00 / START

ALECCFX Risk Management Framework

Your internal framework for 1:1 coaching, 1:500-1:1000 leverage, XAUUSD scalping and clearly classified signal risk.

500 EUR	1:500 / 1:1000	3	1:1
Base Account	Leverage Range	Risk Classes	COACHING

CORE RULE: Execute the coaching instructions 1:1

ALECCFX communicates the trade-management process: entry, stop loss, take profit/partial profit, breakeven, further management steps and exit. Participants should not make those parameters more aggressive or improvise their own version. The participant's core job is correct risk management plus disciplined execution of the communicated steps. Exact execution does not remove market risk; no signal or coaching process can eliminate losses.

ALECCFX Risk Classes

Signal Class	Max. Planned Account Risk	Meaning
LOW RISK	15-20 %	Comparatively higher-confidence setup. Despite the label, 15-20% account risk is extremely aggressive.
MID RISK	10-15 %	Medium setup uncertainty. Risk budget is reduced versus Low Risk.
HIGH RISK	5-10 %	Higher-risk / less certain setup. Therefore the smallest account-risk budget of the three classes.

500 EUR Base Account - Risk Cash

Class	Risk %	Max. Planned Stop Loss at 500 EUR
Low Risk	15-20 %	75-100 EUR
Mid Risk	10-15 %	50-75 EUR
High Risk	5-10 %	25-50 EUR

The 500 EUR figure is your internal base-account model. Deposits and risk capital must fit the individual financial situation; only use capital whose complete loss would be financially bearable.

CORE PRINCIPLE

The Process Before Every Trade

Read the full coaching instruction first. Then apply the risk class, stop and risk budget correctly to your own account.

Separate the Roles Clearly

Coach: communicates entry, SL, TP/partial profit, breakeven, management updates and exit.
Participant: calculates Risk Cash and lot size for the individual account, checks broker conditions and executes without independently increasing risk.

#	Step	Rule
1	Coaching Instruction	Read entry, SL, TP, breakeven/management and all conditions in full.
2	Signal Class	Clearly set Low / Mid / High Risk before entry.
3	Risk Cash	Calculate current equity x permitted class risk.
4	Lot Size	Size the position so stop loss + costs/slippage do not exceed the risk budget.
5	Margin Buffer	With 1:500-1:1000 leverage, never max out available buying power.
6	Execution	Follow coaching updates with discipline; do not independently increase size or widen risk.

Core Formula

Risk Cash = current equity x risk % of the signal class
Position Size = Risk Cash / expected loss per unit to the stop
Always check contract size, tick value, spread and slippage using your broker's specifications.

Non-Negotiables

- No trade without a predefined stop loss.
- No adding to a position if doing so exceeds the class risk budget.
- No revenge trading.
- No widening the stop to delay taking a loss.
- After a max-risk stop for the class: end the session and complete a review.

01 / RISK CLASSES

Managing Low, Mid & High Risk Correctly

The classification controls permitted account risk. Greater setup uncertainty means a smaller risk budget.

15-20 %	10-15 %	5-10 %	500 EUR
LOW RISK	MID RISK	HIGH RISK	Base Account

Low Risk does not mean low account risk

The term Low Risk describes your setup category, not the absolute size of the potential loss. Planning to risk 15-20% of an account is mathematically very aggressive. The label must never be interpreted as "safe" or "guaranteed."

Example with 500 EUR Equity

Class	Risk	Stop Loss	Equity After 1 Full Stop*
Low Risk	15 %	75 EUR	425 EUR
Low Risk	20 %	100 EUR	400 EUR
Mid Risk	10 %	50 EUR	450 EUR
Mid Risk	15 %	75 EUR	425 EUR
High Risk	5 %	25 EUR	475 EUR
High Risk	10 %	50 EUR	450 EUR

*Simplified example excluding fees, slippage and other open positions.

DRAWDOWN

Why the Upper Limit Should Rarely Be Used

Percentage losses compound geometrically. Several max-risk stops in a row shrink the account base very quickly.

