





# Forex Risk Management Basics Cheat Sheet (met Bybit)

## Page 1 – Core Principles

### Risk-Reward Ratio:


- Aim for **1:2 or higher**
- Example: risk \$50 → target \$100 profit

### Stop-Loss:

- Keep losses within **1–2% of account**
- Example: \$20 risk on a \$1,000 account

### Position Sizing:

- Risk **1–5% per trade** (adjust for volatility)
- Use calculators for precise lot size

 **Tip:** Platforms like [Bybit](#) offer built-in risk tools & calculators, making it easier to manage trades properly.

## Page 2 – Practical Steps

### Step 1 – Daily Loss Limit:

- Max = **3% of account per day**
- Example: \$1,000 account → stop after \$30 loss

### Step 2 – Trailing Stops:

- Lock profits in trends
- Example: **20-pip trail** to capture extended moves

### Step 3 – Diversification:

- Trade multiple pairs (EUR/USD, GBP/JPY, Gold)
- Bybit supports **forex, crypto & metals** in one account → easy diversification



#### Graph idea:

- Compare R:R 1:1 vs. 1:3 → show compounding over 50 trades



**Pro Tip:** Keep a **trading journal** (track via Bybit history or external journal app).

## Page 3 – Tools & Resources

Tool / Resource	Use Case	Link
<a href="#">Bybit</a>	Broker with forex, crypto & risk tools	✅ Recommended
Myfxbook Calculator	Position sizing	Free online
TradingView	Visualize risk-reward	Free / Pro
MetaTrader 4/5	Advanced trade execution	Industry standard
Edgewonk / Journalytix	Journaling & risk tracking	Paid, pro traders

## Page 4 – Do's & Don'ts

### ✓ Do's

- Always set stop-loss on every trade
- Use platforms like [Bybit](#) with clear position sizing tools
- Diversify across pairs & assets
- Review trades weekly

### ✗ Don'ts

- Don't risk more than 5% on one trade
- Don't revenge-trade losses
- Don't remove stop-loss under stress
- Don't over-leverage (common beginner trap)

## Page 5 – Quick Glossary & 2025 Outlook

### Glossary:

- **Pip:** Smallest FX price move (0.0001 for most pairs)
- **Lot Size:** Trade volume (0.01 = micro lot = 1,000 units)
- **R:R Ratio:** Risk vs. Reward → expected profit vs. loss
- **Equity Stop:** Auto-closing trades once daily loss % is hit

### 2025 Outlook:

- 📈 **Higher volatility** expected from central bank policies & interest rates
- ⚡ AI-driven risk bots will be widely integrated on platforms like [Bybit](#)
- 🧠 Risk-based traders continue to outperform high-risk gamblers