

PROP TRADER SECRETS



How Successful Prop Traders
Pass Any Challenge



SCAN ME

IMPORTANT! READ THIS FIRST



Dear Trader,

Remember the time someone told you, "This prop firm has the easiest rule" or, "If you keep your Risk to Reward Ratio above 1:3 you'll be a profitable Prop Trader" or, "Retail trading concept is garbage, profitable prop traders Only trade Smart Money Concepts" or many other holy grails in the market?

If it was so easy to pass prop firm challenges, why is everyone failing?

The truth is, prop trading is not easy, and technical analysis alone is not enough.

Even with a disciplined psychological edge, there are many secrets you need to know to become A Successful Prop Trader.

If you actually want to put the effort to become a successful prop trader, this will be the **BEST** and the **MOST CONTROVERSIAL FREE KNOWLEDGE** you have ever downloaded in your entire life.

This book is controversial because the things you will learn from this E-Book **HAVE NEVER BEEN DISCLOSED BEFORE.**

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So what's in this book?

We have analyzed data from over **17,000 prop traders** and figured out what makes those **top 5% of Successful Prop Traders** who are consistently profitable. The secrets that you are going to uncover today, are based purely on numbers.

Not only that, these timeless strategies work for every kind of trader. Scalper, Day Trader, Swing Trader, EA Trader, Crypto Trader you name it.

Although having a big account balance will always help, these secrets will still help you even if you have a smaller account balance.

But before we begin, there is something you need to understand first:

Trading is not easy, no matter what people say. It will require you to believe 100% in yourself.

If you think you can become a consistently profitable trader, get your prop account flooded with money, and compound your account overnight then we suggest you delete this book right away. Why?

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The reason is really simple.

You see, we run the fastest-growing prop firm industry in the world called **FundedNext**. And we are financially empowering thousands of traders by offering up to **\$200,000** in funds. This helps them to earn as a full-time trader.



The thing is, we get knocks, emails, and even phone calls every week from traders who really need help growing their accounts and we haven't been able to take care of their needs, until now.

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So a thought popped into our head. Instead of helping the traders one by one, why don't we help every one of them? This is why we put together all the secrets required to be a successful prop trader in this ebook.

This is our way of giving back to a community that has made us what we are today.

No matter where you are on your trading journey, beginner, expert, or veteran, we hope this book helps you to make your wildest dreams possible.

Sincerely,
FundedNext Team

P.S. Instead of skipping from one section to another, read this book from start to end.

Ready? Let's get going!

**CLICK ON THE ICONS TO SHARE
THIS BOOK**



TABLE OF CONTENTS

SECRET 1:

ML VS AW

07

The relation between Maximum Loss Vs Average Win

SECRET 2:

PROFIT FACTOR

15

How to CORRECTLY calculate your profitability?

SECRET 3:

WIN VS LOSS DURATION

22

Holding the right trade for the right amount of time

SECRET 4:

QUALITY OVER QUANTITY

29

How to know your best trades

SECRET 5:

FOLLOW THE TREND

35

How to Detect the ACTUAL market trend

SECRET 6:

FOCUS ON LIMITED PAIRS

42

Jack of All Pairs Vs Master of One

TABLE OF CONTENTS

SECRET 7:

WHEN TO TRADE?

48

Do you need to trade every day?

SECRET 8:

WIN PERCENTAGE

52

Why Risk to Reward Ratio is not that important

SECRET 9:

STRESS-FREE TRADING

58

How to trade without stress

SUMMARY

RECAP

65

Quick Recap of Everything

REVEAL

THE TRUTH

67

The truth about prop trading

MENTAL PILLAR 1

PREPARATION

70

How to prepare for prop trading

TABLE OF CONTENTS

MENTAL PILLAR 2 **EXECUTION** **75**

How to execute in prop trading

MENTAL PILLAR 3 **CONTROL YOUR EMOTIONS** **79**

How to control your emotions in prop trading

MENTAL PILLAR 4 **TRADE MANAGEMENT** **85**

How to do trade management in prop trading

MENTAL PILLAR 5 **RISK MANAGEMENT** **91**

How to do risk management in prop trading

FRAMEWORK **YOUR WAY FORWARD** **97**

How To Proceed After Reading This Book

GOOD READS **SUGGESTED BOOKS** **98**

Books that successful prop traders read



#SECRET 01

MAXIMUM LOSING TRADES
VS
AVERAGE WINNING TRADES

WHAT'S THE MOST VALUABLE SECRET YOU HAVE LEARNED WHILE TRADING?

In this section, you are going to learn the single most valuable secret in trading. In our opinion, this is the fastest way to go from rags to riches. The Secret is:

To become a profitable prop trader, your Average Win has to be greater than your Maximum Loss.

Before understanding the ratio of Maximum Loss and Average Win, let's clearly understand what we mean by Maximum Loss and Average Win.

Maximum Loss: "Highest amount of loss you had with a single position within a specific time"

Let's say, you have taken 30 EURUSD trades in September. Among those 30 trades, there were 6 losing trades. Now, let's assume among the 6 losing trades, the highest recorded loss was \$500 with a single EURUSD trade. So, in your case, the maximum loss is going to be **-\$500**.

Note that Maximum Loss will always be calculated based on the maximum amount of loss from a single trade, not multiple trades.

Average Win: *“The average profit you are making with each winning trade.”*

Average Win: Average Win is as simple as it sounds. This means the average profit you are making with each winning trade within a specific time.

Just like before, let's say you have taken **30** Trades in the month of September, among which 24 were profitable.

Now if you made **\$24,000** with those profitable trades, your Average Win will be: **$(24,000/24) = \$1,000$** . This means you are making **\$1,000** on average with each winning trade.



ML Vs AW simply indicates the ratio between Maximum loss and Average Win

ML Vs AW = Maximum Loss / Average Win

So from the example given above, the ML Vs AW = **500 / 1000 = 0.5**. This means your maximum loss was only half of the amount you make from a winning trade on average.

As you have understood the concept of “Maximum Loss” & “Average Win”, let's talk about ML Vs AW.

Why is it important? 

Traders who can keep their ML vs AW Ratio below 1 are getting around 52% of the payout disbursement.

After analyzing around **4,000** Successful Prop Traders' accounts, we have found a clear pattern in their trading with the help of their Average Wins and Max Losses. The pattern indicates:

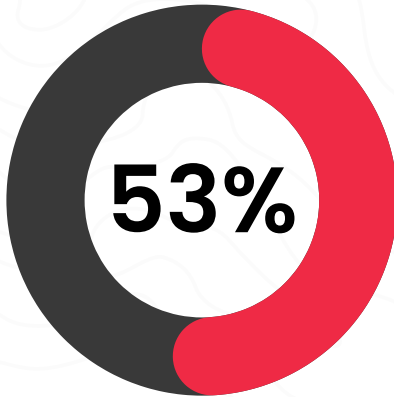
- Their average winning trades are usually bigger than their highest losing trades.
- Their losses never excessively surpass their average winning profits.

