

Money Management Guide

What Is This Course About?

Imagine you're playing a money game where you win or lose based on guessing if something will go **up or down** (like the price of gold, bitcoin, or a company's stock).

Binary trading is that game. You win a fixed amount if you're right. You lose your money if you're wrong. So the real skill is not just guessing right, but knowing **how much to bet and when to stop**. That's called **money management** — and this course teaches it.

Alright! Let's go deep into following **7 Modules** — but explained like you're a smart human who wants to trade like a pro. 🧑🏻💼

♦ Module 1: The Truth About Binary Trading Risk

Goal:

To help you understand that **binary trading can be risky** — and that winning all the time isn't the goal... **staying in the game** is!

What is Binary Trading?

Imagine a game where you say:

“I think the price of gold will go UP in the next 1 minute!”

- If you're **right**, you win — let's say **you get \$8 for every \$10 you risk**.
- If you're **wrong**, you lose the full \$10.

👉 You **only win a part**, but lose **everything** when you're wrong.

It's like flipping a coin where if you win, you get 80 cents. But if you lose, you lose the full dollar.

Why That's Risky

Let's say you do 10 trades:

- You win 5 → You make \$40 (5 x \$8)
- You lose 5 → You lose \$50 (5 x \$10)

Even with **50% correct guesses**, you still **lose money**.

So it's not just about being right. It's about:

- **How much you win vs. how much you lose**
- **How often you lose**
- **How much you bet each time**

What This Module Teaches You

- Binary trading is like a candy jar — **if you take too much at once, it'll be empty fast.**
- Even good traders lose a lot — but they **lose small and win smart.**
- You need to **treat your money like a precious tool**, not like a video game coin.

Simple Exercise

 Let's pretend you have 10 candies.

- You bet 2 candies on each guess.
- You do 5 guesses. You win 2, and lose 3.

 Let's do the math:

- Wins: $2 \times 1.6 \text{ candies} = \mathbf{3.2 \text{ candies}}$
- Losses: $3 \times 2 = \mathbf{6 \text{ candies}}$

Total left = $10 - 6 + 3.2 = \mathbf{7.2 \text{ candies}}$

Even though you won some, you're still down.

 So this module helps you **see the danger early** and learn how to protect your candy jar (your trading money).

♦ Module 2: Bankroll Basics

Goal:

To teach you how to **protect your money** by managing how much of it you use when trading — so you **don't run out too fast** and can keep playing the game smartly.

What is a “Bankroll”?

Your **bankroll** is just a fancy word for your **trading piggy bank**.

Let's say you have **\$100** that you're allowed to trade with. That's your **bankroll**.

Rule #1: **Never use all your money at once.**

Simple Analogy:

Imagine your mom gave you \$100 to buy snacks over a whole month 🍭🍿

If you spend \$50 on Day 1... you're going to be **super hungry** later 😞

👉 That's why we **split the money** into small chunks to last longer.

Same thing with trading:

If you use big chunks on each trade and lose, you won't have enough left for later — even if the next trade is a winning one!

What This Module Teaches You

- Only use a **small piece** of your money per trade (like 2%–5%)
 - Set **limits**: Like how much you're okay with losing in one day
 - Learn how to **build your money over time**, like stacking blocks 🧱
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Example:

You have **\$100**. You decide to risk **\$5 per trade**.

That means:

- You can do up to **20 trades**
- If you lose 3 trades, that's only **\$15 lost**
- You still have **\$85 left** to keep going

But... if you risk \$25 per trade, just 4 bad trades and — BAM — you're out 😱

What You'll Learn to Do:

1. **Set your daily limit**
→ e.g., "If I lose \$15 today, I'll stop and come back tomorrow."
 2. **Figure out how much to use per trade**
→ e.g., "I'll only risk 3% of my bankroll each time."
 3. **Divide your bankroll into mini-buckets**
→ e.g., One part for high-risk trades, one for testing new ideas, one for safe ones
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Activity: Build Your Bankroll Plan

Fill in a simple worksheet:

- My total bankroll = \$_____
 - My risk per trade = \$_____
 - My stop-loss for the day = \$_____
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♦ Module 3: Position Sizing Strategies

🎯 Goal:

To help you learn **how much money to use** in each trade — so you can grow your account slowly and safely, and avoid losing it all in just a few wrong guesses.

🧩 What Is “Position Sizing”?

It just means:

“How big should my bet be in each trade?”

If you bet too much, one loss can be painful.

If you bet too little, your wins won't grow your money fast enough.

