

I received an email some time ago from a couple whom were seeking a position sizing solution; a '**Spread Betting Calculator**' as they were just venturing into the 'abyss;' the seemingly ubiquitous World of '**Financial Spread Betting.**'

In summary, their email asked for information & advice as to where they could go to be able to calculate position sizing for their '**Spread Bets,**' preferably an offline solution; I.E. a request for an excel '**Spread Betting Calculator Spreadsheet.**'

I replied in due course, but I also decided to create this page so as to offer anyone requiring an online or offline FREE '**Position Size Calculator**' specifically for the spreadbetting marketplace; then this would be a permanent web page that could facilitate that need.

In the following I want to highlight some of the features of my '**Online Spread Bet Calculator**' & how it can be used in various trading scenarios.

But 1st let me start by answering 1 of the most powerful words in the English language; '**WHY!**'

"Always Clarify Your WHY Before You Articulate Your HOW!"

Why exactly did I decide to create this '**FREE Financial Spread Betting Calculator?**' What was my purpose behind its creation?

Purpose Of Intent

As in life, so it is in trading. You always need a purpose; some meaning to underscore anything worthwhile you ensue to create & that must withstand the test of time.

So, my **underlying** purpose for me to create this **Spread Betting Calculator** was to;

"Induce The 'MAJORITY' Of Traders To THINK Differently!"

1st of all the word '**MAJORITY**' from my above statement needs some '**CONTEXTUAL**' clarification. I'm about to go off on a slight tangent here, but stick with me as this '**MAJORITY**' clarification I'm highlighting is an **EXTREMELY** important area that's often misquoted within the trading community. I need to shed some light on some significant data regarding the number of day traders that do indeed trade profitably; hence clarify & quantify what this 'Majority' equates to statistically with some degree of accuracy.

The Trading Industries 'LORE' purveys a figure that's now a mainstream **ASSUMPTION** for individual retail traders with regards to trading profitability. This hypothesis postulates that only around **5%** of speculative traders are consistently profitable.



A Comparative; An Analogy

This reminds me of the acclaimed TV producer / author Simon Singh whom co-authored a wonderful book called 'Trick or Treatment?'

(Co-author; Edzard Ernst, the World's first professor of complementary medicine)

In a nutshell their thorough & scientifically researched book put 'Alternative Medicine' on trial; highlighting in a detailed & clear manner what works & what doesn't in A.M. This led to an article Mr Singh wrote that was published in the Guardian newspaper; implying the 'British Chiropractic Association was being consciously dishonest; promoting Bogus Treatments.'

This resulted in the British Chiropractic Association suing Mr Singh for libel in 2008.

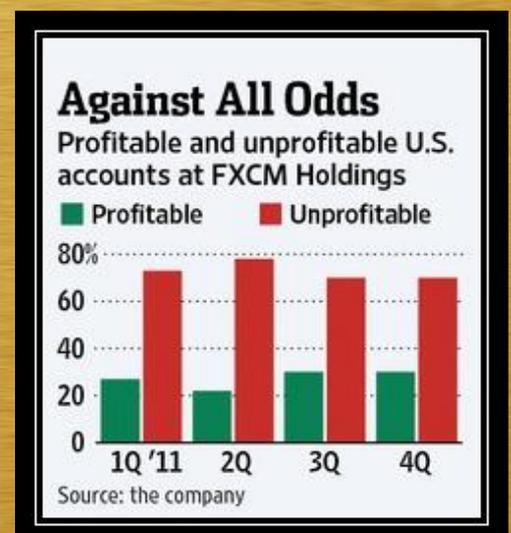
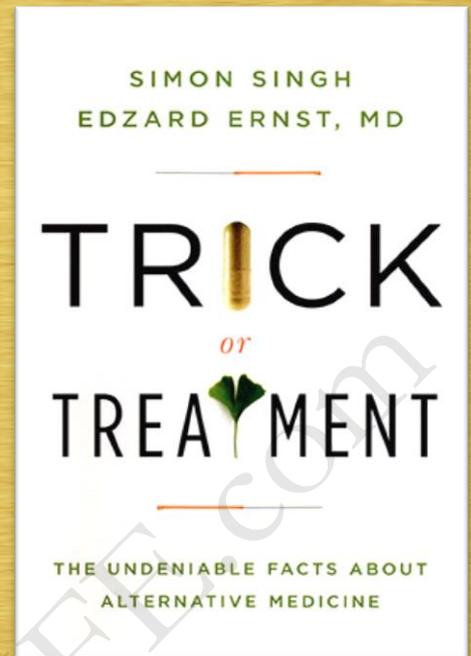
The case lasted for two years; which Mr Singh eventually won; & was a landmark case in the libel reform campaign.