Let's catch a glimpse at the data. You can also see that:

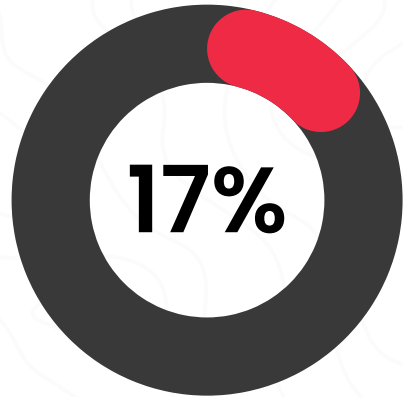
| ML vs AW Ratio | Number of Traders | Percentage of Traders | Payout Percentage |
|----------------|-------------------|-----------------------|-------------------|
| 0.00 to 0.50 | 256 | 6.41% | 30.10% |
| 0.50 to 1.00 | 457 | 11.44% | 22.99% |
| 1.00 to 1.50 | 513 | 12.84% | 16.21% |
| 1.50 to 2.00 | 648 | 16.22% | 12.84% |
| 2.00 to 2.50 | 919 | 23.00% | 11.44% |
| 2.50 to 3.00 | 1203 | 30.11% | 6.42% |

- Traders who have the Lowest ML vs AW Ratio are the most profitable.
- Less than **7%** of the traders can keep their **ML vs AW Ratio below 0.5**.
- Traders who can keep their ML vs AW Ratio below 1 are getting around **52%** of the payout disbursement.
- Their average winning trades are usually **bigger** than their highest losing trades.
- Their losses **never** excessively surpass their average winning profits.

This means if you can keep your maximum loss to less than half of what you make from an average winning trade, you can be in the top 7% of successful prop traders.



Traders who have ML Vs AW
Ratio Above 2



Of The Payouts

- Around **53%** have an ML Vs AW Ratio of **above 2**. This means their maximum loss is more than 2 times greater than their average win. But they only get around **17%** of the payout.
- Traders who can maintain their ML vs AW Ratio **below 0.50**, gain almost **4 times** more than the traders who are in the range of **1.00-1.50** ML vs AW Ratio.

This means if you can keep your maximum loss to less than half of what you make from an average winning trade, you can be in the top **7%** of successful prop traders.

**ASK YOURSELF, WHEN WAS THE LAST TIME
YOU PAID ATTENTION TO YOUR MAXIMUM
LOSS FROM A LOSING TRADE?**



Oftentimes, this is something that always remains hidden in plain sight. When you lose more from a losing trade than you gain on average, it impacts your account health, as well as your mental game.

This is all about ML Vs AW. But, are there other secrets?

Yes! Let's move on to the new section to uncover another secret.

EXERCISE

Let's say you have taken 40 Trades in September, among which 34 were profitable. Now if you made \$34,000 with those profitable trades. You have 6 losing trades, the highest recorded loss was \$600.

Calculate your ML Vs AW Ratio.

| EQUATION | ANSWER |
|--|--------|
| $ML \text{ Vs } AW = \frac{\text{Maximum Loss}}{\text{Average Win}}$ | |



#SECRET 02

PROFIT FACTOR

HAVE YOU EVER FELT LIKE THE PAIN OF LOSING \$1,000 IS FAR GREATER THAN THE THRILL OF GAINING \$1,000?

What if you could backtrack on what caused you that \$1,000 loss, and took a statistical approach to manage your risks?

In this section, we are going to talk about the profit factor, which will give you the answer to all these questions.

Successful Prop Traders have a higher Profit Factor than usual.

Profit Factor. Total Amount Generated From Winning Trades / Total Amount Lost By Losing Trades



So what is Profit Factor?

If you divide the Total Amount of Profit Generated From Winning Trades by the Total Amount Lost By Losing Trades, you will get your Profit Factor.

Let's say you executed **100** trades in November. Among all the closed positions, **57** of the trades closed in profit which helped you to generate **\$5,700**. The **43** trades closing in lost caused you **\$2,000**. So in this case, the profit factor will be $5,700/2,000 = 2.85$.

This means the **Total Amount You Generated From Winning Trades is 2.85 Times Bigger Than The Total Amount You Lost By Losing Trades**



To be a profitable Prop trader, your profit factor has to be greater than 1

As successful traders, we have always tried to let our winners run, and cut our losers short. But until this moment, we couldn't figure out the underlying reason.

We found this raw data after analyzing around **4,000+** Successful Prop Traders. The results will be insightful, trust us. The Key learnings are:

| Profit Factor | Number of Traders | Percentage of Traders | Payout Percentage |
|---------------|-------------------|-----------------------|-------------------|
| 1.00 to 1.25 | 1362 | 34.06% | 6.37% |
| 1.25 to 1.50 | 958 | 23.96% | 7.88% |
| 1.50 to 1.75 | 754 | 18.85% | 8.88% |
| 1.75 to 2.00 | 355 | 8.88% | 18.85% |
| 2.00 to 2.25 | 315 | 7.88% | 23.96% |
| 2.25 to 2.50 | 255 | 6.38% | 34.05% |

- To be a profitable Prop trader, your **profit factor has to be greater than 1**.
- **From the first 3 rows**, we can see that **76.86%** of traders among the 4,000 traders have maintained a profit factor of 1-1.75. This means, more than 76% of the traders fail to keep their profit factor more than **1.75**. This certainly indicates if you can keep your profit factor more than 1.75, you are already in the level of the top **22%** of traders.
- This table strongly indicates that traders who had a profit factor of 1-1.75, only took 23% of the payouts. **Prop traders who had a profit factor of more than 1.75 took almost 77% of payouts.**

| Profit Factor | Number of Traders | Percentage of Traders | Payout Percentage |
|---------------|-------------------|-----------------------|-------------------|
| 1.00 to 1.25 | 1362 | 34.06% | 6.37% |
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| 2.25 to 2.50 | 255 | 6.38% | 34.05% |

If you can make your Total Profit Generated From Winning Trades **2 times bigger** than the Total Amount Lost By Losing Trades, **you can increase your payout amount up to 5.6X.**

- In the 2nd row, we can see those prop traders with a profit factor of 1.25-1.50 had a payout of 7.88%. In the last row, we can see that, as the profit factor grew 2 times more the payout amount grew **$34.05/6.37 = 5.6X$** .
- So if you can make your Total Profit Generated From Winning Trades 2 times bigger than the Total Amount Lost By Losing Trades, you can increase your payout amount up to 5.6X.
- Less than 7% of the traders can maintain a profit factor of 2.25-2.50

The secret we revealed right now has always been hidden in plain sight. This is the vital knowledge the 'gurus' don't tell you and don't want you to know. Why would they keep these hidden from you? The answer is simple.

Most 'gurus' *simply don't know them.*



EXERCISE

So, Here is the equation given below

Profit Factor= Total Amount Generated From Winning Trades / Total Amount Lost By Losing Trades

Let's say you have made a profit of 7,496\$ in a month while your loss was 5,433\$.

What is your Profit Factor?

Answer

Now that you have understood the importance of the profit factor, let's jump on to the next secret.....



#SECRET 03

**WIN DURATION
VS
LOSS DURATION**

DID YOU EVER FEEL LIKE YOU ARE GIVING YOUR LOSING TRADES MORE TIME AND CHANCE THAN YOUR WINNING TRADES?

