BLIND MOUSE STRATEGY GUIDE

For this guide we will work always with this

Equity*= $1000*

Max leverage*= 50:1*

Currency*=is our money in the market*

Pincushion*= The number of pips a wick can push against you.*

CURRENCY FOR OUR ENTRY

Our first priority is making our entry (with 5:1 to 10:1) and adds other more lots when the market is traveling on our way (to end with about 50:1)

Let's make the calculation for our first entry with 1/5 from the maximum leverage.

$$Maximum\ currency\ (c) = Equity * Leverage$$

$$Maximum\ currency\ (c) = \$1000 * 50 = 50,000c$$

For 1/5 (spread of 5)

$$\frac{Maximum\ currency}{5} = Currency\ for\ 1st\ unit$$

$$\frac{50,000c}{5} = 10,000c\ (for\ 1st\ unit)$$

For 1/5 from the maximum leverage or 10,000c is our first entry. We try to keep adding to achieve 5/5 or 50,000c.

Note: *not necesary we need to entry like* $10,000c + 10,000c + 10,000c + 10,000c + 10,000c = 50,000c$

For 1/10 (spread of 10)

$$\frac{Maximum\ currency}{10} = Currency\ for\ 1st\ unit$$

$$\frac{50,000c}{10} = 5,000c\ (for\ 1st\ unit)$$

For 1/10 from the maximum leverage or 5,000c is our first entry. We try to keep adding to achieve 25,000c or 50,000c

Note: *For 1/10 (spread of 10) on doc we try to finish with 25,000c or 5/10 for less risky adds.*

MONEY NEEDED FOR OUR POSITIONS

After knowing the currency needed for 1/5 and 1/10 from the maximum currency you need to calculate the money you will use.

1/5 (spread of 5) is 10,000c from the maximum currency (50,000c).

$$\frac{1st\ unit\ on\ currency}{leverage} = \frac{10{,}000c}{50} = \$200\ money\ needed\ for\ 1st\ unit$$

But we need to calculate the money for the Maximum currency we will end (50,000c).

If for 1st unit (10,000c) is $200 **For the Maximum currency (50,000c) is $1000**

Or

$$\frac{Max\ size\ used\ (c)}{leverage} = Dollars\ need\ to\ trade\ the\ whole\ stack$$

$$\frac{50{,}000c}{50} = \$\mathbf{1000}\ \textbf{(for the whole stack)}$$

So if you are starting with 1/5 (10,000c) then and wish to end at 5/5 (50,000c) you will need $1000.

1/10 (spread of 10) is 5000c from the maximum currency (50,000c)

$$\frac{1st\ unit\ on\ currency}{leverage} = \frac{5{,}000c}{50} = \$100\ money\ needed\ for\ 1st\ unit$$

But we need to calculate the money for the end with 5/10 or 25,000c

If for 1st unit (5,000c) is $100 **for end with 5/10 (25,000c) is $500**

Or

$$\frac{Max\ size\ (for\ 5/10)}{leverage} = Dollars\ need\ to\ trade\ whole\ stack$$

$$\frac{25{,}000c}{50} = \$\mathbf{500}\ \textbf{(For the whole stack)}$$

So if you are starting with 1/10 (5,000c) then and wish to end at 5/10 (25,000c) you will need $500.

All that you care about is how much money you need to trade the max leverage that you WILL USE and have to dollars to support it.

LOTS FOR OUR FIRST ENTRY

After calculated the money needed for the entry we will calculate the lots like this:

For example for 1/5 (spread of 5) or 10,000c we need $200 for our first unit.

$$\frac{1st\ unit\ on\ currency}{Maximum\ leverage} = \frac{10,000c}{50} = \$200\ money\ needed\ for\ 1st\ unit$$

Then

$$Money\ needed\ for\ 1st\ unit * maximum\ leverage = lot\ size$$

$$\$200 * 50 = 10,000\ units\ of\ the\ base\ currency\ \text{(for brokers like Oanda)}$$

For Metatrader

$$\frac{units\ of\ the\ base\ currency}{1\ Standart\ lot\ (units\ of\ the\ base\ currency)} = Lots\ for\ Metatrader$$

$$\frac{10,000\ units\ of\ the\ base\ currency}{100,000\ units\ of\ the\ base\ currency} = 0.1\ lots$$

Then for a 1/5 or 10,000c we need $200 and the lot size will be 0.1 lots (for metatrader)

THE 4.5% RISK

We need to remember that our initial risk in not greater than 5% for that reason we try to work with 4.5%.

This is some rules:

- When you are working with 1/5 your pincushion is 45 pips
- When your are working with 1/10 your pincushion is 90 pips

$$Equity * 4.5\% = Money\ for\ risk\ 4.5\%$$

$$\$1000 * 0.045 = \$45$$

Then for 1/5 and pincushion of 45 pips

$$\frac{Money\ for\ risk\ 4.5\%}{45\ pip\ pincushion} = Value\ on\ \$\ per\ pip$$

$$\frac{\$45}{45} = \$1\ per\ pip = \ \sim\!0.1 lots$$

We can see in the last page **"LOTS FOR OUR FIRST ENTRY"** the same amount for 4.5% and our initial entry.

Then for 1/10 and pincushion of 90 pips

$$\frac{Money\ for\ risk\ 4.5\%}{90\ pip\ pincushion} = Value\ on\ \$\ per\ pip$$

$$\frac{\$45}{90} = \$0.5\ per\ pip = \ \sim\!0.05 lots$$

ADD POSITIONS

Try to remember this:

1 for 4 is 80% RET = 80% RET → Add 25% (1/4) from all the position you have in the market

3 for 7 is 70% RET =70% RET → Add 42% (3/7) from all the position you have in the market

2 for 3 is 60% RET =60% RET → Add 66% (2/3) from all the position you have in the market

1 for 1 is 50% RET =50% RET → Add 100% (1/1) from all the position you have in the market

3 for 2 is 40% RET=40% RET → Add 150% (3/2) from all the position you have in the market

Example: If start with 5:1 leverage and want to end with 50:1 is something like this: