss the results would have been even worse.

Recently, I've stumbled upon a "strategy" promoted by some Nigerian trader on one forum. His

idea was quite simple — sell USD/JPY on some pivotal levels and don't set up a stop-loss. His argument — if you have enough margin you can lose only if USD/JPY goes down to 0.00. In his opinion it's about 8,300 pips now or if you trade 1 mini lot it's \$1/pip, or \$8,300 margin required, which is quite normal for a standard Forex account of \$10,000. The problem is that for 1 mini lot of USD/JPY 1 pip isn't equal to \$1 — it depends on the current USD/JPY rate. Using the [pip value calculator](#) you can easily see how 1 pip value grows as the USD/JPY rate declines; for example, at USD/JPY = 40.00, 1 mini lot pip is \$2.50. Of course, such a huge decline on USD/JPY is improbable, but trading without stop-loss you always risk **huge** to earn **small**, which eventually eradicates your capital.

<http://www.earnforex.com/blog/2010/1...out-stop-loss/>

### **Forex Trading Secrets - No Stop Loss Strategies**

Written by: [Steve McFarlane](#) • Edited by: [Laurie Patsalides](#)

Updated Apr 21, 2011 • Related Guides: [Money Management](#)

In this article we look at some of the strategies that can be used to trade Forex without a stop loss. The effect of leveraging and trend following are also highlighted as factors that can affect the success of a day trader.

One of the secrets to trading Forex successfully is to strictly follow an effective money management strategy. For many Forex traders that means using stop losses. Unfortunately, those very same stop losses are often responsible for the failure of most day traders, especially when stop losses are tightly set. There is nothing more frustrating than having a stop loss close a trade that would have gone on to be profitable.

### **Buy and Hold for Currency Traders**

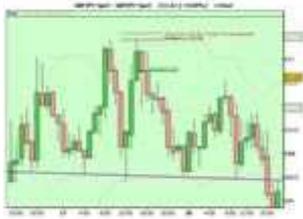
Trading the currency market is much like trading stocks. Despite the similarities between the Forex and stock market, most Forex traders don't bother to employ the trading strategies that equity traders have proved over time, such as the buy and hold rule. Warren Buffet will tell you that the only way to consistently make money in the stock market is to buy shares and hold them, at least until the fundamentals change. However, good traders don't just enter trades based on the results of some cursory technical analysis. Good traders must be satisfied that the underlying economic, fiscal and financial factors will support their trading decision.

### **Be a Trend Follower**

The long-term direction of a currency pair is often determined by the economic fundamentals and Geo-political realities of the country in question. These fundamentals might include the interest rate policy of the central bank, balance of payments numbers and the government's general political stance, to name a few. If a country's economy is doing well and there are no extenuating matters, then its currency should appreciate against currencies with weaker economies. Doing fundamental analysis like this gives a trader a long-term outlook on a currency and affords him the luxury of not taking multiple small losses, such as those that occur when tight stop losses are used. All he has to do is await for pullbacks to go on the currency. If a trade goes negative, it can do so to a greater degree than would be possible if high leveraging was used. However, there are exceptions to this rule. If a correction is imminent, it might be prudent to take a small loss by exiting previously negative trades and reverse positions to take advantage of the changing trend.

### **Trading with No Stop Loss - Profit Protection Strategies**

Stop losses don't only exist to prevent losses but can also be used to protect profits; a good example of this is a trailing stop-loss. A trailing stop can be used to protect profits that are already on the table; this is best done when the trade has made substantial gains, and then a trailing stop can be put between the entry point and the current price action. This allows for the current price movement to continue, just in case the market will give more profits, while at the same time ensuring that the trade in question won't lose money for the trader. A 'limit order' can also be used to exit parts of a trade when a pullback is expected but the market has not yet hit the profit targets. In order to avoid making large losses, many traders use tight stop-losses, but this often results in multiple small losses that can quickly add up and ruin a trading account. Often, trades that start out badly eventually become profitable, if the trade is just given some time.



### The Long and Short of It

Is it possible to trade successfully with no stop loss? The short answer is yes, but for this strategy to work, traders must only trade in the direction of the trend, avoid using leveraging/margin facilities and be bullish only on currencies that are fundamentally strong. The buy and hold strategy is not popular among currency traders, and it will never be as long as Forex brokers offer high leveraging on Forex trading accounts and traders take the bait. While the use of margin can accelerate the growth of a trading account, it is also a double-edged sword that can cause a margin call if things get out-of-hand.

*Image credit:*

*Forex Trading - No Stop Loss*

<http://www.brighthub.com/money/inves...les/62723.aspx>

### [Stop Loss?? I Don't Want To Use It](#)

Forex Articles|Written by IFTC Financial Studies|

### Stop Loss?? I Don't Want To Use It

Last week I was reviewing a website which has a trading signal program for those investors who prefer to not being involved in confusing market analysis and I respect them because such services normally will bring them more time to do other important things in their daily life. But the interesting thing was the most of signalers did not actually place a stop loss point on their recommendations. Is that so because they know they are right all the time? Or that's because they did not lose half of their trading account in an unexpected slump of 200 hundred points and a single trade.

However, the answer is most of them have something between -1000 to -5000 pips of open trades on their signal board and they actually trapped in desperately while they could cut the losing trades and ran another one instead. Also I should mention that there are some other types of system trading that called "Hedge Fund" and I don't actually want to argue if they are right or wrong. I am definitely talking to day traders who get into challenge with big bear every day.

Sometimes, I don't understand why a trader could be convinced of not having a Stop Loss while we see almost every month an unexpected uncounted impulse (I would call it Best of the Test for whom with less of the rest) in the market.

