



JF LENNON®
INSTITUTE OF FINANCIAL SCIENCE

Empowerment through Knowledge



JF LENNON
TRADING CHALLENGE
DAY-2 WORKBOOK



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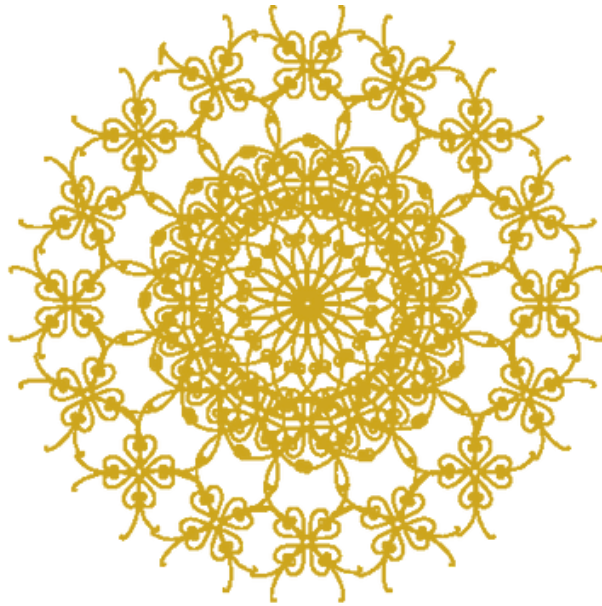
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JF Lennon Institute of Financial Science is a premier Forex trading academy based in Singapore, dedicated to offering the highest quality of forex education to a global student base.

Leveraging state-of-the-art technology and a curriculum developed by industry experts, JF Lennon provides comprehensive training programs that cater to both novice traders and experienced professionals seeking to enhance their trading skills.

OUR VISION

Realising the full potential of FOREX through proper education – to drive a new era of honest, proven and results focused FOREX trading.