The analogy? The claims from 'Alternative Medicine' practitioners for treatments & cures are a mainstream convention which most of us don't challenge or seek to disprove. We just unwisely accept without scrutiny or enquiry. Their proclamations further strengthened by this; our lack of investigation into scientific evidence & reason. Thus our assumptions reinforce their 'testimony.' We just accept their 'Evidence' as truth; & consequently 'The Shepherd Now Becomes The Sheep!'

This has parallels with our total % number of losing active traders; now a mainstream topic of statistical significance which traders feverishly absorb & etch onto their hippocampus!

A more valuable evidence based perspective needs referencing into the trading community; so let's chisel one onto the WWW now, & run a scar across the face of ignorance & allow awareness & knowledge to surface from the shadows.

No one has access to every trading account, & thus by definition this statistical 'LORE' is terribly flawed & never will be an exact truthful statistical percentage for the number of consistently profitable traders. But; we can do better, be more due diligent & with some degree of confidence get a somewhat different figure; one that has more credence & accuracy attached to it.



The Good News:

Things might not be quite as bad as it seems for our **'MAJORITY,'** the supposedly 95% of losing traders this media driven statistic in circulation.

On the 26th of March 2012 in some US editions of the **'Wall Street Journal,'** an article appeared with the headline;

"The Customer Is Too Often Wrong at FXCM."

In order to view this short (288 word) article, click on the following link; it's Google's cached version of the WJS article. Here's the link: [Against All Odds](#)

This article highlights a very different statistic that requires a deeper level of investigation to gain understanding.

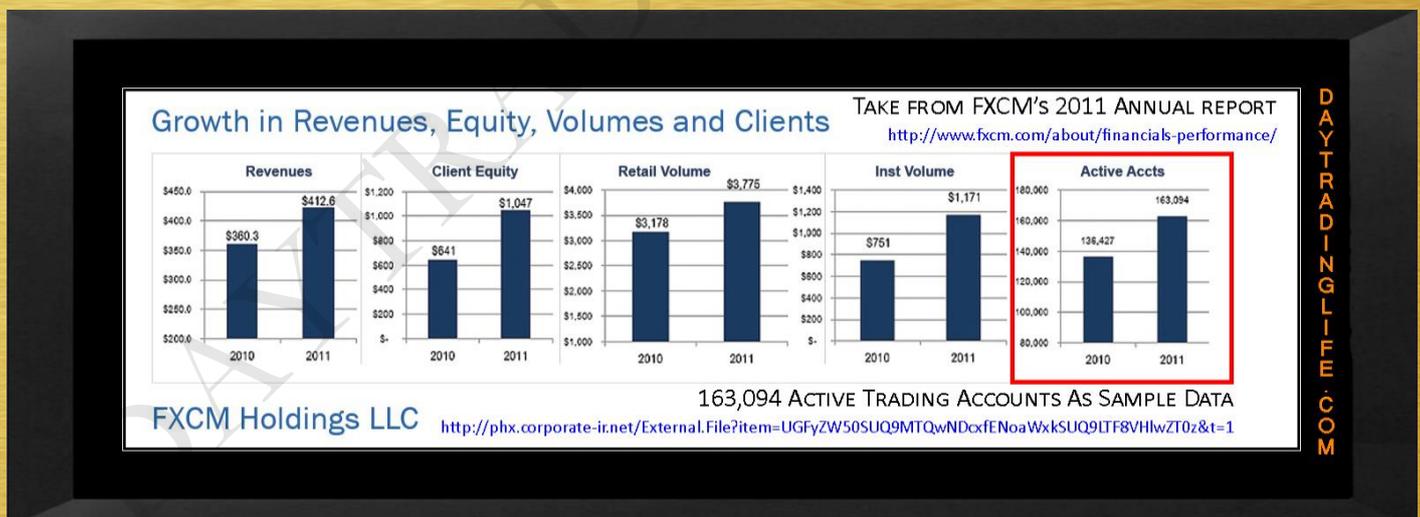
Quote: - **"More Than 70% Of FXCM's U.S. Accounts Were Unprofitable."**