There is no specific rule as to where you should place the stop loss, so consider the below mentioned tips as the general rules and ask your mentor to fit reliable Stop loss rules just for you and your trading system(if you have one?).

- Many loser traders do place the same stop loss for all the trades they execute without even trying to measure market environment.
- Don't be scared of placing a stop loss while it is for your gain and you must know what your profit objective is.
- Stop Loss should not be too close to the current price while most of the stop loss enemies have ruined their trading accounts already just by using very close ones.
- Stop Loss should not be too far from the point you get into trade while it's better to not placing any Stop Loss rather taking an unreachable, fictional protector.
- Try to not to risk more than the points of your profit goal. Pro traders recommend to only take those trades which have at least 2 points of potential profit per 1 pip of potential lose, but I would

say it is completely depends on the money management system that you use, as different money management systems has different recommendations for Risk & Reward.

- Sometimes a trading system does not work if you risk less than recommended %7 to %10 of your total account balance. It means you trade oversize or you just entered the market when everyone else getting out of the market. In this case this is not your fault as it has a clear message for you "don't trade this way anymore and ask an expert to solve the problem".
- If you are convinced enough that you can make up 1 million dollar out of your 10000 dollars account by not using stop losses as you may think you are the one who knows the price will be back on its way to you instead of hitting new highs, well, simply you are wrong.
- Remember, there are no sky limits for the price of any of currencies in FOREX market.
- If you don't like to place a pre defined Stop Loss on your trades, please ask someone to show you how to follow a wining trade by using "Trailing Stop".
- Be sure it is better to have one or two losing trades with 100 points of lose, instead of being desperate with sinking into -1000 pips of dizziness.

### **How to Define the Best Stop Loss point?**

Try these tools to define the most accurate stop loss points easily:

- Use 10 pips over/below the first Parabolic SAR spot(dot) appeared over/below the price candles for Short/Long Trades.  
Note#1: Remember you just can use 10 pips above the parabolic SAR dots as an Stop Loss point when you have a Short trade and Vice Versa.
- Note#2: You realized that the Stop Loss obtained from SAR is too far from the point which you want to enter the market. OK, this means you are about to enter the market very late so better to not do it.
- Use 10 pips over/below the day before yesterday's HIGH and LOW and in the case of the market has moved a lot far, use 10 pips over/below the yesterday HIGH and LOW as a Stop Loss point for your Short/Long trades.
- Use two Moving Averages of 55 EMA and 144 MA. You may place your stop loss just 10 pips below/above one of those two MAs depending on how do you set up the profit/loss game for your Long/Short trades.  
Note#: If you trade on the range market break out be aware of this kind of Stop Loss setting, and it is quite safer to use another way.
- Place the Stop Loss 10 pips over/below Bollinger Bands Upper/Lower band for Short/Long trades.
- If you use Elliot Waves theory to analyze the market:
  - # Place the Stop Loss just 10 pips below the lowest point of the Second (2) wave in bullish trend when you LONG on Wave 3.
  - # places the Stop Loss 10 pips below the lowest point of the 4th Wave when you go for LONG on 5th Wave.
  - # Place the Stop Loss right above/below the top/low of the previous wave when you go for SHORT/LONG based on A-B-C correctional waves.

Notes:

- Aforementioned suggestions are based on 4Hours chart.
- Those ways of defining Stop Loss points has worked for me, but It does not necessarily works for you, so ask your mentor or an expert friend to do evaluate the probability of fitting those suggestions to your trading strategy.
- 10 pips are because sometimes price hit the important support or resistance levels by more than a touch.
- Please don't forget, the Stop Loss issue is not actually a game. It is not even an option for you; it is a "MUST" and will save you when you can do nothing, so refresh your mind in this case.

Forward your questions right to my email address [s.a.ghafari@iftc.ir](mailto:s.a.ghafari@iftc.ir) , I'll try my best to give you the best answer. Good Luck

**S.A Ghafari**

IFTC Financial Studies

[www.iftc.ir](http://www.iftc.ir)

<http://www.actionforex.com/articles-...2007102930810/>

Hi only1kader

I trade without stop loss most of the time and my money management could tolerate between 500-1'000 negative pips, based on the 1/10 orders with the result that the success rate is around 95-98%.

That is what I want to point out. Traders who follow the 2% Stop Loss rule or something like that could only have a success rate about 50-60%. So they will lose the day as time drew on.

I wish you good Luck!

[Quoting astock](#)

@forexcube, i see on your accountstatement you havent no loss trade, congratulations.

my question to you: you never put a S/L and only sometimes a T/P, so how you control yur trades? when you start to close a trade, if he ie running in a loss? you look for some signals or make a stop mentally, only from your experience??

regards

See #[682](#)

Hi astock!

The control based over the 1/10-order-concept. Most traders are undercapitalized. One or two things are experience.

Loss Orders are monitored at higher time frames and should be hedged at different time frames several times.

Hi Sandovich

Basically like this:

*Inserted Video*

<https://www.youtube.com/watch?v=dr17IFhamAg>

....with some mutations:

(1) I trade often (1/10) - (5/10) of my maximum possible order size (when I normally would trade 1 Lot per trade this Lot might be hackled into 10 x 0.1) so I could set the stop loss further afar.

(2) E.G I will make an EURUSD entry order Long at M15 and H4, so I have to look at M15 and at H4 for different Stop Loss Levels.

(2) If 95-98% of all 2% rule Stop Loss orders will run in a win sooner or later why to set a stop loss so tight. I trade predominantly only 1/10 or 2/10 of the normal entry deposits and 95-98% of all the colorable loss orders will run in a win.

(3) I hedge positions if it's necessary.