We're looking for the **“just right” size** — like the Goldilocks zone 🐻✨

🧑 Candy Game Example:

Let's say you have **10 candies** 🍬

- You bet 1 candy each time → You can play 10 times
- You bet 5 candies each time → Only 2 chances
- You bet all 10 at once → One loss = **Game over!**

So the trick is:

👉 Bet small, survive longer, and **let your wins grow you slowly.**

🧠 What This Module Teaches You

You'll learn 3 types of strategies:

1 Fixed Size Strategy (The Safe Way)

👉 You use the same amount in every trade — like always betting \$2.

- Easy to manage

- Safer for beginners
 - You don't panic if you lose one trade
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2 Anti-Martingale Strategy (Win → Raise the Bet)

👉 You **increase your trade size only when you win.**

- Example: Start with \$2
 - Win? Next trade = \$4
 - Win again? Next = \$6
 - Lose? Back to \$2

This works like:

“Use your profits to grow, not your main money.”

3 Martingale Strategy (Danger! Don't Try at Home)

👉 This is when people double their trade size after a loss to “get their money back.”

- Lose \$5 → Bet \$10
- Lose again → Bet \$20
- Lose again → Bet \$40 🤡

You can **lose your entire bankroll in just 3-4 losses.**

♦ Module 4: Loss Recovery & Drawdown Control

🎯 Goal:

To teach you **what to do when you lose money**, how to **protect yourself from losing too much**, and how to **bounce back safely** without going crazy.

🧩 What's "Drawdown"?

Let's pretend you have \$100.

- If you lose \$10 → you now have **\$90**
- That \$10 you lost is called your **drawdown**
- So, your **drawdown = how much you've gone down from your highest point**

👉 If you lose too much too fast = **deep drawdown** = hard to recover

🧑 Candy Game Example:

You have **10 candies**.

You lose 1, now you have 9.

But to get back to 10, you need to **win more than you lost**.

Why? Because now you're starting with less.

So:

- Losing 10% = you need to win 11.1%
- Losing 50% = you need to **double your money (100%)** to get back

The deeper the hole, the harder to climb out 🐇

🧠 What This Module Teaches You:

✅ Step 1: Accept Small Losses

Just like in a video game — sometimes you lose a life. That's OK.

Good traders **don't panic**, they **protect the rest**.

✅ Step 2: Use a Daily Stop-Loss

A stop-loss is a **rule** you make with yourself:

“If I lose \$15 today, I’ll stop and come back tomorrow.”

This saves your account — like an invisible shield 🌟

✅ Step 3: Don’t Chase Losses

This means:

- Don’t try to **win it back right away**
- Don’t increase your bet out of anger 😡

Just **pause**, breathe, and trade again **when your mind is calm**.

✅ Step 4: Recover Slowly

Let’s say you lost \$20. You don’t try to win it all back in one trade. Instead, you trade small, follow your plan, and let time help you.

“Winning \$5 four times is better than losing \$50 once.”

🔄 Smart Recovery Example:

You had \$100 → dropped to \$85

You:

- Lower your trade size
- Use only \$3 per trade
- Win 6 out of 10 trades

Now you’re back to \$95 🎉

You **didn’t chase**, you **recovered wisely**

Activity: “The Comeback Plan”

I can give you a worksheet like this:

Loss Amount	Stop Trading At	How Much to Trade Next
-\$10	Yes	\$2
-\$20	Yes	\$1.50
-\$30	Break for a day	Back to \$1 per trade

Teaches discipline and **smart recovery planning** 

Key Takeaways:

- Everyone loses — it’s part of the game
 - The trick is to **not lose too much**
 - Use rules like **stop-loss** and **recovery mode** to protect your money
 - A good trader is like a boxer — knows **when to attack**, and **when to step back**
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♦ Module 5: Risk Psychology

🎯 Goal:

To teach you how your **emotions** (like fear or greed) can mess up your trading — and how to control them so you make smart decisions, not wild ones.

🧠 What Is Psychology?

Psychology means:

“How your brain thinks and reacts — especially when money is on the line.”

Trading is **not just math**. It's also **feelings**.

Even if you have the best plan, if your mind gets scared or too excited — 💥 you can mess it all up.

🧑 Real-Life Example:

Let's say you win 3 trades in a row...

😎 You feel like a genius.

You start thinking: “Let's go all in!”

🚫 That's greed — it's risky!

Or you lose 2 trades...

😞 You feel sad or angry.

You say: “I have to get it back now!”

