

Template: Proprietary Trading Checklist

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Based on Article: "Proprietary Trading Fundamentals"

Website: <https://thetraderinyou.com>

A practical checklist to help traders navigate the essential components of proprietary trading.

Checklist Items:

1. Understand Proprietary Trading Basics

Familiarize yourself with the concept of proprietary trading and how it differs from retail trading. Know the advantages such as using firm capital and accessing higher leverage.

Reference Section: What Is Proprietary Trading?

2. Explore Different Prop Trading Models

Research and evaluate the different models of prop trading firms (salaried, profit-share, funded accounts, etc.) to determine which aligns with your trading style and financial goals.

Reference Section: How Prop Trading Firms Operate

3. Assess Your Risk Tolerance

Identify your risk appetite and understand the risk management framework of potential prop firms, including drawdown limits and loss caps.

Reference Section: How Prop Trading Firms Operate

4. Choose the Right Broker

Compare and select a broker that offers the best execution and latency for your trading style. Utilize resources like broker reviews and comparison sites.

Reference Section: Technology, Execution, and Infrastructure

5. Prepare a Solid Trading Strategy

Develop and document a trading strategy that considers various market conditions and aligns with the resources and tools provided by the prop firm.

Reference Section: Trading Strategies Used in Prop Forex Desks

6. Gather Necessary Documentation

Compile all necessary documents and records that prove your trading competence, such as trading history and performance metrics, particularly for profit-share or funded account applications.

Reference Section: Careers, Hiring, and Transitioning to a Prop Firm

7. Review Compensation Structures

Understand the compensation model of the firm you are considering, whether it's salary, profit share, or a combination, to ensure it matches your financial expectations.

Reference Section: What Is Proprietary Trading?

8. Stay Informed About Regulations

Educate yourself on the relevant regulations and compliance requirements associated with proprietary trading to avoid legal issues.

Reference Section: Regulation, Compliance, and Ethical Considerations

9. Network with Other Traders

Build connections with other traders within the prop firm or industry, as this can provide insights and opportunities for collaboration and learning.

Reference Section: Careers, Hiring, and Transitioning to a Prop Firm