**SESSION V**

half is even

In this session, we’ll learn the secondary important concept: the break-even price point. Before entering trades, you gotta know where the break-even point is.

**PROBLEM-SOLUTION**

Sometimes traders focus too much into profit that they forget the safety measures. In high-leverage trading, profit is not the most important goal, but “**DON’T LOSE YOUR MONEY**” is.

Before getting into trades, a fund manager must know his break-even price point. If he’s not sure if he can even reach that break-even price point, then don’t even bother to enter into trades.

Our Automated Trading System (ATS) provides you tools to project this break-even point (**rAEPr**).

**PHILOSOPHY**

To be successful as a fund manager, playing safe is the corner-stone philosophy of high-leverage trading. Play to win is just as important. Without intention to gain, we shouldn’t trade at all.

Combining these two philosophies, we came up with a synthetic one: SAFE WINNING philosophy. We play to win, but aren’t willing to expose ourselves to losing situation. With that in mind, we should consider break-even situation as the relative worst-case scenarios.

**SOLUTION**

In military operations, plan A’s goal is to achieve some target. Plan B’s goal is loss mitigation. If the target cannot be achieve, don’t get killed. Well, at least cut the loss to the minimum.

After setting the **eTP** which is the price target, the second number you should set is the Break-Even – or projected average entry price (**pAEPr**).

After these two numbers are set, the **mTP** is the derived number.

Having these three numbers, all you have to do as the fund manager is to plug these number into the Automated Trading System (**ATS**), then goes to the beach, enjoying margaritas, while waiting for the profits to be realized.

Remember, you can only have access to the Pre-Trade Simulator (**PTS**) and the **ATS** in the classroom. You can register here: <https://mcaforex.com>.

**STRATEGY & TACTICS**

With a grand plan A to achieve the winning goal, you should have a contingency plan B to exit with no loss, should the market moves against you so bad that’s it’s almost impossible to achieve the original plan A.

Our Automated Trading System (**ATS**) provide fund manager a mechanism to adjust the original **eTP** to the new eTP, which is the same as the **rAEPr**, which effective liquidate all position for an accumulative break-even.

**DEFINITIONS**

**eTp** is the most important number. It’s the expected target price where we would take profit in the future. In long positions, eTp is higher than current price. In short positions, eTp is lower than current price. eTP is also the destination end of the trading range.

**rAEPr** is the second most important number. This is the real Average Entry Price for collective trades. The formula to calculate profit is: **aL \* (eTP – rAEPr).**

**pAEPr** is the projected Average Entry Price, which is the projected/simulated variable for the **rAEPr** when trades were executed. After trades were executed, **rAEPr** will overides this **pAEPr**.

**CASE STUDY**

So far, in the previous sessions, we only projected the winning scenarios. What about break-even scenarios?

The real break-even scenario happens when the market moves against you initially, but then only bounces back 50% of the collective opened trades.

Let’s study that scenario using the following case study:

**CASE STUDY 5 (the break-even scenario)**

Our trading capital is $29,000.

It was September 7, 2020. The current gold price is 1980.

We expect intra-week high gold price to be around 2000.

We define trading range price between 1800.. 2000.

So, we spread out our capitals, and therefore, for each price, we buy one ounce of gold.

This time, against our expectation, gold doesn’t rise, but keep dropping. It drops to 1850. Then Friday morning it bounces back to 1915.

We decide to liquidate all positions. What is the outcome?

*We bought 130 oz of gold with the average price of 1865. So, after gold drops down to 1850 then bounce back to 1865 on Friday morning, we liquidate all positions and break even.*

For a 130-Dollar price drop situation, then 50% bounce back retracement, we still break even. This is not a bad idea.

We define upper bound for the trading range as the **eTP** of our opened long positions. In this collective trades, we expect the gold price to go up, but it didn’t. Instead, it dropped $130 then bounced upward $65. When the current price is in the neighborhood of **rAEPr,** If you feel like you were trapped in a short-term contrarian (down) trend, at this price, which is 1915, you’d have an option to get out with no loss (just swap fees only).

For better understanding, let’s look at the Illustration below:

**A screen shot of a video game

Description automatically generated**

Illustration V

**FORMULA(s):**

**rAEPr** = **(eTP** + **rmTP) /** 2

**ELABORATIONS**

Play to win! However, you gotta play safe. If not, you may lose your capitals. Therefore, you ought to Play Safe to Win - which is a very rare combination.

Without a trading system and all the toolset in place, it’s very difficult to pre-plan and project different plans, options, and safe exit points.

Our brains are very vague. It can only process information only if they are clear and concrete. If you don’t establish variables and assign values to them, our brain is just sitting where, don’t know where to go, or how to process unset and unclear information.

You need to train and form your mind into a winning-safe mindset. This is the foundation and framework for any future trading operations.

Invest into your specialized knowledge. Making money in the high-leverage trading speculation game does not base on large source of funds as capitals. You will win consistently because of superior knowledges and a proven Automated Trading System (**ATS**) in place. That’s the reason why you should come to the class.

You can register here: <https://mcaforex.com>.

**RECAP**

If you cannot achieve the original plan’s goal, at least you gotta find a way to exit pre-maturely and without any loss. As long as you can preserve your capital, opportunies are plenty. Do not insist in making money when the market turns against your original plan. Find a quick exit instead!

The market can move against you, but when its retraces 50% of your traded range, then the current price should equal your rAEPr, which is the Break-Even price point. If you feel it’s almost impossible to achieve original plan’s goal, then right there, you have an option to exit without any loss. Of course, using our ATS, you can preset that policy, so you don’t have to sit in front of the trading screen, waiting for the price to converge.