

# Template: Risk-Reward Ratio Trading Checklist

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Based on Article: "Risk-Reward Ratios: Optimizing Your Forex Trading Strategy"

A practical checklist to optimize your Forex trading strategy using risk-reward ratios.

## Checklist Items:

- 1. Calculate Your Risk-Reward Ratio**  
Determine the distance in pips between your entry price, stop-loss, and take-profit to establish your risk-reward ratio. Aim for a target ratio of at least 1:2 or 1:3.  
Reference Section: [Understanding Risk-Reward Ratio: Basics and Math](#)
- 2. Size Your Positions Accurately**  
Calculate the monetary risk based on your risk in pips, pip value, and position size. Ensure that your exposure does not exceed 1% of your account equity.  
Reference Section: [Position Sizing and Risk Management Using RR](#)
- 3. Select an Appropriate Risk-Reward Ratio**  
Choose a risk-reward ratio that fits your trading style—lower ratios for scalpers, moderate for day traders, and higher for swing traders.  
Reference Section: [Choosing the Right Risk-Reward Ratio for Your Strategy](#)
- 4. Include Costs in Your Calculations**  
Factor in spreads, commissions, and swaps when calculating your effective risk to reflect the true cost of your trades.  
Reference Section: [Understanding Risk-Reward Ratio: Basics and Math](#)
- 5. Implement Stop-Loss and Take-Profit Orders**  
Utilize advanced order types or broker tools to set stops and take-profits automatically, ensuring disciplined exit strategies.  
Reference Section: [Integrating Risk-Reward with Trading Strategy and Tools](#)
- 6. Track and Log Trade Outcomes**  
Maintain a detailed log of your trades, including entry, exit, stop-loss, and profit levels to evaluate your performance over time.  
Reference Section: [Measuring Performance and Iterating on RR Rules](#)
- 7. Assess Your Win Rate and Expectancy**  
Calculate your win rate, average win, and average loss to determine your system's expectancy. Adjust your strategy based on these metrics.  
Reference Section: [Choosing the Right Risk-Reward Ratio for Your Strategy](#)
- 8. Test Your Strategy with Different Brokers**  
Compare broker platforms that offer favorable risk management features and tools to find the best fit for your trading style.  
Reference Section: [Integrating Risk-Reward with Trading Strategy and Tools](#)
- 9. Continuously Refine Your Approach**  
Regularly review and update your risk-reward rules based on trading performance to enhance consistency and profitability.  
Reference Section: [Common Pitfalls and Psychological Factors](#)