

# Risk of Ruin Analysis

## MNQ (Micro NQ) on \$3,000 Account

### Account & Contract Details

- **Account Size:** \$3,000
- **Contract:** MNQ (Micro Nasdaq, \$2/point)
- **Strategy:** 9:30 AM Breakout with 0% Close-In-Range Exit

### Trade Statistics (2,761 trades, 2016-2025)

Metric	Value
Win Rate	37.7%
Avg Win	33.60 pts (\$67.19)
Avg Loss	13.08 pts (\$26.15)
Win/Loss Ratio	2.57:1
Expectancy	+\$9.04 per trade

### Risk of Ruin by Position Size

Risk %	Risk \$	Contracts	RoR (Monte Carlo)
1%	\$30	1	0.00% ✓
2%	\$60	2	0.00% ✓
3%	\$90	3	0.00% ✓
5%	\$150	5	0.00% ✓
10%	\$300	11	0.07%

**Result:** This strategy has essentially **zero risk of ruin** at any reasonable position size.

### Drawdown Analysis

Metric	Value
Avg Max Drawdown	13.8% (~\$414)
Historical Max Drawdown	44.1% (\$1,322)
Max Consecutive Losses	18 trades
Worst Case Loss (18 losses)	\$471

# Position Sizing Recommendation

Average Range (Risk): ~~32 points~~ (\$64 on MNQ)

For \$3,000 Account (2% Risk = \$60 max):

- If range ≤ 30 pts: Trade 1 MNQ ✓
- If range > 30 pts: SKIP (risk exceeds 2%)

## Scaling Table:

Account Size	2% Risk	Max Range (pts)
\$3,000	\$60	30 pts
\$5,000	\$100	50 pts
\$10,000	\$200	Can trade all setups

## Recommendation

✅ **2% risk (\$60/trade) is SAFE for this strategy**

- Risk of Ruin: < 0.01%
- Trade 1 MNQ contract per trade
- Expect ~14% average drawdown, prepare for ~45% max

⚠️ **Warning:** Historical max drawdown of 44% means you could see your \$3,000 drop to \$1,680 before recovering. Ensure you're psychologically prepared.