Let's delve deeper into this eye opening statement derived from FXCM official figures; as now our **5%** seems to have increased somewhat.

FXCM (Forex Capital Markets) is an online foreign exchange broker. Being a listed company on the NYSE (Dec 2010) it has to publish regulatory accounts for its shareholders. The 2011 annual report is the one we need to draw our attention to.

Page 3 of this report ([FXCM2011 Annual Report PDF Download](#)) illustrates a key statistic we need to take into account.

FXCM's total number of **'ACTIVE ACCOUNTS'** in our year in question; I.E. 2011



As illustrated above, the sample size for number of clients to deduce the profitable percentage ratio of active traders would have presumably been taken from their total number of active clients, I.E. **163,094** active FXCM clients in 2011.

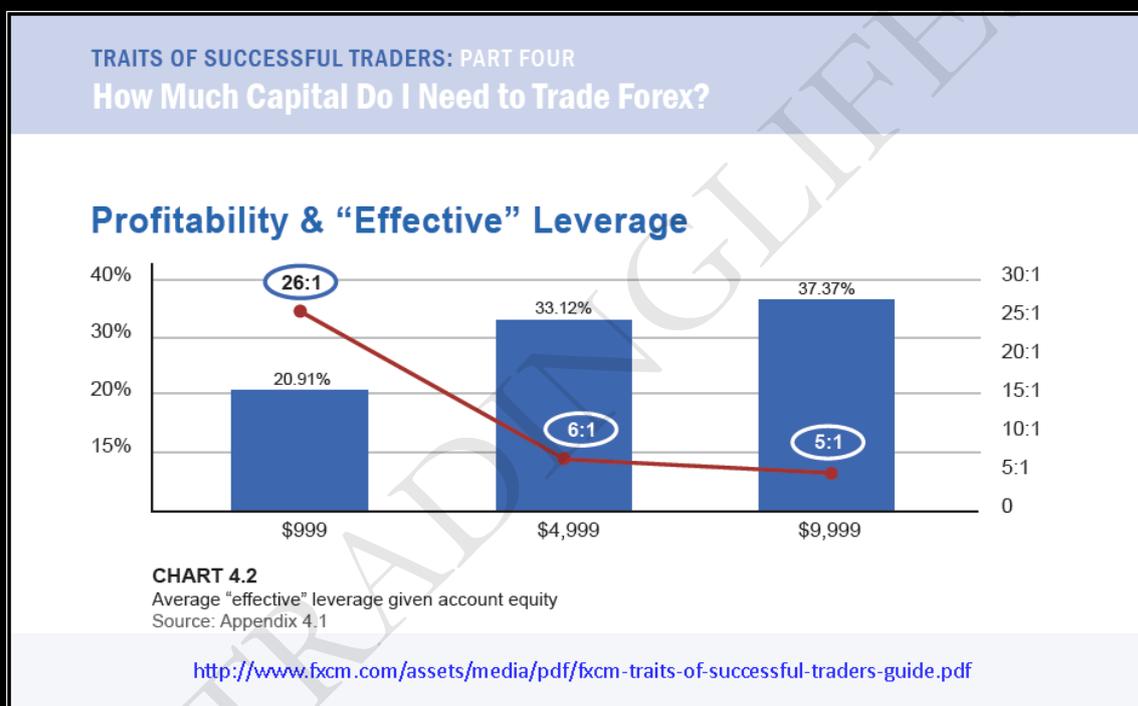
The next bit of detective work we need to carry out **'My Dear Watson,'** is FXCM's documentary evidence; written confirmation of FXCM's active account holders profitability %'s for clients in our year in question, I.E. 2011.