Has this occurred to you? Or you hardly ever looked at your trade duration.

It's about time!

In this section, we are going to talk about what professional prop traders know about holding their trades and how you can profit from it now.

One of the most important aspects of trading is the Duration of your trades. Unless you are a very hyperactive scalper, which is a bit complex and risky, you have to give your trades time.

So what are Win Duration and Loss Duration?

As your Win Vs Loss Duration increases, your profitability increases in prop trading

Win Duration: It means the holding time for a Profitable trade.

Let's say you have 3 trades running. Among these running trades, a GOLD position is running at **150+ PIPS** profit. You opened this GOLD trade at 01:00 PM and closed this position at 03:00 PM. So the **Win Duration** will be 120 Minutes.



Loss Duration: It means the holding time for a Losing trade.

Let's say among those 3 trades that you executed, EURUSD is running in **120 PIPS** drawdown. You opened this EURUSD trade at 12:30 PM and closed this position at 03:00 PM. So the Loss Duration will be 150 Minutes.

Win Duration vs Loss Duration Ratio = Total Holding Time Of Winning Trades / Total Holding Time Of Losing Trades

"Let's say you have taken 50 trades in September. Among these 50 trades, there were 39 winning trades and 11 losing trades. You held the 39 winning trades for 80 hours in total and you held the 11 losing trades for 40 hours in total. So your Win Duration vs Loss Duration Ratio will be = 80 Hours / 40 Hours = 2.

This ratio also indicates that you held your winning trades 2 times more than your losing trades. **The bigger the number gets, the more your profitability increases."**

Just like any other good thing in the world, your good trades need that time from you.

How do you give your time to the good trades?

You simply take that time away from the bad trades. Although it seems like a no-brainer that you need to give more time to your good trades than your bad trades, let's try to take this decision based on data.



After analyzing more than 4000+ Successful Prop traders' accounts, we discovered a clear pattern in their trading, with the help of their Win Vs Loss Duration Ratio.

These are the things you have to bear in mind:

| Win vs Loss Duration Ratio | Number of Traders | Percentage of Traders | Payout Percentage |
|----------------------------|-------------------|-----------------------|-------------------|
| 0.10 to 0.50 | 1403 | 35.08% | 6.75% |
| 0.50 to 1.00 | 947 | 23.68% | 9.53% |
| 1.00 to 1.50 | 523 | 13.08% | 11.90% |
| 1.50 to 2.00 | 476 | 11.90% | 13.07% |
| 2.00 to 2.50 | 381 | 9.53% | 23.66% |
| 2.50 to 3.00 | 270 | 6.75% | 35.08% |

- In the first 3 rows, we can see that **as the Win Vs Loss Duration Increases, the payout Percentage Increases, and the Number of Traders decreases.**
- Prop traders who have the **highest** Win vs Loss Duration Ratio in a given period are the most **profitable** ones.

- We can also see a clear decline in the number of traders as the ratio increases. In the first row, 1403 traders maintained a 0.10 to 0.50 Win Vs Loss Ratio. As the ratio increased in the 2nd and the 3rd row, the number of traders decreased to 947 and 523 respectively.
- Less than 7% of the traders can keep their Win vs Loss Duration Ratio above 2.50. Traders who can keep their Win vs Loss Duration Ratio above 2.50 are getting around 35% of the payout disbursement. **This means the top 7% of the traders are holding their winning trades more than twice as long as their losing trades.**
- From the first 2 rows, we can see that majority of the traders (around 58%) hold their losing trade longer than they hold their winning trade.

Disciplined psychology is required to hold the winning trades for a longer period of time. The reason behind this declining number is that **most traders lack this tendency to hold their winners for a long time.**

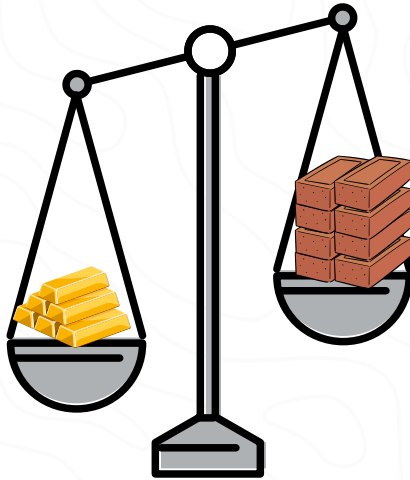
EXERCISE

Let's say you have taken 48 trades in September. Among these 48 trades, there were 37 winning trades and 11 losing trades. You held the 37 winning trades for 70 hours in total and you held the 11 losing trades for 30 hours in total.

So what's your Win Duration vs Loss Duration Ratio?

| EQUATION | ANSWER |
|----------|--------|
| | |

Now that you have understood the importance of holding trades, let's learn another important thing that most traders miss out on.



#SECRET 04

QUALITY OVER QUANTITY

WHAT IF 1 TRADE MADE YOU THE PROFIT OF 10 PROFITABLE TRADES COMBINED?



There is a common thing for all great traders. They can understand the mistakes they are making, even if the mistake is giving them a short time profitability.

Profitable Traders don't trade to get the "KICK", they trade to get the profit.

In this section, you are going to see how choosing quality trades over a lot of trades can help your long-term profitability in prop trading.

So, how to start?

You need to have a mental map of how many losses you are going to take in a day.

Has this ever happened to you that as soon as you faced a loss, the market screamed at you to make a recovery?

As soon as you executed that recovery trade, it went into drawdown, and in a matter of seconds, you lost what you made previously.

**JUST IMAGINE, WHAT IF YOU CALLED IT A DAY
WHenever YOU FACED A LOSS? HOW MUCH MONEY
YOU COULD HAVE SAVED?**

After analyzing the data of around 4000 successful prop traders, we were able to identify some interesting patterns. These were:

- The more trades you execute within a certain period of time, the less profitable you become.
- Executing more trades can **reduce** your payout amount.



Take a look at the table on the next page.....

| Number of Trades in a Cycle | Number of Traders | Percentage of Traders | Payout Percentage |
|-----------------------------|-------------------|-----------------------|-------------------|
| 3 to 5 | 96 | 2.43% | 34.45% |
| 5 to 10 | 373 | 9.45% | 25.44% |
| 10 to 15 | 473 | 11.99% | 17.60% |
| 15 to 20 | 704 | 17.84% | 10.78% |
| 20 to 25 | 922 | 23.37% | 9.33% |
| 25+ | 1378 | 34.92% | 2.41% |

If you take a closer look at the table given above, you can see that:

- As the number of trades increases in a cycle, the payout amount decreases, the average payout decreases, and the number of traders increases.
- **Trades that executed 3 to 5 trades in a trading cycle have by far the highest "Average Payout".**
- Traders who executed more than 25 trades in a trading cycle (A period of 1 month) only had an average payout of only \$186.
- Around 58% of the traders execute 20+ trades in a trading cycle, but they are only taking less than 12% of the payout.
- Only 23.8% of traders can maintain less than 15 trades in a cycle and they are taking around 78% of the entire payout.