(4) If I wouldn't trust my own multiple time frame market analysis maybe I have to follow this sh\*t 2% rule! (extreme example: see #[714](#), "Profit Trades" 254, "Loss Trades" 0)

## Ratio 1:10

### Initial Situation

Open Minus Orders is an absolutely normal status quo, if you trade at the forex market.

The question is: How much could an account absorb a depth?

Here you see an example of a 250K Account with a target about 1% a Day, say 2'500.-\$ per Day when you trade.

If you trade 4 days a week then it's your job to make a profit about 1'000.-\$ per week.

### Next Step:

The Loss Order Management Concept is based on a ratio which depends how much you earn per day at an average.

If I make 1% per day and beyond that +5% (Total 6%), so I can have much more money of all open orders into the minus.

15'000.-\$ minus 2'500.-\$ = 12'500.-\$ . When I trade conservative, most of the time when I start a new account, then it could be a landmark for me. But that's not the end off the story.

### Higher Risk Account

I love also to trade with higher risk at another account. Here I make a cash method of accounting. E.g. We are talking about a 100K Account.

Say if I earn per day 5'000.-\$ I could manage open orders in the minus about 50'000.-\$.

Oh yes you are reading correct! Ten times as much!

Why!

Because after 10 days you have earn 50'000.-\$ so it should be easy to manage your Loss Orders around 50'000.\$

At this account my target could be also 1% per day, the same value as the conservative well-conducted account, with the variation that here I should trade with higher risk.

*Attached Image (click to enlarge)*

Order /	Time	Type	Size	Symbol	Price	S/L	T/P	Price	Commission	Swap	Profit	Comment
	2011.12.15 02:49	buy	5.00	silver-fo	29.565	0.0000	31.850	29.130	0.00	0.00	-375.00	
Open Trades	2011.12.15 15:24	buy	5.00	eurusd-fo	1.30462	0.00000	1.35000	1.30150	0.00	0.00	-1 560.59	
2011 December 15	2011.12.15 21:39	buy	5.00	gbpaus-fo	1.56401	0.00000	1.58000	1.56201	0.00	0.00	-992.13	
	2011.12.15 21:41	buy	5.00	gbpjpy-fo	120.867	0.000	125.000	120.749	0.00	0.00	-757.86	
	2011.12.15 21:41	buy	5.00	gbtjpy-fo	120.867	0.000	121.500	120.749	0.00	0.00	-757.86	
	2011.12.15 21:49	buy	5.00	gbtjpy-fo	120.835	0.000	0.000	120.749	0.00	0.00	-552.34	

## LOM

### Loss Order Management

## Ratio 1:10

### Open Trades

2011 December 15, 23:32 GMT+1

### Closed Trades

2011 December 2015

see attachment (\*.pdf).

### Example 1

Today I have make 55'038.33\$ with an 250K Account. If my target is 1% per day so I could mänge open orders in the minus till maximum 55'000.-\$ - 2'500.-\$ say 52'500.-\$. (we don't count the

38.33\$ just now).

Thats my calculation of Loss Order Mangement.

Why can I do this in this way? Because I have earn too much than I expected.

Now, I don't possibly make so much money every day! So we come to the next example.

### Example 2

If I make 10'000.-\$ per day on average with an 250K Account, after 10 days I have make a profit about 100'000.-\$ minus the 1% per day (-10'000.-\$) so it's allowed to manage a loss order portfolio about - 90'000.-\$ maximum after 10 trading days.

I think 95%-98% of these open minus trades will running back in the win zone sooner or later. If not I don't have make an excellent market analysis before.

Forget the bullsh\*t like:

*"If you want to be a trader who simply makes 1 times risk on each trade, you have to win 66% of time with a risk reward of 1:1, 50% of the time with a 1:2 risk reward, and with a 1:3 risk reward your winning percentage can be as low as 33% to make a 1R profit".*

Why? You don't have at every trade the same standard market conditions (different momentum & varied volatility)! There are also market opportunities where you go in the market with more lots, and there are other market environments where you go short in and short out only for several pips (see the attachment), and so on.

You have to analyse how much profit you make per day on the average and a part of this you put away for your Loss Order Management (LOM).

Kindest regards

FXcube

[Attached Images \(click to enlarge\)](#)

Order	Time	Type	Size	Symbol	Price	\$ / L	T / P	Price	Commission	Swap	Profit	Comment
Open Trades	2011.12.15 02:40	buy	5.00	ukusd-2x	29.185	0.0000	11.850	29.275	0.00	0.00	2 750.00	
2011 December 15	2011.12.15 13:24	buy	5.00	eurusd-2x	1.20462	0.00000	1.35000	1.30185	0.00	0.00	-1 485.00	
23:32 GMT+1	2011.12.15 21:39	buy	5.00	gbpaud-2x	1.56401	0.00000	1.58800	1.56256	0.00	0.00	-719.34	
	2011.12.15 21:41	buy	5.00	gbpspy-2x	120.867	0.0000	125.000	120.804	0.00	0.00	-404.37	
	2011.12.15 21:41	buy	5.00	gbpspy-2x	120.867	0.0000	125.500	120.804	0.00	0.00	-404.37	
	2011.12.15 21:40	buy	5.00	gbpspy-2x	120.835	0.0000	0.000	120.804	0.00	0.00	-198.97	
Balance: 505 058.31 Equity: 394 576.28 Margin: 11 287.51 Free margin: 293 368.77 Margin level: 2717.61%												
36491255	2011.12.15 15:21	buy/WR	5.00	gbpcad-2x	1.54500	0.00000	1.60500	1.60537				