This leads us to another PDF from FXCM that illustrates our sort after criterion beautifully.

AS A Note:

If you have some quality study time available; do take a closer look at the following PDF titled “**fxcm-traits-of-successful-traders-guide,**” as it does hold some rather interesting & useful data that 1 could act upon. There are some very useful metrics & wonderful insights that can be deciphered from their active 2011 retail clients. I highly recommend taking the time to read through this helpful & insightful trading PDF.

Scrutinising the pages in a ‘*Sherlock Holmes*’ fashion we eventually get to page 32 of this 44 page guide. This is where we find our proof to strongly suggest that our age old adage that only ‘**5% Of All Active Traders Are Profitable,**’ is perhaps; at best; way off the mark! (& *that's putting it mildly*).



Taken From Page 32 :- **FXCM ‘TRAITS OF SUCCESSFUL TRADERS’**

The above image clearly shows that 37.37% of FXCM active clients with an account capital in the \$9,999 column (Actually Between \$5,000-\$9,999) were profitable in 2011.

Note: Another interesting conclusion we can draw from this insightful data is that as capital went up, client's desire for leverage went down; they were more conservative in the amount of leverage they used. So the main highlights are as follows;

1. It Seems That The Amount Of Capital In Your Trading Account Can Be Influential With Regards To Your Profitability
2. Almost 40% Of Active Traders At FXCM Are Profitable; **If** Their Account Equity Lies Between (\$5,000-\$9,999)
3. 20.91% Of Active Traders At Fxcm Are Profitable If Their Account Equity Lies Between (\$0-\$999)

To round this up; if we consider that FXCM account holders are a good representation of all active traders, & with tens of thousands of clients' trading records as sample data to conduct this study; we can say that this data is indicative & representative of other FX brokers; we can draw the following conclusion;

The 'MAJORITY' Of ALL Active Traders That Are Profitable IS Very Unlikely To Be 5%! The Total Number Of Active Profitable Traders As A % Of ALL Active Traders Is More PROBABLE To Lie Between 20.91% & 37.37%. These %'s Seem To Be Dependant (To Some Degree) On The (\$) Size Of The Client's Account; Which In Turn Correlates With The Active Traders Willingness To Utilise Leverage More Conservatively The Larger His or Her Account Size Is.

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LONG - Trade Summary
22/04/2013 09:12 PM

Name	Buy
Spread	2
Account Size	£10,000.00
Max Trade Risk %	1.00%
Max Allowable Loss (£)	£100.00
Risk (£)	£100.00
Reward (£)	£284.40
R/R Ratio	2.84:1
Entry Price	253.25
Stop Level	275
Exit Price	345
Trade Increase %	17.66%
Acc Increase %	2.84%
Margin IMR (£) OR (%)	
Margin Required	£1,610.15
Position Size	
Leverage	
MAX STAKE E/P	5.49
Spread Cost	£10.00

Wp To Risk Emphatically On 1 Trade? Why Not Make Your Life A Parade Of Happiness Rather Than Pain? I Decided That I Had To Learn Discipline & Money Management.
Paul Todro Jones

iPhone Spread Betting Calculator

It took a while to get here; but don't be misled by the 5% figure abounded out there. You now have increased your chances of being profitable from 5% to maybe 37.37%; if you have at least \$5,000 - \$9,999 of trading capital to utilize!

So the '**MAJORITY**' of active 'unprofitable' traders seems at best to be around 62.63%; & NOT 95%!

Onwards; let me now proceed to explain **WHY** I created my '**Spread Betting Calc.**' & why I targeted it towards this '**MAJORITY**' of active traders I've been harping on about!

