

Template: Advanced Forex Trading Strategies Checklist

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Based on Article: "Advanced Forex Trading Strategies: Techniques for Experienced Traders"

Website: <https://randfx.co.za/>

A practical checklist for implementing advanced forex trading strategies focusing on risk management, position sizing, and execution techniques.

Checklist Items:

- 1. Set Capital Preservation Rule**
Prioritize preserving capital before pursuing returns. This foundational mindset influences every sizing decision and edge validation.
Reference Section: Strategy Foundations and Mindset
- 2. Determine Risk per Trade**
Calculate your risk per trade either as a fixed percentage of equity or using volatility-based sizing with ATR(14). Consider a range of 1-2% of your total equity.
Reference Section: Strategy Foundations and Mindset
- 3. Adjust Position Size Based on Correlation**
Reduce position size when holding multiple correlated trades to manage overall portfolio risk effectively.
Reference Section: Strategy Foundations and Mindset
- 4. Implement Multi-Timeframe Confirmation**
Use a higher timeframe trend indicator along with a shorter timeframe entry trigger to minimize the risk of false breakouts.
Reference Section: Advanced Technical Strategies
- 5. Size Positions with ATR Scaling**
Use the formula 'position_size = risk / (ATR * stop_distance_multiplier)' to adjust position sizes based on current market volatility.
Reference Section: Advanced Technical Strategies
- 6. Use Trailing Stops**
Employ a trailing stop based on a multiple of ATR (like 2 * ATR(14)) to protect gains while allowing for potential price movement.
Reference Section: Advanced Technical Strategies
- 7. Maintain a Trade Journal**
Document all trades including entry/exit points, size, strategy rationale, and outcomes. This helps in evaluating performance and refining strategies.
Reference Section: Strategy Foundations and Mindset
- 8. Backtest Strategies**
Utilize high-fidelity data for backtesting. Prefer tick data for scalps and minute data for swings to validate trading strategies.
Reference Section: Strategy Foundations and Mindset
- 9. Forward-Test Using Demo or Micro Accounts**
Test execution in live conditions using demo or micro accounts to measure slippage and real-world drawdowns before scaling up.
Reference Section: Strategy Foundations and Mindset

10. Periodically Review and Adjust Portfolio Risks

Keep track of maximum portfolio risk and individual trade risk to avoid large drawdowns and ensure disciplined trading practices.

Reference Section: Strategy Foundations and Mindset