

THE TOP 17 TRADING METRICS



The following trading metrics allow you to analyze and improve your trading performance.



Make sure to take a look at [our automated trading journal](#) if you want to know more about how you can improve your trading performance

1 NET PROFIT

The net profit is just the amount of money you made after deducting all the trading commissions/fees and other expenses. A negative net profit means we're losing money and a positive net profit means we're earning money.



2 MAX. DRAWDOWN

The max. drawdown tells you how much capital you can expect to lose during a losing streak. By knowing your expected max. drawdown you find it easier to stick to your trading plan just ride it through



3 WIN RATIO

The ratio represents the ratio of winner's vs losers. A winning ratio of 60% means that you make profit on 60% of your trades. Always look at this metric together with your average reward/risk ratio



4 PROFIT FACTOR

Indicates the amount of money made against the money lost while trading. The higher the better, but we are aiming for at least a 1.41 ratio



5 EXPECTED VALUE

The average amount you win (or lose) on a trade. Important metric since it uses several other metrics for its calculate. Again the higher the better. Anything above 0 means you are profitable

6 RISK/REWARD

The amount of risk you take vs the profit you make. Most traders aim for at least a 1:3 ratio. This means that a single winner will compensate 3 losing trades and thus your win ratio just needs to be 25%



7 AVERAGE WINNER

The average amount of money you earn on your winners. In general we want this to be as high as possible and higher than your average loser

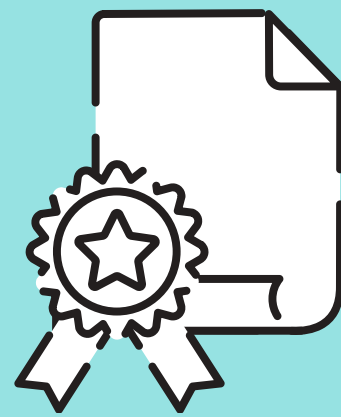


8 AVERAGE LOSER

The average amount of money you lose on your losers. In general we want this to be as low as possible,



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9 WINNING STREAK

The highest number of subsequent wins you can expect. Stick to your strategy and trading strategy during winning streaks. By knowing your winning streak, you know that the chance you get a loser next time increases.



10 LOSING STREAK

The highest number of subsequent losers you can expect. Stick to your strategy and trading strategy during winning streaks. By knowing your winning streak, you know that the chance you get a loser next time increases.



11 AVG. MFA

The (average) maximum loss you could experience on your trades. Its a clear indication on how well your stop loss placement is.



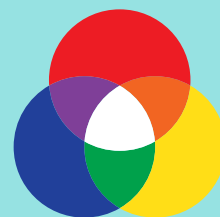
12 AVG. MFE

The (average) maximum amount of profit you could make on your trades You can use it to see if your exits are timed correctly or that you are exiting your trades too soon.



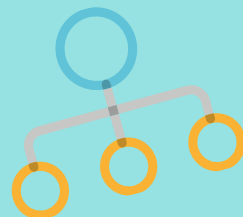
13 AVG. ETD

The (average) amount of money you give back on your trades. Again a good metric to analyze your exits. We want to keep this as low as possible so we get the most profit out of our trades



14 BIGGEST WINNER

The amount of profit made by the biggest winning trade. We always want to check our statistics without these big winners to verify that they dont have a huge impact on our overall trading performance



15 BIGGEST LOSER

The max. amount of money you lost on your biggest loser. We use this to determine your risk profile. If its much higher then your average loss you might want to look at your stop placement and take smaller losses.



16 HOLDING TIME

The average time of your trades. While less relevant for day traders its important for swing traders since capital is locked up during a trade and cannot be re-invested or used for other trades. We want to make sure we have a nice trade-off between holding time and profit made.



17 EXPECTATION

The expectation can be used to determine how robust a trading strategy is. We would like to see an expectation which is > 0.5