Creational Reasons

So I wanted to build a Spreadbetting Calculator that focused primarily on;

1. "What If Scenarios;" Inducing The Trader To Think Outside Of His or Her Conventional Rational.
2. Offers At Least Some Way Of Defining / Approximating Leverage
3. Induce The Trader To Think In Terms Of R/R Ratios, Taking Into Account The Age Old Adage That "Price Is King."
4. Encouraging 'Comparative Modes' Of Reasoning, So As To Induce The Trader To Use '**Stretch Targets**;' Thus Aiming Higher; Raising Their Game; Seeking To Yield More Profitable Trades.

So, from the above bullets you can see that I genuinely had a direction in how I wanted this '**Excel Position Sizing Spread Sheet**' to turn out.

Deeper Insights.

Virtually all position size calculators for the financial markets are designed for single entry positions & return '*Position Sizing*' data that takes into account the traders 'Initial account equity. I wanted the calculator to return **NOT** just what the trader '**BELIEVES**' he or she requires in order to trade optimally, but to offer '*Outside the Box*' data; data that seeks to move away from their conventional rational & towards higher levels & states of cognition.

(Stay with me here)

My desire was to produce a '**Spread Betting Calculator**' that facilitated the trader to **NOT** just '*Trade His / Her Beliefs*' about where his or her trade should run to; (If All went Well); but to seek to provide a channel, an avenue to '*Trade Beyond His or Her Beliefs.*'

"This Is A Paradigm Shift For The majority, That If Internalized Can Have Immense Implications As To How One Can Alter Their Perception About The Market."

Trying to induce traders to stretch to higher levels; to think / see / do from a new perspective is a place few venture to climb. Super Traders, the elite few by definition think differently than the majority, which in turn leads them to act differently; eventually it's a state of BEING, it's what I becomes; instigated by thought alone.

"Super Traders Think Beyond The MAJORITIES' Models Of Belief."

This isn't a play with words here. Super Traders understand the vast **MAJORITIES'** beliefs; thus where their positions lie, (usually based on fear & greed) & seek to exploit this weakness.

Most traders place trades where they think the market **will** go, whereas Super Traders have learnt to **STRETCH** their beliefs & place trades not based on fear or greed, but load up with the higher belief of "Where The Market **CAN** Go!" They trade with fear, but use it as their ally.

A Paradigm Shift In Mind

Traders must totally remove themselves from the old '**Newtonian**' mind-set; the classical physics mentalities of how our World we live in works & really usher in a '**Quantum**' philosophy & mind-set in which all possibilities can occur. So the word '*Impossible*' must **ALWAYS** be furthest from the trader's mind.

The subject of Quantum physics is an immense concoction of wonderment & awe. To elaborate here within this post is beyond the scope of this article; but it is relevant to trading & it's a mind-set in which a trader can; (should) live his or her life.

Basically it boils down to 2 sentences that really can be the '*Game Changer*,' the '*Aha*' moment the '**MAJORITY**' seek; if they can 1st just '*Empty Their Cup*' & allow possibility & potentiality to dance on their theatrical screen that plays out within their mind.

The '**MAJORITY** Of Traders: "**See It; Then Believe It!**"

Super Traders: "**Believe It Then See It!**"

These 2 sentences don't imply; '**THEY REVEAL**' & depict the differences in people's approach & outlook within trading. These 2 opposing views really do affect how you can '**See**' the World & live our lives. The consequences of taking a '**Quantum**' leap so as to '*Jump*' from the 1st sentence & all that it infers over to the 2nd sentence & land without ever looking to venture back is a paradigm shift of the highest order; it's transformational in every way.