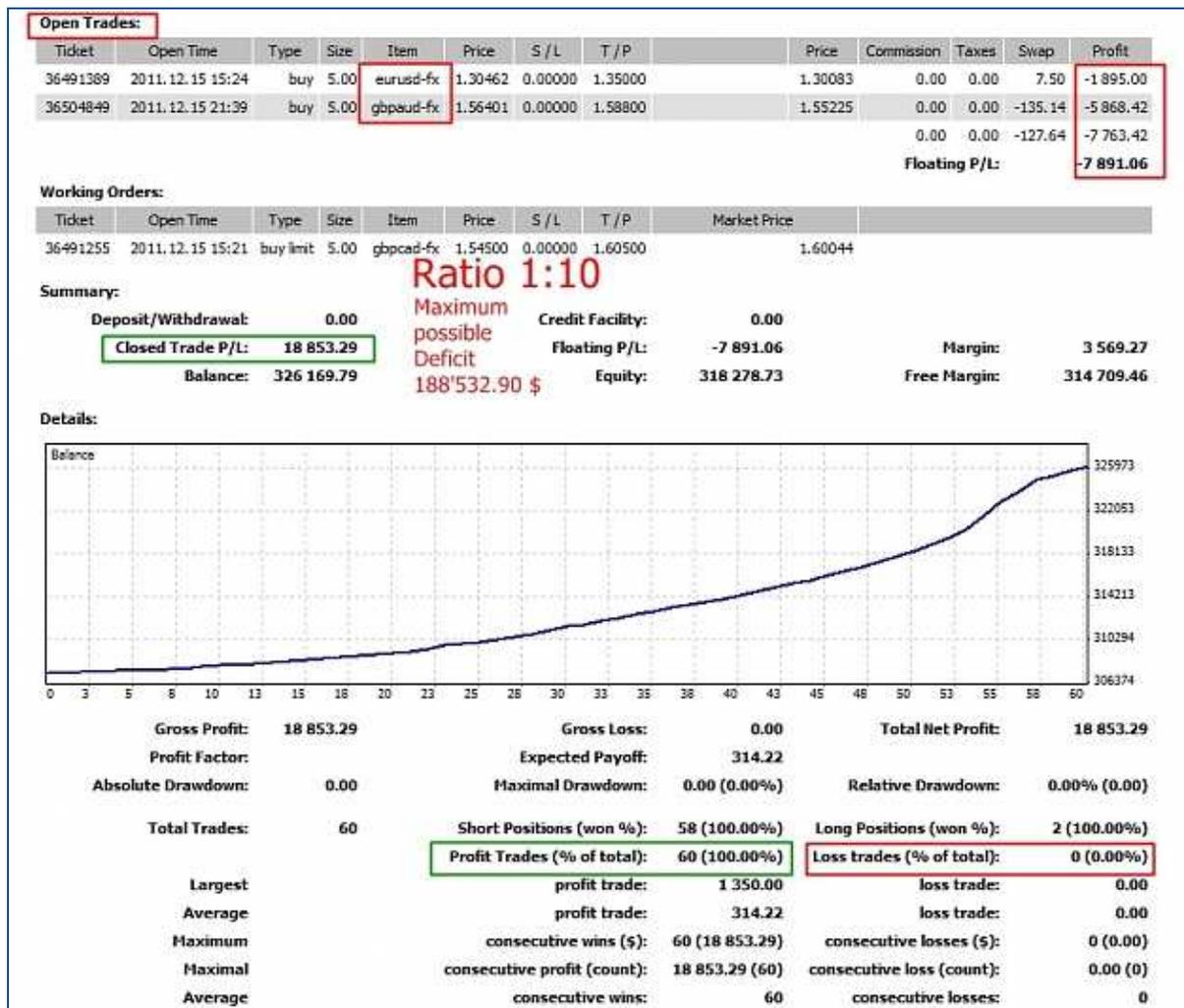
## Loss Order Management

### Compensation with other trades.

The open orders in the minus (e.g. EURUSD 5 Lots -1'485.-\$) you could counterbalance with other trades at the forex market, e.g. scalping trades, see [#810](#), [#811](#), [#815](#), after your daily profit target (e.g. 1%) is reached.

[Attached Image \(click to enlarge\)](#)

Order	Time	Type	Size	Symbol	Price	\$ / L	T / P	Price	Commission	Swap	Profit	Comment
Open Trades	2011.12.15 02:40	buy	5.00	ukusd-2x	29.185	0.0000	11.850	29.275	0.00	0.00	2 750.00	
2011 December 15	2011.12.15 13:24	buy	5.00	eurusd-2x	1.20462	0.00000	1.35000	1.30185	0.00	0.00	-1 485.00	
23:32 GMT+1	2011.12.15 21:39	buy	5.00	gbpaud-2x	1.56401	0.00000	1.58800	1.56256	0.00	0.00	-719.34	
	2011.12.15 21:41	buy	5.00	gbpspy-2x	120.867	0.0000	125.000	120.804	0.00	0.00	-404.37	
	2011.12.15 21:41	buy	5.00	gbpspy-2x	120.867	0.0000	125.500	120.804	0.00	0.00	-404.37	
	2011.12.15 21:40	buy	5.00	gbpspy-2x	120.835	0.0000	0.000	120.804	0.00	0.00	-198.97	
Balance: 505 058.31 Equity: 394 576.28 Margin: 11 287.51 Free margin: 293 368.77 Margin level: 2717.61%												
36491255	2011.12.15 15:21	buy/WR	5.00	gbpcad-2x	1.54500	0.00000	1.60500	1.60537				



## LOM

The performance value of 1% target is nothing where we have to talk more about it. Other traders could have a net profit target around 0.25% per day or 0.1% per day. It's also okay!

