

FX Trading

Position Sizing

Position Sizing

**Position size is the lot size
you should trade.**

**Keeping in mind your risk
limit and account size.**

Account in quote currency

Pair : EUR/**USD**
Account Balance : \$5000
Daily Risk : 1%
Risk per trade : 100 pips

Calculation of position Size

Daily Risk : 1% x \$5000 = \$50

Risk per trade : \$50 / 100 pips = \$0.5

Mini Lot = \$10000 x 0.00001 = \$1/pip

Micro Lot = \$1000 x 0.00001 = \$0.1/pip

Max position size: 5 Micro Lots = \$0.5/pip

Account in Home currency

Pair : **EUR/USD**
Account Balance : **€5000**
Daily Risk : **1%**
Risk per trade : **100 pips**

Calculation of position Size

Daily Risk : **1% x €5000 = €50**

Convert to Quote Currency

EUR/USD : **\$1.5**

Therefore, €50 : **50 x 1.5 = \$75**

Risk per trade : **\$75 / 100 pips = \$0.75/pip**

1 Micro Lot : **\$1,000 x 0.0001 = \$0.1/pip**

Max position size: 7 Micro Lots = \$0.7/pip

Account in Quote currency

Pair : USD/**INR**
Account Balance : **INR 100,000**
Daily Risk : **1%**
Risk per trade : **100 pips**

Calculation of position Size

Daily Risk : 1% x INR 100,000 = INR 1,000

Convert to Quote Currency

USD/INR : INR 60

Therefore, INR 1000 : 1000/60 = \$16.66 = \$17

Calculation of position Size

Risk per trade : \$17 /100 pips = \$0.17/pip
1 Micro Lot : \$1,000 x 0.0001 = \$0.1/pip
1 Nano lot : \$1,00 x 0.0001 = \$0.01/Pip

Max position size: 2 Micro Lots = \$0.2/pip

Or Max position size: 17 Nano Lots = \$0.17/pip