So here is the **summary** of why you should go for quality over quantity:

- Easier to focus.
- Less executional mistakes (Closing full instead of half, invalid lot size)
- Higher chance of getting more payout.
- Lower risk of blowing your account or hitting the drawdown limit.

I'm doing
less
mistakes



I am more
focused

I've
lower risk

I'm having
more payouts

EXERCISE

Keep a track of how many trades you take in 1 month and keep a record of when your profitability is how much.

Identify when you have the highest winning ratio and when you have the lowest winning ratio.

Answer



#SECRET 05

FOLLOW THE TREND

HERE IS A GUARANTEE FOR YOU!



If what we are going to say right now doesn't match your trading record, [Click Here](#) and let us know. We'll give you a free account.

Guarantee: If you look at your trading history in a cycle, you'll see that majority of Your profits are coming from a one-sided execution. (Either Buy or Sell Positions)

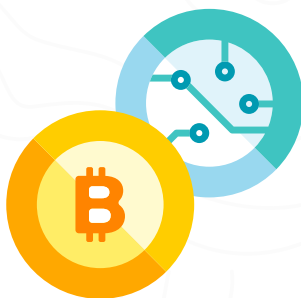
What do you understand by following the trend? Is it going long when the market is shooting up and shorting when the market falls? Not really.

When you are following the higher timeframe bias, you are following the trend.

Let's say you trade EURUSD and, EURUSD's last 5 weekly candles had a bearish close. This indicates that EURUSD is currently on a bearish trend. So by following the trend, if you align your strategy accordingly and look for short positions, you are following the trend.

To calculate how often you are profiting by following a specific trend, we have introduced the term, "Total Percentage of Profit From a Selective Bias"

Total Percentage of Profit From a Selective Bias means in a specific cycle, the percentage of profit is coming from a specific bias.



For example, in November you generated a profit of \$1,000. If \$750 got generated from your buy positions, that means 75% of your profitability is coming from your buy positions(a specific bias).

"This means if you align your bullish bias according to the market structure, your possibility of winning increases."

We have analyzed 4000 Successful Prop Traders and we have tried to calculate their Total Percentage of Profit From a Selective Bias.

We have also tried to create a relation between the Total Percentage of Profit From a Selective Bias and their payout amounts.

Scroll to the next page to see the magic.....



The top 5-6% of traders get 90-100% of their profit from a selective bias.

| Total % of Profit From a Selective Bias | Number of Traders | Percentage of Traders | Payout Percentage |
|---|-------------------|-----------------------|-------------------|
| 70 to 75 | 1325 | 33.13% | 4.95% |
| 75 to 80 | 919 | 22.98% | 9.33% |
| 80 to 85 | 726 | 18.15% | 11.46% |
| 85 to 90 | 459 | 11.48% | 18.14% |
| 90 to 95 | 373 | 9.33% | 22.98% |
| 95 to 100 | 198 | 4.95% | 33.14% |

- The first row indicates that in a specific trading cycle 1325 traders had 70-75% of their profit from a specific bias. This also indicates only 25-30% of the profit came when they didn't have a specific bias.
- If we take a closer look at the last 2 rows, we can see that the top 5-6% of traders get 90-100% of their profit from a selective bias.
- As the Total Percentage of Profit From Selective Bias increases, the number of payout increases, and the number of traders decreases.

- Less than 30% of the profits were made when they didn't have any selective bias(They were hedging, the market was consolidating)
- Top traders hardly ever try to make a profit from hedging positions

As a trader, you should try to visualize the market in a simple manner. In trading, there are 2 possible scenarios that can happen. Either the market will go up or the market will go down. That's why you should try to identify a clear trend. Because:

Most of the losses occur during consolidation.

You simply cannot and do not need to catch every move in the market. When you are sticking to your bias, your confidence shoots up. It is easier to cash out from the market when you are following a valid trend.

Remember the guarantee that we gave you at the beginning of this section.

As important as it is to know what trends to trade, it is also important to know what pairs to trade.

In the next section, we are going to share the secrets to choosing the right pair for you and how to focus on those pairs.

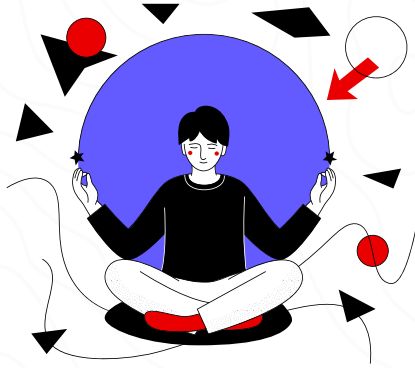
EXERCISE

Keep a track of how many trades you are taking on market trends and how many trades you are taking opposite to the trend.

Identify how many times you are successful and how many times you are losing when you are following the market trend. Also, identify whether you are most profitable when you are taking a buy or sell position.

Answer

In the next section, we are going to share the secrets to choosing the right pair for you and how to focus on those pairs.



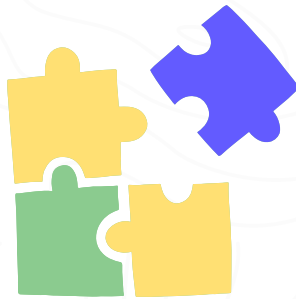
#SECRET 06

**FOCUS ON LIMITED
PAIRS TO TRADE**

HOW DO YOU SELECT WHICH CURRENCY PAIR/INSTRUMENT TO TRADE?

Traders spend a lot of time and money trying to figure out HOW to trade, but they hardly ever put their focus on what to trade. Imagine that for every currency pair, you already knew:

- The most active trading hours and days
- When trends are most likely to occur and last
- How far price is likely to move during a trend
- How much of that trend you can reasonably expect to capture



It is not a feasible solution when you try to detect the pattern of every currency pair in the market.

After analyzing the data of FundedNext traders, we figured out that the traders have traded 53 forex pairs, 16 indices, 3 metals, and 5 commodities. So can you detect the pattern of all 77 of these pairs? Obviously not.

Successful prop traders are focusing on some very specific pairs.



It is not a feasible solution when you try to detect the pattern of every currency pair in the market. That's why, after analyzing the data of 4000+ successful traders, we saw that successful traders are focusing on some very specific pairs. Our analysis indicates that the fewer pair a trader trades, the more his profitability increases.

The fewer pairs a prop trader trades, the more his profitability increases.

Let's take a look at what story the following table tells us:

| Pair Choose To Trades | Number of Traders | % of Traders | Payout Percentage |
|--|-------------------|--------------|-------------------|
| 1 Symbol Only | 239 | 5.98% | 43.31% |
| 2 to 3 Symbols | 717 | 17.93% | 32.79% |
| Major Pairs/US Indices/EURO Indices | 1311 | 32.78% | 17.93% |
| Multiple Symbols From Different Groups | 1733 | 43.33% | 5.98% |

Top **6%** of the traders only trade a specific symbol.

A prop trader who focuses on only 1 pair has the probability of having 52 TIMES MORE payout than a trader who trades multiple symbols from different groups.