🚫 That's fear and revenge — also risky!

🧩 What This Module Teaches You:

✅ Step 1: Know Your Emotions

Just like naming Pokémon, you need to name your feelings.

- 😡 = Angry after a loss
- 😨 = Scared to try again
- 😍 = Too happy after a win

- 😞 = Bored and just clicking

Once you know the emotion, you can *pause* and make a smart move.

✅ Step 2: Create a Trading Routine

Great traders don't just jump in. They have a **ritual** — like brushing teeth before bed.

Example routine:

1. Check your plan ✅
2. Pick your trade amount ✅
3. Set your win/loss limit ✅
4. Breathe and focus 😊
5. Trade only when calm ✨

✅ Step 3: Use “Pause Power”

If you're feeling:

- Too excited → **Pause**
- Too scared → **Pause**
- Too angry → **Definitely pause**

You don't *have to trade*. Sometimes the **best trade is no trade**.

✅ Step 4: Think Long-Term, Not One Trade

Bad traders want to win *right now*.

Smart traders want to win **over time**.

Think like a farmer 🌱 — you plant seeds, water them, and wait for fruit.
Don't rip the plant out after 1 day!

◆ Module 6: Risk-to-Reward Ratios

🎯 Goal:

To help you **understand how much you could win vs. how much you might lose** on each trade — and only take trades where the prize is worth the risk.

🧩 What Is “Risk-to-Reward”?

It means:

“What do I *risk* vs. what do I *hope to win*?”

Imagine a game where:

- If you lose: you give away 1 candy 🍬
- If you win: you get 3 candies 🍬🍬🍬

That’s a **good trade** because you win more than you lose.

That’s called a **3:1 risk-to-reward ratio** — you’re risking 1 to get 3!

👤 Let’s Play a Game Example:

Let’s say:

- You make 5 trades.
- Each trade:
 - If you win, you get \$30
 - If you lose, you lose \$10

You only win 2 out of 5 trades. That means:

- Win = $\$30 \times 2 = \$60$
- Loss = $\$10 \times 3 = \$30$
- Total = You made **\$30 profit!**

Even though you lost more times than you won, you still **came out on top** 🏆

That's the magic of good **risk-to-reward** planning ✨

🧠 What You'll Learn in This Module:

✅ Step 1: How to Read Ratios

Some common examples:

- **1:1** → You risk \$10 to win \$10 (break-even style)
- **2:1** → You risk \$10 to win \$20 (better)
- **3:1** → You risk \$10 to win \$30 (awesome!)

We help you find **minimum reward levels** before you even click "trade."

✅ Step 2: How to Pick Good Trades

Let's say you're using \$5 per trade.

Two options pop up:

- Trade A: You might lose \$5 but win \$5 (meh)
- Trade B: You might lose \$5 but win \$15 (yes please!)

We train your brain to **look for high-reward trades** and **skip the small ones**.

✅ Step 3: Making a R:R Plan

Before every trade, ask:

- ? What's my *risk* (how much I could lose)?
- ? What's my *reward* (how much I could win)?

Then write it like this:

📝 "If I risk \$5 to win \$15 → My risk-to-reward = 1:3"

Only trade if your reward is **at least 2x bigger** than your risk.

◆ Module 7: Journaling & Tracking

🎯 Goal:

To help you **keep track of your trades**, **learn from your mistakes**, and **repeat your best moves** like a trading detective 🕵️

🧠 Why Journaling Matters:

Imagine you play a game and forget how you won last time...
You might make the same mistake again 😞 or forget your best trick!

A **trading journal** helps you remember:

- What worked ✅
 - What didn't ❌
 - How you felt 😊😞
 - What to fix next time 🔧
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✍️ What Goes in the Journal?

Here's what you'll write for each trade:

📄 Trade #	✅ Win/Loss	💰 Amount	🎯 Why I Entered	😊 How I Felt
1	Win	+\$10	Saw a pattern	Calm
2	Loss	-\$5	Got greedy 😞	Rushed

This teaches you how to think **like a pro**, not just play randomly.

🔧 What It Teaches You:

- 👁️ Spot your best setups
- ⚡ Avoid repeating mistakes
- 📈 Improve slowly over time

- 🧠 Train your brain to be more focused

Just like athletes watch replays of their matches — **you're watching your own trades!**

📁 You'll receive our *official Trading Journal* as part of your course bundle!

It includes:

- ✅ Easy-to-use templates
- 📈 Space for goal setting

You can use it for journaling every day!