Risk per Stop	Equity After 3 Stops	Equity After 5 Stops	Recovery Needed After 5
5 %	85.7 %	77.4 %	+29.2 %
10 %	72.9 %	59.0 %	+69.4 %
15 %	61.4 %	44.4 %	+125.4 %
20 %	51.2 %	32.8 %	+205.2 %

Management Rule

The closer you are to the top of a risk class, the less additional exposure should be open at the same time. A stop at the maximum class limit ends the session. After losses, recalculate the cash-risk amount from current equity - never from the original starting balance.

Lock the Risk Level Before Entry

- Do not upgrade the class after entry simply to tolerate a larger loss.
- Multiple tickets on the same setup count as one combined risk.
- Treat correlated exposure (gold/USD/indices) as shared exposure.
- After a technical error or abnormal slippage, review first instead of immediately re-entering.

02 / LEVERAGE

Managing 1:500-1:1000 with Risk Classes

High leverage is a margin feature. It does not replace position-sizing or stop-loss rules.

1:500	1:1000	CLASS	STOP
approx. 0.20 % Margin*	approx. 0.10 % Margin*	sets risk cap	sets lot size

*Basic notional/leverage relationship only; actual margin, stop-out level and contract specifications depend on the broker.

Most Important Leverage Rule

Never derive lot size from available margin. Determine risk and stop first, then size the position. High leverage should affect how much margin is tied up - not how much you are willing to lose.

Example Logic

	Process
Step 1	Equity: 10,000 EUR; chosen risk: 2% -> Risk Cash = 200 EUR.
Step 2	Set the technical stop from market structure.
Step 3	Check the broker tick/point value and contract size.
Step 4	Calculate lot size so stop loss + expected costs stay <= 200 EUR.
Step 5	Then verify that required margin leaves enough buffer above the stop-out threshold.

Regulatory Note

Very high leverage such as 1:500 or 1:1000 is not available for every account type or jurisdiction. EU retail CFDs are subject to much lower leverage limits. ALECCFX risk classes do not override this: verify broker status, client classification, margin rules and protections before use.

POSITION SIZING

Stop-Based Lot Size

The stop defines the distance. The risk budget defines the maximum cash loss. Position size connects the two.

General Formula

Position Size = Risk Amount / Loss per Unit at the Stop

For XAUUSD CFDs, contract size, tick size and tick value can vary by broker. Always use your broker's specifications rather than a generic pip formula.

Cost Buffer

- Spread: During fast volatility, the effective entry may be worse than expected.
- Slippage: A stop can fill worse than its trigger level during rapid moves.
- Commission / financing: Include relevant charges in the expected total loss.
- News gaps: During extreme moves, the realized loss can exceed the planned stop risk.

Margin Buffer

Even when stop-based risk is calculated correctly, free margin should not be pushed to the limit. Multiple open positions, spread expansion or sharp intraday moves can cause margin usage to rise suddenly.

03 / STOP & R

Stop Loss, RRR & Trade Management

The stop protects the account. The risk-reward ratio structures expected reward relative to 1R.

Stop Loss: Technical, Not Emotional

- Place the stop beyond an objective invalidation: structure, swing, liquidity zone or clearly defined setup rule.
- Do not artificially tighten the stop just to justify a larger lot size.
- Never move the stop farther away when the trade moves against you.
- For XAUUSD, include spread and potential slippage as additional risk buffers.
- If the technically correct stop is too wide: reduce position size or skip the trade.

Breakeven Rule

Moving a stop to breakeven is not automatic. Do it only when your setup has a clear rule for it. Moving to breakeven too early can remove good trades during normal pullbacks.

RRR and Win Rate

RRR	Break-Even Win Rate*	Interpretation
1:1	>50 %	Needed before costs to become positive.
1:1.5	>40 %	Fewer winners required if execution remains stable.
1:2	>33.3 %	One winner offsets two full 1R losses.
1:3	>25 %	Higher R-multiples, but targets must remain realistic for the market.