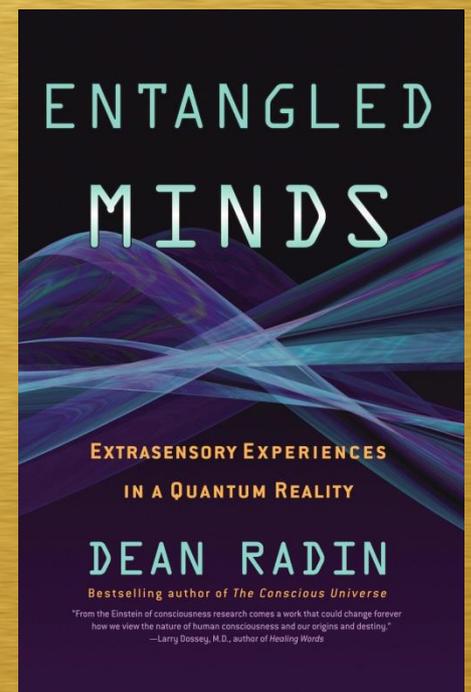
Motivational Speaker I'm Not!

This isn't some '*Tony Robbins*' statement telling you to affirm; '*Pull Out The Weeds*' in your mind & all your trading & your life from now on will be ok. (*Sorry Tony; I admire you really!*)

There's a huge amount of scientific evidence that's been accumulated in recent years regarding how the Quantum World; the '**REAL**' World now operates, & all is not as it seems. As an example;

Enter Dean Radin, Ph.D. a Senior Scientist at the Institute of Noetic Sciences & a researcher & author in the field of parapsychology. Accumulating scientific evidence from thousands of controlled lab tests; Radin debunks skeptical myths & reveals some seemingly '**IMPOSSIBLE**' events that our physical reality concocts.

In his enlightening book (Pseudo-science it's **NOT**) based on enormous amounts of research & scientific facts; '[*Entangled Minds: Extrasensory Experiences in a Quantum Reality*](#)' is a great read & illustrates beautifully how the seemingly '*Impossible*' is an integral part of our World we



call reality. We have to stretch our minds beyond our normal convention & into the realm of what most believe as 'Impossible.'

The main point here is for traders to recognise that;

"How You Interpret The Data Within The 'Spread Betting Calculator' Is A Reflection In How You View YOUR World." - DowBoy

You must understand that in order to improve & attain a consistent incoming of superior outcomes; **NOT** certainties, but probabilistic expressions of communicating 'Entangled' forces in the quantum field; the 'Ether' of consciousness itself; you have to make the leap (If you haven't already) & be in the Quantum World of conscious awareness to trade in a 'State' of being commensurate with the 'Super Trading' way of Thinking / Feeling / Acting.

As Dr. Van Tharp, Ph.D. repeatedly states time & again; **"We Trade Our Beliefs!"**

So, the premise for my '**Spread Betting Spreadsheet Calculator**' is to depict & return relevant data in keeping within this Super Trader's realm of thinking; offering data BEYOND the MAJORITIES' Standard model of expectations, & in the dominion of "What If?" & "What Can Be?"

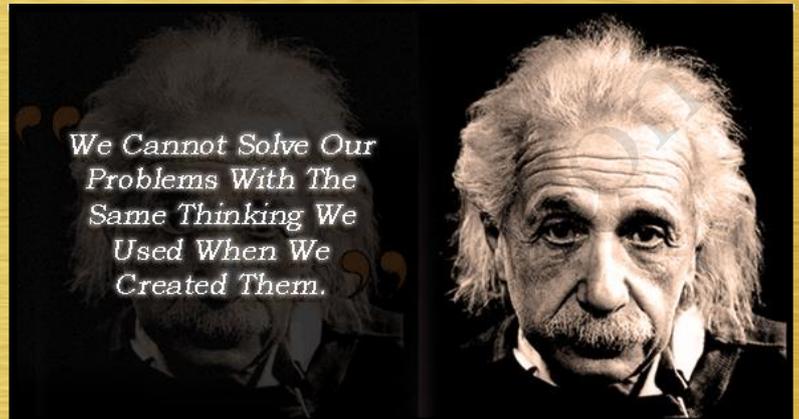


SPREAD BETTING CALCULATOR AT A BUS STOP NEAR YOU!