The Loss Order Management (LOM) is the root cause key for a really successful trading. The 1% target seems okay. You could make money with it quite alone, ...moreover with LOM you make important more profit!

It's a complex order management strategy how to fulfill an order to minimize the loss orders.

LOM -Life  
 Loss Order Management  
 Open Orders

250K-Account  
 Result from the last 2 Trading Days:

Open Order: 1

Kindest regards

FXcube

Attached Image (click to enlarge)

Order	Time	Type	Size	Symbol	Price	S/L	T/P	Price	Commission	Swap	Profit	Comment
	2011.12.15 21:39	Buy	5.00	gbpaudfx	1.55431	0.00000	1.58800	1.55443	0.00	-125.14	-4.775.73	

Balance: 251,347.29 Equity: 344,436.42 Margin: 1,918.49 Free margin: 344,497.93 Margin level: 1787.42%

Trade | Account History | Faves | Alerts | Mailbox | Experts | Journal

## Loss Order Management Equity

See #[813](#), #[828](#)

$55'038,33\$ + 44'030.79\$ = 99'069.12\$ \cdot 2 \times 2'500.-\$ = 94'069.12\$$

Note:

The Loss Order Management seems to have now with a counter balance of 94'069.12\$ the "absolutely freedom".

If I make my "Multiple-Time-Frame-Analysis" in a right way there should have no doubt that you don't have to go out of the market with the minus orders too early ,...,you could wait if some of these could run back into the win zone and make your LOM during this session. There should be no need to go out with your minus trade too early.

Equity

You could also take the Equity: 347'278.15\$ (see #[829](#))  $\cdot 250'000.-\$ = 147'278.15 \cdot 2 \times 2'500.-\$ = 142'278.15\$$  to manage all open minus orders (LOM). When you trade all the days it could be heavy handed to summarize all daily profits in the past. Use the Equity minus the profit target. E.g. If you have traded 20 days: Equity  $\cdot 250'000.-$  (Deposit)  $\cdot 20 \times 2.500.-\$$  (in this case: Target 1% per day) = x (for LOM)

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FXcube

Approximation:

Ratio 1:10 (Open Trades:Closed Profit Trades)

In this example I will present the next idea of the LOM concept.

If I have made 152 closed profits trades today I also could have had "open trades" in the minus about 15 trades which I could manage.

The ratio is again 1:10 (open trades/closed trades).

In this example here there is one open trade from the 2011 December 15.

Every trader has to work out his own ratio which fits best for him.

1:10 (Open Trades versus Closed Profit Trades) gives me an efficient information and a fast orientation about my actual risk tolerance. When I have much more open trades in the market this ratio might be like an alert for me as a hint maybe to minimize the actual risk.

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LOM

### [Quoting fxpreach](#)

LOM is a powerful tool and idea you gave to us  
I'm planning to use it in my intraday trading

1- What you meant by "Hedging Orders below the daily range" is this how you get out of all losing trades coupled with Daily weekly trend?

2- do you buy sell same pairs in same direction or uses -ve correlated pairs in Hedging?

3- what daily range your using? yesterdays or average daily range of last 5 days?

See [#841](#)

Hello fxpreach

I've written

"...and wait for an breakout at the daily range (1.20 - 1.2280).

Hedging Orders 45 Pips below the daily range as a function of all GBPJPY open Long orders" ([#840](#)).

1.20 - 45 Pips = 1.1955. I set GBPJPY Short @ 1.1955.

**Working Orders:**

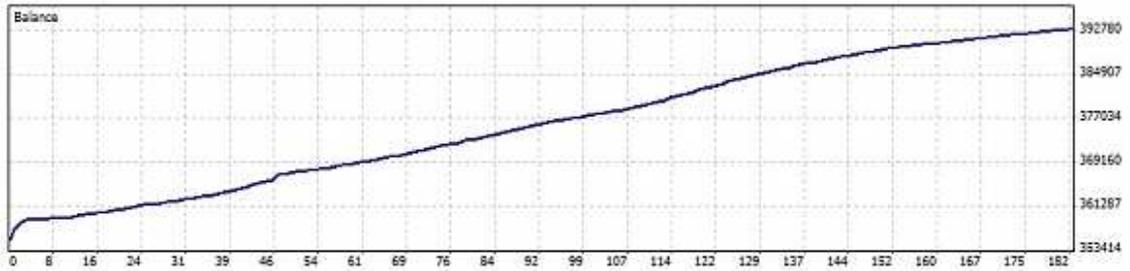
Ticket	Open Time	Type	Size	Item	Price	S/L	T/P	Market Price
36582898	2011.12.19 15:11	buy limit	5.00	eurusd-fx	1.29770	0.00000	1.30410	1.30028
36491255	2011.12.15 15:21	buy limit	5.00	gbpcad-fx	1.54500	0.00000	1.60500	1.61054

**Summary:**

Deposit/Withdrawal:	0.00	<b>Max. - 378'685.80\$</b>	Credit Facility:	0.00	
<b>Closed Trade P/L:</b>	<b>37 868.58</b>	<b>Floating P/L:</b>	<b>-15 252.84</b>	Margin:	105 985.77
Balance:	393 175.87	Equity:	377 923.03	Free Margin:	271 937.26