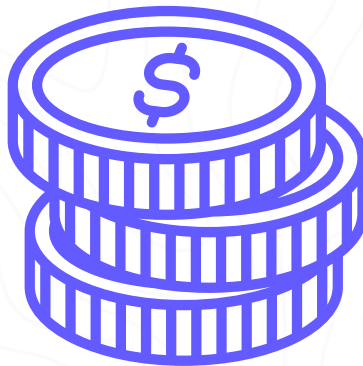
- Less than 25% of the traders trade 1 to 3 symbols.
- From the last row we can see that 43.33% of the traders don't focus on a specific pair while trading.
- A prop trader who focuses on only 1 pair has the probability of having 52 TIMES MORE payout than a trader who trades multiple symbols from different groups.

Prop traders who focus on specific group of instruments like USDXXX or US Indices (NASDAQ, US100, US500) or Eurozone Indices(DE40, UK100) are likely to get 13 times less payout than a trader who focuses on only 1 pair.

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So we can clearly see that, the fewer pair a trader trades, the more his profitability increases.

Now that we have talked about what to trade and where to put your focus, let's talk about when to trade in the next section.



EXERCISE

Keep a track of which pairs you take trades on.

Identify which pair is most profitable for you and which pair is most unprofitable for you.

Answer



#SECRET 07

**PROFITABLE TRADES ONLY
ON PROFITABLE DAYS**

CAN YOU BECOME A PROFITABLE PROP TRADER BY TRADING ONLY ONCE EVERY WEEK? IT MEANS YOU'LL TRADE ONLY 4 TIMES IN A MONTH.

*A person who trades on a specific trading day has the likelihood of getting around **13 times more payout** than a trader who trades 4-5 days in a week.*

The question is not whether you will be profitable or not. It is our question to you, Will you be able to hold the urge of trading for the rest of the days?

Your profitable days are those specific days in the week in which you are most profitable.

Let's say for example, for the last 12 weeks, you are profiting the highest on Tuesday. This means you should trade the specific pairs that you are most profitable with on Tuesday.

More than 45% of the payout is getting disbursed to the traders who trade on a specific trading day.

But don't take our word for it. Let's see our findings after analyzing 4000 Successful Prop Traders.



| No of Trading Days In a Week | No of Trades | % of Traders | Payout Percentage |
|------------------------------|--------------|--------------|-------------------|
| One Specific Trading Day | 295 | 8.59% | 45.24% |
| 2 to 3 Specific Trading Days | 1330 | 38.72% | 33.25% |
| 4 To 5 Trading Days | 1810 | 52.69% | 21.51% |

- Less than 9% of the traders trade on a specific day of the week.
- More than 45% of the payout is getting disbursed to the traders who trade on a specific trading day.
- Traders who trade 4-5 days a week only get less than 22% of the disbursed payout amount.
- A person who trades on a specific trading day has the likelihood of getting around 13 times more payout than a trader who trades 4-5 days in a week.

EXERCISE

Identify which day of the week you have been most profitable on for the past 3 months.

Answer



#SECRET 08

WIN PERCENTAGE

WHAT IS MORE IMPORTANT? WIN PERCENTAGE OR RISK TO REWARD RATIO?

If you are looking to become a successful trader by picking 1:10 Risk to Reward Ratio trades and having no focus on your win percentage, then this section is not for you.

Because in this section, we are going to discuss what is your actual win percentage and how you can effectively increase it.

Win percentage = Total Winning Trades / Total Number Of Trades



Let's assume you have executed 100 positions in the month of October and among those 100 positions, you were able to close 67 of those trades at profit. So your winning percentage will be $(67/100) * 100\% = 67\%$

We analyzed the Win Percentage of 4000 successful prop traders in this case. It was not the winning percentage that made us shocked, but what the traders with higher winning percentages did. You are not going to believe it.

Traders who had their **win percentage in a range of 60-70** likely got almost **10 times more payout** than traders with a win percentage between **50 to 60**.

| Win Percentage | Number of Traders | Percentage of Traders | Payout Percentage |
|----------------|-------------------|-----------------------|-------------------|
| 50 To 60 | 1569 | 39.23% | 1.83% |
| 60 To 70 | 1076 | 26.90% | 12.45% |
| 70 To 80 | 784 | 19.60% | 19.60% |
| 80 To 90 | 498 | 12.45% | 26.90% |
| 90 To 100 | 73 | 1.83% | 39.22% |

Let's take a look at the table above:

- To be a successful prop trader, your Win Percentage needs to be above 50%.
- Traders who had their win percentage in a range of 60-70 had the likelihood of getting almost 10 times more payout than traders with a win percentage between 50 to 60.
- Less than 2% of the traders could maintain a win percentage above 90%.

More than 66% of the payout disbursement was made to traders with a winning percentage above 80%

- Less than 15% of the traders can maintain a win percentage above 80%
- More than 66% of the payout disbursement was made to traders with a winning percentage above 80%



A good risk-to-reward ratio falls under good risk management skills, but a proper winning percentage should always be calculated with your winning trades.

Many prop traders tend to think that the winning percentage doesn't matter; some even think keeping risk to reward on the check is the key to success. A good risk-to-reward ratio falls under good risk management skills, but a proper winning percentage should always be calculated with your winning trades.

***Let's see how you can
increase your win percentage:***

- Journalize your trades.
- Take a look at your current win percentage.
- Calculate which pairs you are most profitable on.
- Calculate on which day you are most profitable.
- Trade the best pairs on your best days.
- Stick to a specific number of trades every day.



EXERCISE

So, Here is the equation given below to calculate your Win Percentage.

Win percentage = Total Winning Trades / Total Number Of Trades

Let's say you have taken a total of 47 Trades in a month among which 29 were profitable.

What is your Win Percentage?

Answer

We have uncovered 8 secrets of a successful prop trader for you.

Before we jump into the last secret, we'll suggest you go through the title of the secrets once again.

All right, let's uncover the last secret.



#SECRET 09

STRESS-FREE TRADING

HAVE YOU EVER WONDERED HOW CONSISTENTLY PROFITABLE PROP TRADERS NEVER FACE STRESS WHILE TRADING?

In order to understand how to manage stress, let's try to figure out what causes it. So,

What is causing you stress?

- Trades that are running in drawdown?
- Price sweeping your SL?
- Going into profit after hitting breakeven?

What if you knew what was going to happen? Would you still face this amount of stress? No, right?

This is why uncertainty is the core reason that causes you stress.

Thinking like a great prop trader requires learning how to reframe your trading actions in a way that enables you to fully accept the risk.

The fundamental paradox of trading is how to maintain discipline, focus, and confidence in the face of ongoing uncertainty. That's exactly what you'll be able to accomplish once you've mastered how to "think" like a profitable prop trader.

Thinking like a great prop trader requires learning how to reframe your trading actions in a way that enables you to fully accept the risk. However, most traders rarely pay attention to it or make any effort to study it.

Ask yourself, if you develop the skill of risk acceptance, can the market provide you with information that you can define or perceive as stressful?

There is nothing to avoid if the information generated by the market does not have the capacity to cause you stress. It is just information, telling you what the possibilities are.

There is no way you can remove uncertainty from trading, but what if you could mitigate it?

Successful Prop Traders have a limit for the number of losses that they are going to take within a day.



