

Risk and the mind: how accounts survive

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3.1 Risk per trade: the 1-2% rule

A person with ₹83,250 in an account once risked ₹16,650 on a single USD/INR trade. The price moved against them by 20 pips, and the loss was ₹16,650 — one fifth of the account gone in an afternoon. This lesson shows how to choose that number before anything else: the money you are willing to lose on one trade. Once that number is fixed, position size, stop distance and target all follow from it.

Account balance	₹83,250
Risk per trade at 1%	₹830
Risk per trade at 20%	₹16,650
Pips lost per trade	20 pips

3.2 Working out position size

This lesson shows how to turn a risk amount in rupees into a position size in lots. You need three numbers: the money you are willing to lose on the trade, the stop distance in pips, and the value of one pip for one standard lot. The order matters. Risk in money, divided by the stop distance, divided by the pip value.

Risk in money	₹20
Stop distance in pips	25 pips
Pip value for one standard lot	₹10
Risk divided by stop distance	₹0.80 per pip

3.3 Risk and reward

A trader in Pune once won six trades out of ten and still ended the month with less money. He had risked ₹2,000 on each winner-to-be and let each loss run to ₹4,000. The ratio between what you risk and what you aim to make decides how often you must be right. This lesson shows that arithmetic in rupees on USD/INR, and why the ratio you can actually get is not fixed.

Risk on each trade	₹1,000
Reward on each winner	₹2,000
Winners in 100 trades	40
Losers in 100 trades	60

3.4 Drawdown and losing streaks

This lesson explains drawdown: the distance between the highest point an account has reached and its current value. If an account peaks at ₹100,000 and later sits at ₹88,600, the drawdown is ₹11,400, or 11.4 per cent. A run of losses produces exactly that kind of fall, and it is a normal part of trading rather than a sign that something has broken.

Starting account balance	₹100,000
Risk on each trade	2 per cent
Loss on trade 1	₹2,000
Balance after trade 1	₹98,000

3.5 Margin call and stop out

This lesson explains the two account levels a broker watches: the margin call, where you are warned, and the stop out, where positions are closed for you. With USD/INR near 83.2500 and one pip worth ₹10 on one standard lot, you will see how a small price move can turn a comfortable balance into a forced exit.

Account balance	₹50,000
Position opened	1 standard lot USD/INR at 83.2500
Margin blocked at 100% level	₹50,000
Margin call level	100%

3.6 Fear, greed and FOMO

This lesson shows how fear, greed and FOMO can make you break your own trading rules, and what each state feels like while it is happening. Using USD/INR around 83.2500, you will see how one planned trade and one chased trade can produce very different rupee outcomes on the same setup.

Planned entry	83.2500
Planned exit	83.2700
Planned result	₹200
Chased entry	83.2700

3.7 Overtrading and chasing losses

A single trade that goes wrong is a cost. A day of thirty trades that go wrong is a pattern, and the pattern is what empties an account. On USD/INR, one pip on one standard lot is ₹10, so the size of the damage is decided by how often you trade and how large you trade, not by how strongly you feel about the next move.

Trades in the day	30
Average spread cost per trade	₹20
Spread cost for the day	₹600
Loss from the trades themselves	₹5,400

3.8 Discipline: the rules you do not break

A written routine is the part of trading that stays the same every day, even when the market does not. This lesson gives you a five-point checklist to read before you place an order, and a short habit to keep after the session closes. On USD/INR, one pip on one standard lot is ₹10, so a small slip in position size is easy to see in rupees.

Reason for the trade	Written in one line
Entry and stop levels	83.2500 entry, 83.2400 stop
Distance to the stop	10 pips
Position size	0.10 lots

3.9 Signals, robots and copy trading

A signal service, a trading robot and a copy-trading link all do the same thing at heart: they take the decision away from you and leave the money on the table. On USD/INR, one pip on one standard lot is ₹10, so a copied trade that moves 20 pips against you costs ₹200 before any fee. This lesson shows what each of the three actually copies, and which part of the risk never leaves your account.

Signal service	₹10 per pip on one standard lot
Trading robot	₹10 per pip, same lot
Copy trading	₹10 per pip, same lot
A 20-pip move against you	₹200

3.10 Checking a broker in the local register

A reader once sent ₹50,000 to a broker that showed a registration number on its website. The number belonged to a different company. The money was never returned. This lesson shows where the local register is, what to type into it, and which answers mean the licence does not cover what you were offered.

Amount you plan to send	₹50,000
Registration number shown on the broker page	INZ000123456
Name returned by the register	A different company
Status shown for that number	Cancelled

3.11 Tax on trading in your country

A reader once asked why a profitable year on USD/INR still felt like a loss after filing. The answer was not the market. It was the paperwork: every trade was treated as business income, and no records existed to prove the costs. This lesson shows which authority in India wants to hear about trading results, how those results are treated, and what to keep from the first trade. On a standard lot of USD/INR, one pip is ₹10, so a 50-pip move is ₹500 before costs and tax.

Instrument	USD/INR
Entry price	83.2500
Exit price	83.2900
Pips gained	40 pips

3.12 Taking your money out

This lesson follows one withdrawal from the moment you tap withdraw to the moment the money lands in your bank. You will see which step holds the money, how long each step usually takes, and which checks can stop a payment. A worked example uses ₹ figures on a USD/INR position at around 83.2500 so you can see how a small cost adds up.

Amount requested	₹25,000
Broker review	0-1 working day
Payment partner processing	1-2 working days
Bank or UPI credit	same day to 1 working day

Trading forex and CFDs carries a high risk of losing money. Most retail accounts lose. Nothing here is a recommendation to trade or a forecast of any result. — LearnFX Editorial Desk