**Details:**

**Net Profit: +12'615.74\$**



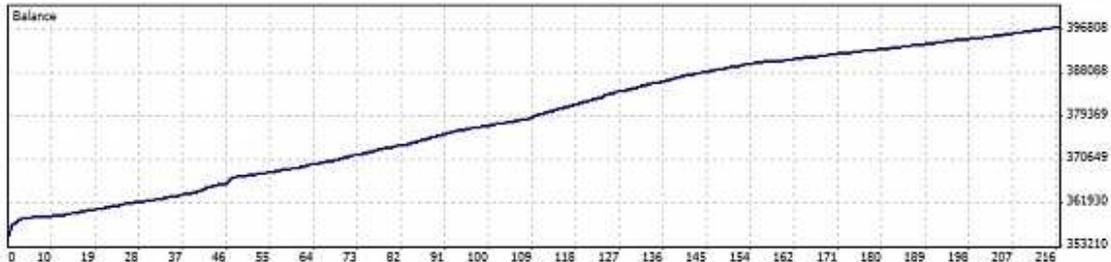
<b>Gross Profit:</b>	<b>37 868.58</b>	<b>Gross Loss:</b>	<b>0.00</b>	<b>Total Net Profit:</b>	<b>37 868.58</b>
<b>Profit Factor:</b>		<b>Expected Payoff:</b>	<b>208.07</b>	<b>Relative Drawdown:</b>	<b>0.00% (0.00)</b>
<b>Absolute Drawdown:</b>	<b>0.00</b>	<b>Maximal Drawdown:</b>	<b>0.00 (0.00%)</b>	<b>Short Positions (won %):</b>	<b>1 (100.00%)</b>
<b>Total Trades:</b>	<b>182</b>	<b>Long Positions (won %):</b>	<b>181 (100.00%)</b>	<b>Profit Trades (% of total):</b>	<b>182 (100.00%)</b>
<b>Largest:</b>		<b>profit trade:</b>	<b>2 005.00</b>	<b>Loss trades (% of total):</b>	<b>0 (0.00%)</b>
<b>Average:</b>		<b>profit trade:</b>	<b>208.07</b>	<b>loss trade:</b>	<b>0.00</b>
<b>Maximum:</b>		<b>consecutive wins (\$):</b>	<b>182 (37 868.58)</b>	<b>consecutive losses (\$):</b>	<b>0 (0.00)</b>
<b>Maximal:</b>		<b>consecutive profit (count):</b>	<b>37 868.58 (182)</b>	<b>consecutive loss (count):</b>	<b>0.00 (0)</b>
<b>Average:</b>		<b>consecutive wins:</b>	<b>182</b>	<b>consecutive losses:</b>	<b>0</b>

**Working Orders:**

Ticket	Open Time	Type	Size	Item	Price	S / L	T / P	Market Price
36582898	2011.12.19 15:11	buy limit	5.00	eurusd-fx	1.29770	0.00000	1.30410	1.30058
36491255	2011.12.15 15:21	buy limit	5.00	gbpcad-fx	1.54500	0.00000	1.60500	1.61029

**Summary:**

Deposit/Withdrawal:	0.00	Credit Facility:	0.00	Margin:	50 732.87
Closed Trade P/L:	41 938.58	Floating P/L:	-12 583.86	Free Margin:	333 929.14
Balance:	397 245.87	Equity:	384 662.01		
<b>Net Profit: +29'354.72\$</b>					

**Details:**

Gross Profit:	41 938.58	Gross Loss:	0.00	Total Net Profit:	41 938.58
Profit Factor:		Expected Payoff:	194.16	Relative Drawdown:	0.00% (0.00)
Absolute Drawdown:	0.00	Maximal Drawdown:	0.00 (0.00%)	Long Positions (won %):	215 (100.00%)
Total Trades:	216	Short Positions (won %):	1 (100.00%)	Loss trades (% of total):	0 (0.00%)
Largest profit trade:	2 005.00	Profit Trades (% of total):	216 (100.00%)	loss trade:	0.00
Average profit trade:	194.16	Short consecutive wins (\$):	216 (41 938.58)	loss trade:	0.00
Maximum consecutive wins (\$):	216 (41 938.58)	Profit consecutive wins (count):	41 938.58 (216)	consecutive losses (\$):	0 (0.00)
Maximal consecutive profit (count):	41 938.58 (216)	Average consecutive wins:	216	consecutive loss (count):	0.00 (0)
Average consecutive wins:	216	consecutive losses:	0		

Quoting Sandwich

What do you suggest one does when they go into the red with the Loss Order Management eg. if the loss order management is set at 2% and the loss goes into 3% or more . Do you close all your trades at once , hedge or manage the loss somehow ?

See #884

Hi Sandwich

First

Don't go in a trade where you have reached the 2%-Level at speed. Go in with minimize lot sizes, maybe with a calculation of 0.2% for some trades.

Second

I would try to hedge all these orders and would liquidate then only the Longs (or the Shorts) at a higher time frame and would wait if the other Shorts (or Longs) would come back. That the reason why I make a Multiple Time Frame Analysis before I go in a trade. I look if my trades could have the room for LOM.

**Implicit**

**It's clear to everybody that if you are at the weekly and monthly CCI-Top or Bottom then you don't have much room for a Loss Order Management (LOM). That's evident. Maybe too that you don't need it at these turning points. At monthly's valleys and hills I go in the market with 1/10 additively by setting Trailing Stops. Often starts the cash time at these points, .. time for making a long term profit with several orders. Maybe 2-4 times a year a currency pair could reach this level.**

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Note:

"Open Trades" - "T/P" are only for financial orientation and could be modified at all hours (see also #934).

"Working Orders" are only alignment markers and could be changed every time (see also #934).