*Simplified model excluding costs, slippage and partial exits.

MANAGEMENT

Partial Profits, Trailing & Exit

Trade management must be defined before entry; otherwise every candle becomes a new decision.

Three Clean Models

Model	Mechanics	Risk
Fixed R	Entire position closes at the predefined target.	Simple, measurable, low discretion.
Partial	Take partial profit at a target; manage the remainder with a defined stop rule.	Can smooth outcomes, but changes the effective RRR.
Trailing	Stop follows clear structure or preset rules.	Can capture trends, but scalping makes it vulnerable to noise.

Do Not Inflate Risk

After taking partial profits, the remaining position must not be increased through adding or stop movement so that risk grows beyond the original 1R. The initial risk budget remains the ceiling.

Write Down Before Every Entry

- Entry level
- Stop level and invalidation
- Target(s)
- Risk Cash and Risk %
- Lot size
- Planned RRR
- News / session risk
- Exit / breakeven rule

04 / XAUUSD

Gold Scalping Risk Playbook

Gold can accelerate sharply in a short period. In scalping, execution and trading costs can matter as much as direction.

XAUUSD	NEWS	SPREAD	SESSION
fast volatility	slippage risk	cost factor	watch liquidity

Gold-Specific Risks

- Macro news: Inflation, labor data, central-bank communication and unexpected geopolitical events can trigger large moves.
- Spread expansion: Trading costs may increase before/after data, in thin liquidity or around session transitions.
- Slippage: Fast moves can produce worse fills on stops or market orders than planned.
- False breakouts: Gold can briefly pierce levels and reverse quickly; stop distance and entry triggers must account for this.
- Correlation is not a guarantee: USD, yields and risk sentiment can matter, but the relationship is not stable at every moment.

News Rule

Check the economic calendar before every scalping session. Around high-impact news, either stand aside or use a specifically tested news rule. With 1:500-1:1000 leverage and aggressive risk classes, small position-sizing or stop mistakes can produce very large account losses very quickly.

EXECUTION

Scalping Check Before the Click

With short holding periods, execution must be precise because spread and slippage consume a larger share of the planned R.

Check	Question
Market	Is the session liquid enough? Is the spread within its normal range?
Calendar	Is a high-impact event due in the next few minutes?
Setup	Is the entry really part of the tested setup, or is it FOMO?
Stop	Is invalidation placed at a logically justified level?
Risk	Is the risk class fixed and within its maximum range?
Size	Was lot size calculated from stop distance and broker specifications?
Exit	Are TP, partial/BE rules and maximum holding time defined?

Overtrading Protection

Scalping creates many opportunities to make decisions. Set a maximum number of trades or losses before the session starts. Setup quality matters more than activity. Once the limit is reached, close the platform or switch to observation-only mode.

05 / LIMITS

Daily, Weekly & Drawdown Rules

The risk class defines the maximum single-trade risk; daily and weekly limits prevent aggressive individual risks from stacking.

Max-Risk Stop = End of Session

If a trade is stopped at the top of its class range - Low 20%, Mid 15% or High 10% - the live trading session ends. No immediate "recovery" position and no increase in lot size.

Strict Limit Framework

Control	Limit	Response
Low Risk	15-20 % per trade	At a 20% stop, end the session; no parallel max-risk exposure.
Mid Risk	10-15 % per trade	At a 15% stop, end the session; then review.
High Risk	5-10 % per trade	Smallest size; at a 10% stop, end the session.
Weekly Limit	define before the week	Do not force recovery trades after it is reached.
Drawdown Level	define in advance	Reduce risk budgets and investigate the cause.

Open Risk Adds Together

- Multiple XAUUSD tickets from the same setup count as one combined risk.
- If another trade would exceed the permitted risk budget, reduce or skip the new position.
- After high slippage, abnormal spread or a broker issue, do not immediately re-enter.
- After a large loss, do not emotionally increase the risk class or lot size.

