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How does the Express Consistency Rule work at FundedNext?

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Updated over 2 weeks ago

The Consistency Rule is only applicable to the Express Consistency Account.

Please find the Consistency Rule for our Express Challenge below:

Traders must keep consistency every week, which means staying within certain limits. A safe way to adhere to the consistency limits is to keep within +/- 200% of your weekly average or by a deviation of 2.0. To determine the limits, we use three factors: Trading Days, Number of Trades, and Lot Sizes. Each week, our system calculates the average of these indicators and sets a Maximum Weekly Average Limit (total x 2) and a Minimum Weekly Average Limit (total/2) for a trader's trade count and lot size consistency.

It's important to note that the maximum and minimum limit for consistency apply specifically to the weekly average trade count and lot size, not to the total number of trades or lots a trader can take.

To understand better, consider the following scenario:

Week 1: You can trade freely without worrying about trade or lot size consistency.

Week 2: A maximum and minimum weekly average limit will be set using the average number of trades and lots you took in **Week 1**.

Week 3: A maximum and minimum weekly average limit will be set by averaging the number of trades and lots you took in **Week 1** and **Week 2**.

Week 4: A maximum and minimum weekly average limit will be set by averaging the number

of trades and lots you took in **Week 1, Week 2, and Week 3.**

Here's an example of how it would work each week:

Day 1: A trader took **10 trades** with a **total lot size of 12.**

Day 2: There were **15 trades** with **11 total lots.**

Day 3: There were **19 trades** with a total of **15 total lots.**

Day 4: There were **26 trades** with **18 total lots.**

Day 5: There were **0 trades.**

So, in total the trader traded a total of **4 days**, took a total of **70 trades**, and a **total lot size of 56** for the week.

Now, for **Week 1:**

The **average number of trades** would be (total number of trades taken/number of days traded) = $70/4$, which is **17.5 trades.**

The **average lot size** would be (total number of lots used/number of days traded) = $56/4$, which is **14 lots.**

So, the consistency to be followed in **Week 2** would be the following:

Number of Trades:

Maximum Weekly Average Limit (Average number of trades taken in **Week 1 x 2**) = $17.5 \times 2 = 35$ trades

Minimum Weekly Average Limit (Average number of trades taken in **Week 1 / 2**) = $17.5/2 = 8.75$ trades

For Lot Size:

Maximum Weekly Average Limit (Average number of lots taken in **Week 1 x 2**) = $14 \times 2 = 28$ lots

Minimum Weekly Average Limit (Average number of lots taken in **Week 1 / 2**) = $14/2 = 7$ lots

Based on the example above, the trader's calculations for **Week 2** would be as follows:

Average number of trades at the end of the week: Between 9 trades and 35 trades

Average lot size to be used at the end of the week: Between 7 lots and 28 lots

Not adhering to these limits will be considered a violation.

Similarly, for **Week 3**, the average of the trading metrics from both **Week 1** and **Week 2** is calculated. This average is then used to establish the maximum and minimum weekly average limits for both lot size and number of trades. It is multiplied by 2 to set the upper limit and divided by 2 to set the lower limit, ensuring consistency in trading activity.

In the event of any rule violations, our agent will conduct a thorough review of the trader's account. Depending on the severity of the violation, the Payout for that specific cycle may be temporarily paused. It's important to note that such actions do not lead to account termination. Instead, the account will be Reset to its initial balance at the beginning of the next cycle, ensuring fair and transparent enforcement of our rules.

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