After analyzing the record of more than 4,000 successful prop traders, we have found a pattern that helped our traders to maintain their stress.

The pattern is as simple as it gets. We detected that successful prop traders have a limit for the number of losses that they are going to take within a day. Let's see what the table tells us:

Traders who can keep can keep their daily losing trades below 4 are getting around 72% of the payout disbursement.



| No of Losing Trades in a Day | Number of Traders | % of Traders | Payout Percentage |
|------------------------------|-------------------|--------------|-------------------|
| 1 | 253 | 6.01% | 41.33% |
| 2 to 3 | 333 | 7.91% | 31.24% |
| 4 to 5 | 725 | 17.22% | 18.12% |
| 6 to 7 | 1250 | 29.68% | 8.32% |
| 8 to 9 | 1650 | 39.18% | 0.99% |

- Traders who have the lowest number of losing Trades in a Day are the most profitable.
- Less than 14% of the traders can keep their daily losing trades below 4. **Traders who can keep can keep their daily losing trades below 4 are getting around 72% of the payout disbursement.**
- Around 39% of the traders hit 8-9 losses in a day and they only get less than 1% of the payouts.
- Traders who hit 4 to 5 losses every day get more than 5 times less payout than traders who can keep their daily losing trades below 4.

As we have gone through the statistics, let's try to identify the relationship between losing traders and stress. Think of it in an objective manner.

When you have a mental model that limits the number of losses that you are going to take in a day, **magic happens**. Like:

- Instead of dealing with multiple stressful uncertain outcomes, you are limiting your uncertainties. As a result, you are controlling your stress.
- You don't try to recover your losses on the exact day.
- You don't overtrade.
- You don't focus on trades when you are in a bad mood.

Even if you do all these things, you can still feel that the markets have some personal issues with you.

The hard, cold reality of trading is that every trade has an uncertain outcome. Unless you learn to completely accept the possibility of an uncertain outcome, you will try either consciously or unconsciously to avoid any possibility you define as stressful.

In the process, you will subject yourself to any number of self-generated, costly errors.

EXERCISE

Identify how many losing trades you have everyday on average.

What initiatives are you taking to reduce the number of losing trades you have? Note them down here.

Answer



**A QUICK RECAP OF
EVERYTHING WE
HAVE LEARNT**

RECAP

- Every successful Prop Trader's **Average Win is greater than their Maximum Loss**. This means if they are making \$1,000 on average with each winning trade, they are keeping their maximum loss with any losing trade below \$1,000
- Successful Prop Traders have a **higher Profit Factor than usual**. This means the total amount they generate from winning trades is bigger than the total amount they lose from losing trades.
- Successful prop traders have a **higher Win vs Loss Duration Ratio**. This means they hold their winning trades for longer than their losing trades.
- Successful prop traders **execute a lesser number of trades** in a given cycle.
- Successful prop traders **follow the market trend and don't trade** when the market is **consolidating**. They follow the higher timeframe bias to follow the trend.
- Successful prop traders **trade their profitable pairs** on their **profitable days**. More than 45% of the payout is getting disbursed to the traders who trade on a specific trading day.
- Successful traders have a **higher win percentage**. Traders who had their win percentage in a range of 60–70% had the likelihood of getting almost 10 times more payout than traders with a win percentage between 50 to 60%.
- Successful Prop Traders have **a limit for the number of losses** that they are going to take **within a day**. Traders who can keep can keep their daily losing trades below 4 are getting around **72% of the payout disbursement**.



THE TRUTH ABOUT PROP TRADING

You are a Technical Analyst, right?



Unlike Fundamental Analysis, technical analysis closes your reality gap and gives you unlimited setups to trade in the market.

In fact, technical analysis lets you uncover how the same repetitive behavior patterns occur in every time frame, and every interval in between—opening up a never-ending source of opportunity for every trader.

But I want to ask you a question.

If technical analysis works so well, why did you download this book in the first place? Why are most traders focusing on reshaping their mental model, rather than their trading strategy?

The answer is simple.

There is a gap in technical analysis. The gap lies between what you believe to be an endless possibility for financial gain, and what you end up receiving on your equity curve.

What fills this gap?

- **A disciplined mindset.**

Consider your most costly execution mistakes. Do any of the following apply?

- Forcing mediocre trade setups
- Hesitating on entries
- Exiting trades too early
- Chasing the market price up and down
- Moving a stop too soon
- Moving your profit target before it hits
- Talking yourself out of a good trade

There are 5 Pillars of a Disciplined Mindset. Groundwork /Preparation, Execution, Emotional Intelligence, Trade Monitoring & finally Risk Management.

Ask yourself, are all these problems happening because of your strategy or your mindset? The answer is, "Your Mindset".

So if you are suffering with your mindset, and struggling to become a disciplined trader, this section is going to tell you exactly how to solve these problems.

Let's guide you through what to do to have the mindset of the top **5%** of traders.



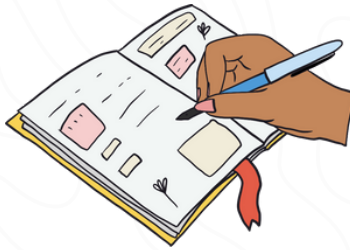
MENTAL PILLAR 1

PREPARATION



“He who sweats more in training bleeds less in battle.” — George S. Patton Jr.

It is critical to prepare yourself for opportunities, and not only when you are preparing for a prop firm challenge. Even without a prop firm challenge, you should continue to develop your skills and knowledge about the market. Open your eyes, keep learning, and keep growing. When the opportunity arises, you will be prepared to seize it.



MAINTAIN TRADING JOURNAL

The most important tool for any trader is a journal. But the majority of us neglect it or only give it a half-hearted commitment.

Journals offer an unbiased assessment of your executions, seeing past feelings. A trading journal can be a useful tool for all traders in identifying risks and opportunities.

Although there are countless templates available, the optimal ones for each transaction include the following components:

- Entry time and price
- Exit time and price
- Position size
- Target price or indicator
- Stop price or indicator



ADJUST YOUR PROP TRADING STYLE DEPENDING ON YOUR DAILY LIFE

Consider the possibility of attempting to day trade while working a full-time job. You probably won't succeed in the long run if you don't check your phone during meetings. Your trading approach must correspond to your way of life. **Determine how much time you can devote to trading each day, each week, and each month. Then create a trading strategy and plan that aligns.**



MAINTAIN PRESCHEDULED ECONOMIC DATA ALERT

Both currency and indices markets can and are frequently affected by economic data. Every prop trader needs to be aware of when they are scheduled so they can prepare. Increased volatility is injected at these points, posing both possibilities and threats.



MENTAL PILLAR 2

EXECUTION



ALWAYS EXECUTE YOUR IDEAS IN THE DEMO ACCOUNT FIRST

Without any proven data, it will never be wise to implement a new strategy on your prop firm account.

So make sure to test your new strategies on your demo account.

"Ideas don't make you rich. The correct execution of idea does." – Felix Dennis



REVIEW YOUR PERFORMANCE REGULARLY

Data collection is a wonderful thing. But studying it is the only way to use it. Regular reviews serve a variety of functions:

- It helps a trader stay concentrated on their trading strategy.
- Evaluate the reality of feelings and perceptions;
- Spot potential issues and opportunities.