RECOVERY

No Martingale, No Chasing

The deeper the drawdown, the larger the percentage return needed to recover to the starting level.

Drawdown	Return Needed to Recover to Start
-10 %	+11.1 %
-20 %	+25.0 %
-30 %	+42.9 %
-40 %	+66.7 %
-50 %	+100.0 %
-60 %	+150.0 %
-70 %	+233.3 %

Anti-Martingale Principle

Losses are not recovered by taking more risk. After drawdown, recalculate Risk Cash from current equity. Risk classes are ceilings, not targets that must be fully used.

End of Session Means End of Session

When a limit is reached: no "one last chance," no trade on the phone and no second account. The protection mechanism only works if it is not removed at the moment of maximum emotional pressure.

06 / 1% MINDSET

Discipline Outside the Charts

Trading discipline becomes easier when daily life is already built around small, repeatable standards.

1% Better - Process Over Motivation

The "1% mindset" here means: consistently complete small standards every day instead of waiting for motivation. Habits are more likely to form through repetition in a stable context, so small routines can act as daily discipline triggers.

ALECCFX Daily Routine

Block	Standard
MORNING	Get up -> make the bed -> water/personal care -> brief movement -> write down daily goals.
FOCUS	Complete the first focused work block without unnecessary social-media distraction.
MARKET	Check the economic calendar, political/macro headlines and XAUUSD context.
PRE-TRADE	Set signal class, stop, Risk Cash, lot size and exit rule.
POST-TRADE	Document screenshot, result in R, rule adherence and emotion.
EVENING	Short daily review, prepare for tomorrow and get sufficient sleep.

Why Sleep & Movement Belong Here

Research reviews associate sleep loss with worse mood, weaker emotion regulation and impaired decision-making. Regular physical activity can support mood and self-regulation. Neither is a trading edge by itself, but both can improve the conditions for disciplined decisions.

PSYCHOLOGY

Discipline Is a Risk Tool

Mindset does not mean "always winning"; it means following the rules even when a trade loses.

Mistake	What Happens	Counter-Rule
Revenge Trading	Trade larger or more impulsively immediately after a loss.	Pause + session limit.
FOMO	Miss a move -> enter later with poor RRR.	Skip the trade; wait for a new setup.
Moving the Stop	Refuse to accept the loss.	Never move the stop farther away after entry.
Size Drift	Increase size unexpectedly after wins or losses.	Lock the risk class before entry.
Overtrading	Take too many mediocre setups.	Quality over activity.

Process Before PnL

A winning trade can be poorly executed; a losing trade can be perfectly rule-compliant. Evaluate rule adherence, risk and execution first - then evaluate the result.

Journal - Minimum

- Signal class (Low/Mid/High)
- Entry / SL / TP and Risk %
- Lot size + broker specification
- News / macro context
- Result in R and cash amount
- Emotion 1-10
- Rule-compliant: Yes/No
- One specific improvement for tomorrow

07 / MARKET CONTEXT

Actively Track Politics, Macro & News

For gold traders, political and macroeconomic developments are part of the risk context - observe them neutrally, not as stand-alone entry signals.

What Should Be on the Radar Before the Session

Topic	Why Track It?
Central Banks	Fed communication, rate decisions, expectations and unexpected statements.
Inflation & Jobs	CPI/PCE, NFP, unemployment and other market-moving US data.
Fiscal Policy	Budget, tax and debt decisions when they affect USD, yields or risk sentiment.
Geopolitics	Conflicts, sanctions, trade measures and unexpected political headlines.
Elections & Politics	Observe market-relevant decisions and political events neutrally as information risk.

Bloomberg as a News Source

Bloomberg Markets: https://www.bloomberg.com/markets/
Bloomberg Politics: https://www.bloomberg.com/politics
Headlines provide context - political news is not an automatic long/short signal.

News Process

- Before London/NY: mark the most important events and headlines.
- On breaking news, reassess spread and volatility.
- Prefer primary sources when available, such as central banks and statistical agencies.
- Do not force a direction from one headline; wait for price reaction and a valid setup.