*Attached Images (click to enlarge)*

36760240	2011.12.22 17:09	balance	Deposit											10 000.00
										0.00	0.00	55.04		6 098.73
										<b>Closed P/L:</b>			<b>6 153.77</b>	
<b>Open Trades:</b>														
Ticket	Open Time	Type	Size	Item	Price	S / L	T / P		Price	Commission	Taxes	Swap	Profit	
36892524	2011.12.27 17:07	buy	1.00	eurCHF	1.2213	0.0000	1.2350		1.2207	0.00	0.00	1.61	-64.24	
36892528	2011.12.27 17:07	buy	1.00	eurCHF	1.2213	0.0000	1.2400		1.2207	0.00	0.00	1.61	-64.24	
36892531	2011.12.27 17:07	buy	5.00	eurCHF	1.2213	0.0000	1.2350		1.2207	0.00	0.00	8.03	-321.20	
36892533	2011.12.27 17:07	buy	1.00	eurCHF	1.2213	0.0000	1.2350		1.2207	0.00	0.00	1.61	-64.24	
36767775	2011.12.22 20:34	sell	0.10	lorudefeb12	99.45	0.00	96.75		101.22	0.00	0.00	0.00	-177.00	
36894136	2011.12.27 18:54	sell	0.50	lorudefeb12	101.04	0.00	98.20		101.22	0.00	0.00	0.00	-90.00	
										0.00	0.00	12.86	-780.92	
										<b>Floating P/L:</b>			<b>-768.06</b>	
<b>Working Orders:</b>														
Ticket	Open Time	Type	Size	Item	Price	S / L	T / P	Market Price						
36774434	2011.12.23 00:48	buy limit	0.50	eurUSD	1.3045	0.0000	1.3080	1.3071						
36894622	2011.12.27 19:27	sell limit	1.00	eurUSD	1.3083	0.0000	1.3068	1.3069						
36894625	2011.12.27 19:27	sell limit	0.10	eurUSD	1.3082	0.0000	1.3063	1.3069						
36885745	2011.12.27 12:51	buy limit	1.00	usdCAD	1.0000	0.0000	1.0400	1.0199						
36898331	2011.12.27 22:00	buy limit	1.00	usdJPY	77.20	0.00	0.00	77.88						
36898355	2011.12.27 22:00	buy limit	1.00	usdJPY	76.80	0.00	0.00	77.88						
36898361	2011.12.27 22:01	buy limit	1.00	usdJPY	75.70	0.00	0.00	77.88						

## Open Trades & Working Orders

Actual

2011 December 28

01:50 GMT+1

[Attached Image \(click to enlarge\)](#)

Order	Time	Type	Size	Symbol	Price	S/L	T/P	Price	Commission	Swap	Profit	Comment
Actual	2011.12.28 20:34	sell	0.35	roudefeb12	99.45	0.00	96.75	101.14	0.00	0.00	-169.00	
2011 December 28	2011.12.27 17:07	buy	1.00	eurCHF	1.2213	0.0000	1.2350	1.2209	0.00	1.61	-42.83	
01:50 GMT+1	2011.12.27 17:07	buy	1.00	eurCHF	1.2213	0.0000	1.2400	1.2209	0.00	1.61	-42.83	
	2011.12.27 17:07	buy	1.00	eurCHF	1.2213	0.0000	1.2350	1.2209	0.00	8.03	-214.14	
	2011.12.27 17:07	buy	1.00	eurCHF	1.2213	0.0000	1.2350	1.2209	0.00	1.61	-42.83	
	2011.12.27 18:54	sell	0.50	roudefeb12	101.04	0.00	96.20	101.14	0.00	0.00	-90.00	
	2011.12.28 01:50	buy	0.50	eurUSD	1.3073	0.0000	1.3500	1.3071	0.00	0.00	-10.00	
<b>Balance: 28 153.77 Equity: 15 595.09 Margin: 3 377.06 Free margin: 12 217.04 Margin level: 481.79%</b>												
	2011.12.28 00:48	buy limit	0.50	eurUSD	1.3045	0.0000	1.3080	1.3073				
	2011.12.27 12:51	buy limit	1.00	usdCHF	1.0000	0.0000	1.0400	1.0197				
	2011.12.28 01:31	buy limit	0.50	eurUSD	1.3060	0.0000	1.3400	1.3073				
	2011.12.28 01:45	buy limit	0.50	usdJPY	75.70	0.00	78.00	77.82				
	2011.12.28 01:46	buy limit	0.50	usdJPY	77.20	0.00	78.15	77.82				
	2011.12.28 01:47	buy limit	0.50	usdJPY	76.80	0.00	78.05	77.82				

incredible - i'm with you - i understand how to make these quick wins. But, your open trades still will resist in your account, and their Lotsizes are big enough to generate big losses or wipe out the account - what are you doing when the market is awaking and volatility increases? When will you start hedging a position? You won't sit 24 hours a day to watch your trades - am i right? I would enter hedgetrades at the moment i leave the Tradingdesk and i would check the charts again when coming back for the next trading session. What is your preferred way to pause trading?

I've read your posts to LOM - so i think i understand how to act when sitting in front of the MT4-Desk. With enough experience the market will tell me when to close a trade or just to hedge it. It is like a Babouschka-Strategy - start with the 1-min-Chart and go to the next higher level when S&R-Levels where broken - recover the Trades on higher levels or wait for rebound. I hope i'm correct - otherwise i should read all posts again or ask politely for the next lesson on LOM.

So, if i'm right i just ask politely for the exam - how to deal when not sitting in front of my MT-4-Desk an watch my positions.

thx in advance - Rob

Hi DjangoFX

I give here some example of my trading style, not how other traders should trade. You have to modulate these marvellous concept ideas at your risk tolerance. I have said it so often here at this board. If you don't sit in front of the monitor maybe you have to minimize the risk!, ...e.g. placing hedging levels and/or minimize the lot sizes or don't trade in these moments! These answers you could really give yourself, aren't it! So I don't understand your criticism.  
Kindest regards

See [#935](#)

You have to make a Multiple Time Frame Analysis before setting the entry orders at the lower time frame(s). After this you've done you could use LOM.