Performance evaluations ought to be as well-organized as feasible. These make sure that every session offers the best value and covers all the essential topics.



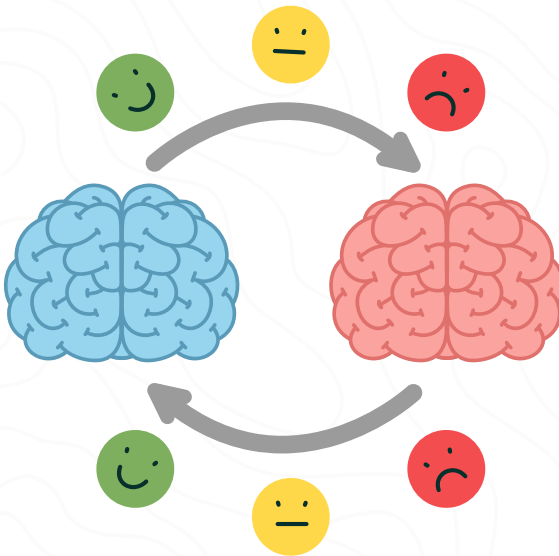
AVOID OVERTHINKING

There will always be 2 outcomes with every trade that you execute. Either you will win the trade, or you will lose. But as long as you can keep your losses short and manage your risks properly, you don't need to think, let alone overthink. Just Execute - Monitor - Journal!



MENTAL PILLAR 3

CONTROL YOUR EMOTIONS



CONDUCT FREQUENT EMOTIONAL AUDITS

We mentioned that the most useful resource for prop traders is their journals. Why? Because the biggest challenge they encounter is emotion.

Emotions cause prop traders to disregard their plans, engage in excessive trading, take unnecessary risks, or utilize untested tactics, all of which have terrible consequences. We are powerless over our emotions. But we can lessen their impact. An evaluation of your emotions is the first step.

Asking yourself the following questions can help:

it's okay to feel



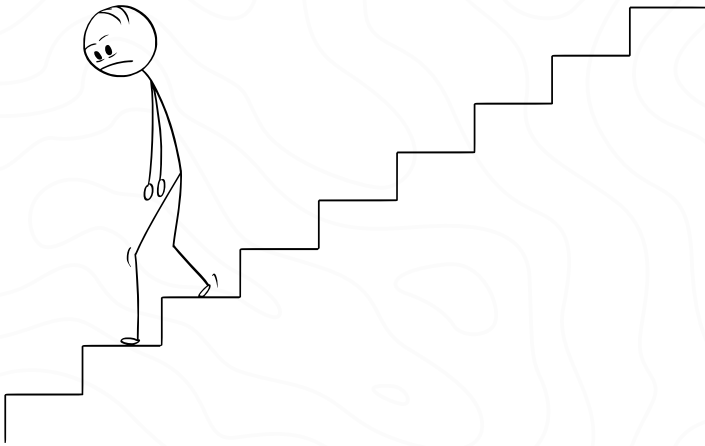
your feelings

Asking yourself the following questions can help:

- How do you feel?
- What are your current worries and hopes?
- Have any significant events occurred that could destabilize your work?

Take a step back if you believe that your emotions may have an effect on your trade. You don't have to trade daily. Another opportunity is always just around the corner. Address the root causes of your emotional distress instead. If you are unable to resolve them, create a strategy that minimizes the amount of in-the-moment decision-making you do during the day, before each trade.

“If you can learn to create a state of mind that is not affected by the market’s behavior, the struggle will cease to exist” — Mark Douglas

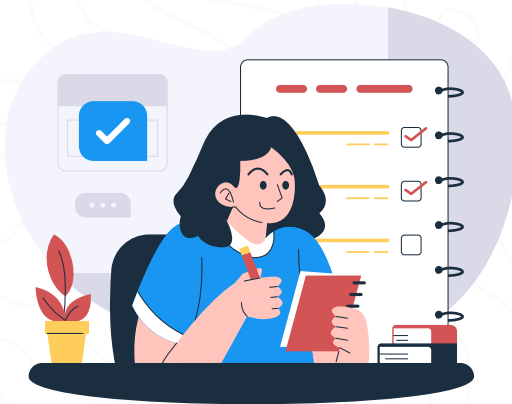


IT'S OK TO LOSE

No matter how skilled you are, if you trade for too long, you will lose. One loss is not ruled out. It might be a run of bad luck.

It's a part of trading. Every trader needs to be aware of this and prepare for it. Losing is only a concern when it occurs more frequently or in larger amounts than you would anticipate over a significant number of trades.

It is simpler to accept those minor setbacks than to hang on and hope for bigger ones once you recognize that losing is a part of the game.



TAKE A BREATH FROM THE MARKETS

As much as it is enjoyable, trading is hard. Both difficult and satisfying.

Like any successful enterprise, we occasionally require a break. It's simple to become engaged in the markets. Every trader needs to take regularly scheduled pauses during which they unplug, for this reason.

Going home at the end of the day is not what we mean by stepping away from screens. Breaks allow us to reset and recenter, which is especially helpful when undesirable behavior starts to seep in.



Here are some signs you need to take a break from trading:

- You find yourself overtrading, taking marginal and sometimes sloppy setups.
- You've taken a handful of really large losses lately.
- When you're not trading, you're going over trades, particularly losing ones, in your mind.
- You become more irritable or have started to lose sleep.



MENTAL PILLAR 4

TRADE MANAGEMENT

“The goal of a successful trader is to make the best trades. Money is secondary.” — Alexander Elder



START WITH A SMALL PROP ACCOUNT

With very few exceptions, there isn't a profitable method out there that can be used on a \$500,000 account and fail on a \$5,000 one. Newer traders are particularly vulnerable to going bust. Nearly a rite of passage, really.

You should therefore begin small. Don't concentrate on overall profits. Consider percentage changes in its place. Your confidence will increase as you become more reliable.



CONCENTRATE ON CHOICES, NOT RESULTS

The Field of Dreams is a movie that traders could benefit from. Profits will follow wise judgments, so think them through. Recursive learning, using feedback to change, is ingrained in humans.

Trading is similar to poker. You can lose even with the best hand. The top traders and poker players don't give a damn if they win or lose on any given day or hand.

Instead, they make the best choices they can, certain that the results will eventually work to their advantage. Remember that even tried-and-true tactics can and occasionally do fail.

Separating luck from the strategy is much easier when we concentrate on making the proper choices.



**ALL OF YOUR TRADES NEED TO HAVE AN ENTRY, TARGET,
STOP & SIZE BEFORE IT STARTS**

Novice prop traders often forget that Risk management depends on knowing your entry, target, stop, and position size before executing the position.

Without knowing these ahead of time, you expose yourself to losses that could be disastrous.



NEVER CHANGE YOUR SL

Moving stop loss is a way too popular and simple practice among prop traders.

Once you've made a mouse click, your future is decided. With very few exceptions, changing your stop losses mid-trade is a certain way to lose money. We use stop losses to limit our losses. Once we start tinkering with them, we've opened ourselves up to the potentially disastrous results and removed a crucial restraint.