COACHING & SIGNALS

Execute 1:1 Instructions Consistently

The coach directs trade management; the participant controls personal risk and disciplined execution.

1:1 Execution in Coaching

ALECCFX communicates when an entry is intended, where the stop is placed, when profits/partial profits are taken, when breakeven is set, and when additional management steps or the exit are required. Participants should read those instructions in full and execute them 1:1 rather than creating a more aggressive variation. The individual responsibility remains to apply Risk Cash, lot size and broker conditions correctly to the participant's own account.

Signal Process

#	Step	Rule
1	Read the Instruction	Review entry, SL, TP/partial profit, breakeven, risk class and all conditions in full.
2	Your Risk Cash	Apply the percentage to your current equity.
3	Lot Size	Calculate using your own broker values and stop distance.
4	Do Not Improvise	No larger size, no stop widening, no independent TP/BE changes, no unplanned re-entry.
5	Feedback	Document the trade and discuss deviations in coaching.

Important: Process Control Is Not a Profit Guarantee

1:1 execution can reduce execution errors and prevent participants from making the communicated plan more aggressive on their own. It cannot eliminate market risk. A correctly executed signal can still lose. Feedback or testimonials describe individual experiences and do not guarantee future or typical results.

Why This Wording Matters

Regulatory risk warnings caution against assuming guaranteed or unusually high returns from forex or signal services. Signals can support discipline, but no method can reliably predict the market.

08 / CHECKLIST

XAUUSD Risk Checklist

A page to print or keep next to the trading platform.

01	Economic calendar checked; no unplanned high-impact news immediately ahead.
02	ALECCFX instruction read in full: entry, SL, TP/partial profit, breakeven/management and conditions are clear.
03	Entry, invalidation and stop level are defined before the click.
04	Risk class is fixed: Low 15-20%, Mid 10-15%, High 5-10%.
05	If I use the top of my risk-class range: one stop ends the session.
06	Lot size was calculated from Risk Cash + stop distance + broker contract value.
07	Spread, slippage and commission are included in the risk.
08	Free margin has sufficient buffer despite 1:500-1:1000 leverage.
09	TP / exit rule and planned RRR are fixed.
10	No stop widening. No martingale. No revenge trading.
11	Daily/weekly limit is known; Bloomberg/macro news was checked before the session.
12	After the trade, log a screenshot and R-multiple in the journal.

SOURCES & NOTICE

What Supports the Rules

Your internal trading limits are combined with general risk, news and behavioral principles.

Compact References

Reference	Link
CFTC - Forex Risk & Leverage Leverage magnifies gains and losses; margin trading can cause rapid, substantial losses.	Open source
CFTC - Forex Frauds / Signals Signals may support discipline, but no method can consistently predict future market moves.	Open source
BaFin - CFD Guidance Germany Retail CFD trading in Germany is subject to leverage limits, margin close-out protection and negative-balance protection, among other rules.	Open source
ESMA - CFD Product Intervention EU retail CFD measures include leverage limits and other protections; ESMA specified 20:1 for gold.	Open source
Bloomberg Markets / Politics Current market, economic and political reporting as a context source.	Open source
World Gold Council - Gold Outlook Macro, rates, USD, risk and geopolitics as important factors in the gold market.	Open source
Habit Formation Review (PMC) Repetition in stable contexts supports habit formation.	Open source
Sleep & Emotion Meta-Analysis (PMC) Sleep and emotional reactivity/regulation are linked in the research literature.	Open source

Educational & Risk Notice

This material is for general trading education only and is not individualized investment, legal or tax advice. 1:500-1:1000 leverage and 5-20% planned account risk depending on signal class are high-risk parameters. Actual losses can differ from the plan due to slippage, gaps, fees, stop-out rules and broker conditions. Only use capital whose complete loss would be financially bearable.

Testimonials and feedback describe individual experiences. They are not necessarily representative and do not guarantee future results. Risk management limits and structures risk; it does not guarantee profit.