Right! 🙌

## LOM Philosophie

LOM you could do day by day beside your regular profit trades.

It takes time but I won't delegate responsibility to a 2% Stop Loss Order which is, ...failing an agreement to a contrary, ... mere a paternalism, a tutelage, a dicatation, a infantilizing or so? 🤔

Why should I don't trust my competence, my experience, my personality, my market analyzing and all my "corpus rationale" and has to follow this bullsh\*t of 2% rule which you could read so often in the Forex Literature? Sorry author, sorry writer,...are you daft? 🤔

## LOM-Activities

### LOM-Step 4

#### Counterbalance the Negative Saldo

Downsize the open Orders

Profit: +7'700.-\$

To minimize all open orders in plus when they are hanging in your account since several days could be advantageous.

It's not the time yet to make the maximum win. Close these orders in the win zone. That's all! The next market chance will come for sure. Belief me!

*Attached Images (click to enlarge)*

Order	Time	Type	Size	Symbol	Price	S/L	T/P	Price	Commission	Swap	Profit	Comment
LOM Step 4	2011.12.20 17:10	buy	50.00	eurusd-fe	1.29630	0.00000	1.31600	1.29709	0.00	300.00	3 950.00	
	2011.12.20 17:10	buy	50.00	eurusd-fe	1.29629	0.00000	1.32000	1.29709	0.00	300.00	4 000.00	
2011 December 30 15:44 CET	2011.12.20 17:40	buy	50.00	eurCHF-fe	1.21973	0.00000	1.25000	1.21750	0.00	318.75	-11 379.65	
	2011.12.20 17:40	buy	50.00	eurCHF-fe	1.21977	0.00000	1.24500	1.21750	0.00	318.75	-12 092.74	
	2011.12.20 17:40	buy	50.00	eurCHF-fe	1.21979	0.00000	1.25000	1.21750	0.00	318.75	-12 199.23	
	2011.12.20 17:40	buy	50.00	eurCHF-fe	1.21880	0.00000	1.22500	1.21750	0.00	318.75	-12 252.55	
	2011.12.30 03:38	buy	25.00	eurjpy-fe	100.506	0.000	100.600	100.173	0.00	0.00	-10 700.88	

Balance: 1 031 771.69 Equity: 982 391.59 Margin: 105 110.66 Free margin: 877 280.93 Margin level: 954.61%

Order	Time	Type	Size	Symbol	Price	S/L	T/P	Time	Price	Swap	Profit
LOM Step 4	2011.12.20 17:10	buy	50.00	eurusd-fe	1.29630	0.00000	1.31600	2011.12.30 15:42	1.29706	300.00	3 900.00
	2011.12.20 17:10	buy	50.00	eurusd-fe	1.29629	0.00000	1.32000	2011.12.30 15:42	1.29707	300.00	3 900.00

### LOM Step 5

Do LOM 1-4 again and again and wait till the Orders in the Minus Zone minimize the loss rate (compare #983, #987) and could even run in the Win-Area.

How much could you win if you decide to manage it an infinite deal more?

Minimum 2 aspects! Your self-respect as a competent trader and more profit!

#### [Quoting nqm0t0](#)

Hello,

I don't believe that high probability trades occur 25 times in 10 minutes. Think about that. I've been trading for 3 years, I'm not saying I'm experienced, but I've noticed, that high % trades usually occur on bigger time frames /H4,D/ and even not too often, every once in a while.

Regards

Well, maybe you try to see the 25 trades in 10 minutes as one trade. Then think about money management/risk management, when you place your bet not with the whole amount at one specific point but at various places.

Then consider his trading style/technique (divergence trading). Do you know the saying, that a divergence can stay longer as you can stay liquid? Well, at least now you have heard it ;-). That means, when you enter a divergence trade, you should be able to place even bigger amounts of money on your bet when price goes against your initial bet. This can be very dangerous in heavily trending markets, since the drawdown can be fairly huge. But it is all about your personal money management/risk management.

I think it is a common mistake to think, that high probability trades occur a) seldom and b) more on higher TF's.

Since the moves in the markets are fractal, you should be able to find high probability trades more often on lower TF's. On a 15min chart you may find 2-4 high prob entries a day, when you switch to 5 or 1 min you should be able to find them very often a day. Even when you stay on the 15 min chart, 2-4 opportunities a day should be enough to serve your needs. An average swing on a 15min EURUSD chart should result in about 30-60 pips

With the use of a MTF-system you are able to "zoom" into a movement and try to align your ducks.

Best to you,

Markus

G'day FX Traders!

My intention is to put things here at this board as a high level trader. It's really not my job, ...please understand me in a right way! I could also go swimming, read a book, make meditation, amused with friends, visit museums, ...It's also absolutely irrelevant if I make 10.-\$, 100.-\$, 1'000.-\$, 10'000.-\$, 100K or 1000K a month with some of my real accounts. "Nqm0t0" don't trust certain topics here at this board. It's okay. Maybe I would think in the same artless way as he when I would have had just 3 years experience. I don't know!, ...but this can't be the reason to run down this thread when other traders could be able to make use of it. Put out these things what you had best do! When some traders have no use for it go away. Why tarry at a place any longer? I like to debate fact-bound like "infinitus" has well-elaborated some topics shortly before (e.g. [#994](#), [#996](#)). In so doing (see also "crozzilla's" delightful inputs) we could have formed a wonderful consortium shaping the future.

Bonne année!

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