UNDERSTAND HOW PAIRS RELATE WITH EACH OTHER

Check for market correlation before executing a trade.



MENTAL PILLAR 5

RISK MANAGEMENT



SET A LIMIT ON YOUR LOSSES

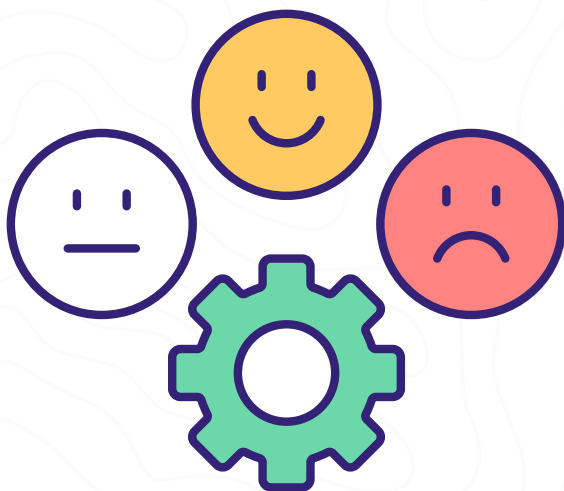
Everyone experiences difficult times while trading. At times, it's us.

The goal is to avoid letting a streak of losses damage your prop account. Always remember, no matter whether it's caused by the market, a flawed strategy, or our emotions, a trading career won't be ended by any streak if daily and weekly loss limits are in place.

“

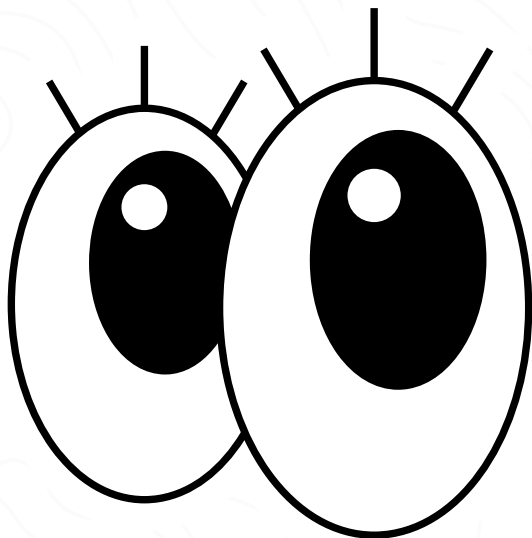
Don't be fearful of risks. Understand them, and manage and minimize them to an acceptable level.

— Naved Abdali



CONTROL YOUR POSITIONS & PORTFOLIO

Never choose a position size at random. You should weigh every deal you make. Before making a transaction, you should be able to predict how each position will affect your prop account balance.



NEVER REMOVE YOUR EYES FROM A TRADE

Distractions will happen anywhere you trade. It's simple to take a call and lose track of what's happening. Even worse, some prop traders leave the device without properly closing off their trades in a volatile condition. Make sure that's not you. Always have a stop loss and goal order in place just in case, even if you don't intend to manually close out a trade.



YOUR BEST LOSS IS YOUR 1ST ONE

Numerous traders have employed this proverb, and it is always valuable.

Take minimum losses before they grow into larger ones, to put it simply.

Prop traders hold onto positions because they either don't want to be incorrect. Try to keep your ego on check and don't try to recover your losses on the same day.



DON'T RISK SOMETHING YOU CAN'T LOSE

Remember these **three** basic guidelines -

- Avoid borrowing money to trade prop firm challenges.
- Avoid using the funds you've set aside for other savings goals.
- Avoid buying accounts with the money that you need to pay bills.

HOW TO PROCEED AFTER READING THIS BOOK

Click the text below to see the process of
improving your mental edge:

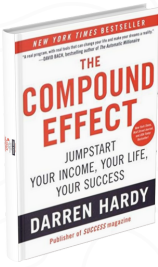
[How To Become A Successful Trader](#)



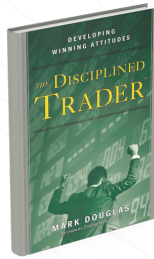


SUGGESTED BOOKS

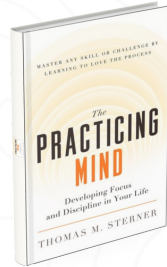
SUGGESTED BOOKS



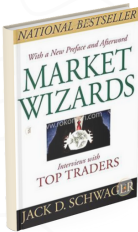
The Compound Effect



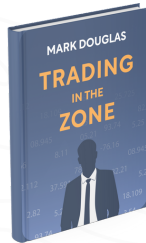
The Disciplined Trader



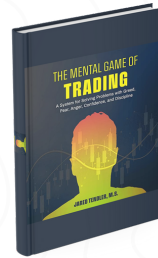
The Practicing Mind



Market Wizards



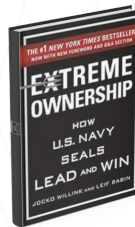
Trading In The Zone



The Mental Game Of Trading



Dopamine Detox



Extreme Ownership

“

Dear Trader,

Congratulations on finishing this book & getting this far.

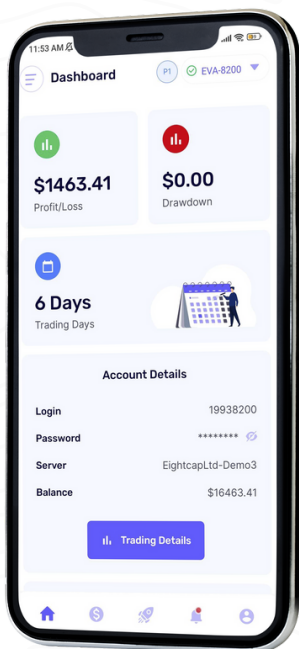
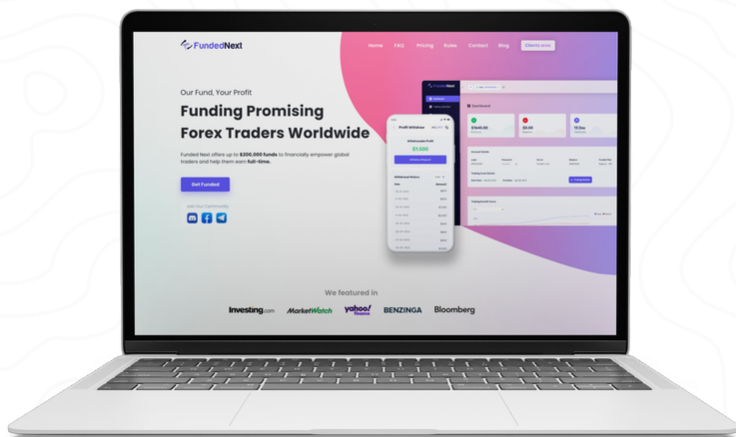
We hope it inspires you to start your path toward financial freedom & hope that it has provided you with valuable insights into the world of trading.

We wish you all the best in your future trading endeavors!

- Team FundedNext

”

WE ARE ON THE WEB



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