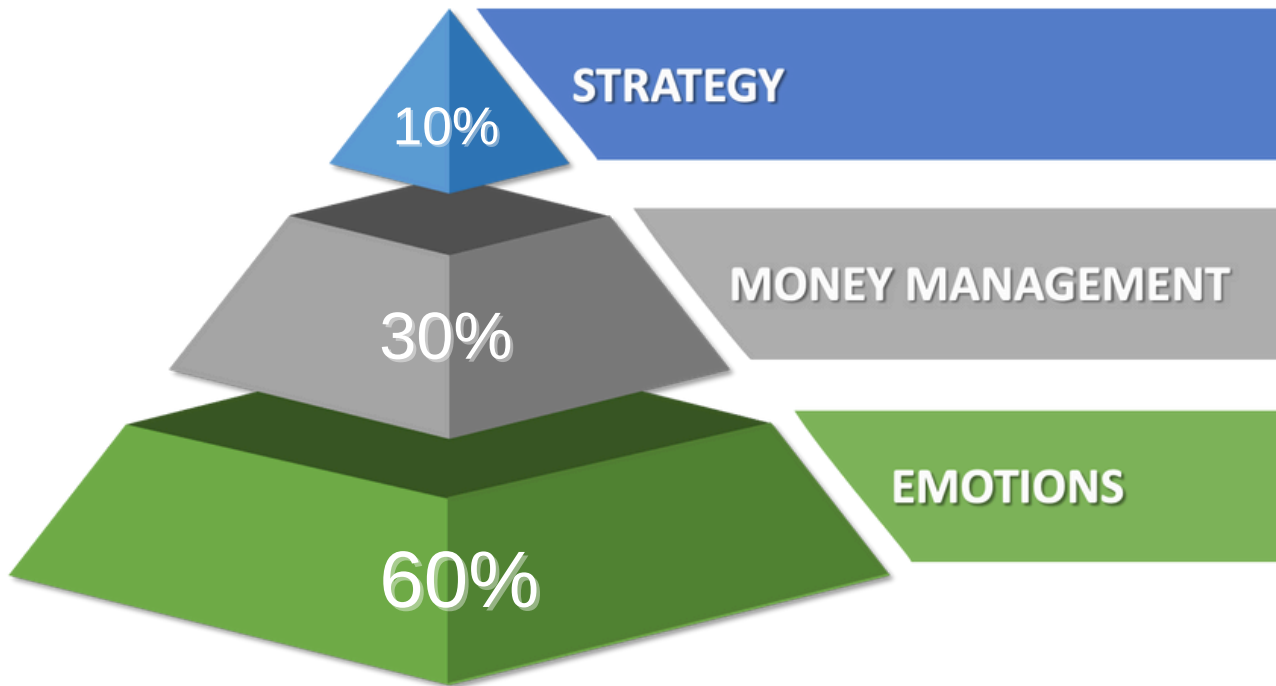
OUR MISSION

Our mission centers on T.E.A.C.H:

- To Train every man to use our proven Forex Trading Systems.
- To Enlighten Traders on Successful Trading = Knowing Yourself.
- To Advocate responsible Forex Trading habits to every trader.
- To Create a continuous learning environment for Traders.
- To Help the needy through the newly created Forex Wealth.



60-30-10 PRINCIPLE



- 60% of your time, energy and attention should be devoted on managing your **EMOTIONS**
- 30% should be allocated on **MONEY MANAGEMENT**
- 10% should be focused on **STRATEGY**



MONEY MANAGEMENT

Amount of MONEY Lost	Amount of Return Necessary To Restore The Original Equity Value
25%	33%
50%	100%
75%	400%
90%	1000%

***The above table shows just how difficult it is to recover from a debilitating loss**





GOLDEN RULE OF TRADING

- Good traders will not risk more than ____% of their total capital on a single trade.
- When your trading system can produce a win to loss ration of ____% or more, the “____% per trade risk rule” will keep you out of trouble and keep you in the game.

RISK FORMULA

____% Per Trade Risk Formula

Account Size x ____% = Risk amount

USD50,000 x ____% = USD ____

You can only risk USD ____ per trade with a
USD50,000 capital



LOT SIZE CALCULATION

- STEP BY STEP -

STEP 1 : (A) Calculate PIP Value

$$\frac{(100,000 \times 0.01)}{\text{Currency Chart Price}}$$

STEP 2 : (B) Determine Risk Amount
= Capital X Risk %

STEP 3 : (C) Determine Stop Loss
= SL pip X pip value (A)

STEP 4 : (B) ÷ (C)

Example

USD/JPY rates is = 101.506

1 pip = 0.01 per increment (2 decimal place)

Therefore 1 PIP = $(100,000 \times 0.01) / 101.506$
= USD _____

* this price will change from time to time



EXAMPLES

Example 1: Capital of USD50,000

Determine Lot Size

Currency Pair = USD / JPY
Account Size = USD 50,000
5% Risk per trade = USD 2,500
Stop Loss = 20 pip x USD 9.85 = USD 197
Lot Size = 5% risk per trade / stop loss
= USD 2,500 / USD 197
= _____ **LOT**

Example 2: Capital of USD5,000

Account Size x 2% = Risk Amount
USD 5,000 x 2% = **USD** _____

You can only risk **USD** _____ per trade with a USD 5,000 capital

Example 3:

Determine Lot Size

Currency Pair = USD / JPY
Account Size = USD 5,000
2% Risk per trade = USD 100
Stop Loss = 20 pip x USD 9.85 = USD 197
Lot Size = 2% risk per trade / stop loss
= USD 100 / USD 197
= _____ **LOT**



PRACTICE

Practice 1:

Description	Values
Currency Pair	USD/JPY
Capital Amount	\$13,000
Market Price	91.203
Max Risk	2%
Stop Loss	25 pips
Lot Size	

Practice 2:

Description	Values
Currency Pair	USD/JPY
Capital Amount	\$18,000
Market Price	104.807
Max Risk	3%
Stop Loss	40 pips
Lot Size	



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