This calculator seeks to push the budding enthused trader to think & act greater than their homeostasis & break into a new environment, a higher level of self that by definition can only manifest different types of potential outcomes. This is a far cry from their standard conventional model of 'habitual' trading; a self-imposed perspective; a balance sheet of emotions & habits that can never add up & be in the 'Black.

"We Cannot Solve Our Problems With The Same Thinking We Used When We Created Them." - Albert Einstein

Breaking out of one's 'Trading Comfort Zone' & expanding the boundaries of thinking so that 'The Potential' to 'SEEK, FIND & ACT' on new information is on the outer limits of one's growth circle. But by having new information to utilize, combined with conviction of action; one can produce & manifest different results; thus we can 'EVOLVE,' 'WE CAN GROW!'



Seeking to trade yonder; venture outside the 'FAMILIAR' self-imposed boundaries of thinking & rational & endeavour to cross new borders, accessible frontiers of uncharted territory that lead one into higher dimensional states of cognition, where coherence & congruency are the posthumous masters, the gate keepers whom hold the bespoke key that's been specifically forged to unlock the gates that lead towards 'TRANSFORMATION;' the precursor to 'ENLIGHTENMENT.'

By illuminating a path from a darkened corner within one's mind, so as to allow one's 'Neural Net' to 'Wire & Fire' together in a new synaptic pattern of self, the trader is thus offered a new route in which he can 'CHOOSE' to venture. He can now begin to 'THINK' & act in new ways, differently; so now a potential exists for them to step across their imaginary self-imposed lines; their 'Fictional' self-limiting dogmatic beliefs & venture to higher levels of trading excellence & performance.

This **IS** my goal for this '**Spreadbetting Calculator.**'

"Allow Your Mind To Open To All Possibilities. Push Into 'Higher Dimensional Trading;' Look Not To Trade Your Beliefs; But Seek To Trade Beyond Your Beliefs!" – DowBoy



Spread Betting Calculator Download Area

[Spread Betting Calculator Excel 2010 .xlsm](#)

I hope You Enjoy My FREE Trading Calculator Spreadsheet Designed For Spread Betting.



SpreadBetting Calculator: Features

He's a summary as to some of the benefits & features of my '**Spread Betting Calculator**, & what it can do for you.

AUTO CALCULATES THE FOLLOWING - In Long (Buying) or Short (Selling) setups:

1. Estimated Profit: Target Value In (£'s)
2. Est. Risk: Stop Loss Value In (£'s)
3. Target Amount In Points
4. Stop Loss Amount In Pts.
5. Est. (R/R) Risk/Reward Ratio
6. Est. Trade Price (%) Increase
7. Est. Account Equity (%) Increase
8. Spread: Spread Cost
9. Max Stake: (£'s) Per Pt. Allowed

MARGIN DATA – Separate Margin Calculation Window

10. Margin Required
11. Position Size
12. Leverage

DESIRED RISK / REWARD DATA - Separate R/R Calculation Window

13. Price Must Reach?
14. Gain (%)
15. Gain (£'s)

STOP & TARGET SCENARIOS - Shows Adjusted Stops & Target Statistics Including:

- 16. Stop Price
- 17. Stop Pts.
- 18. Risk In (£'s)
- 19. R/R Ratios
- 20. Account (%) Risked
- 21. Target Price
- 22. Target Profit (£'s)
- 23. Target R/R
- 24. Price (%) Gain
- 25. Account (%) Gain
- 26. OFFERS A SUMMARY ANALYSIS
- 27. OFFERS PRINT FEATURE
- 28. OFFERS CLEAR ALL DATA BUTTONS



Spread Betting Gallery



Welcome Screen



Main Interface



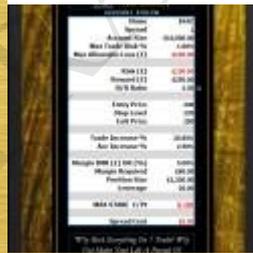
Main Summary



Main & Scenarios



Spread Bet Calculator



Summary Screen



Scenarios Screen



Print View



Credits Page



Laptop SB Calc



Thank You



Closing Pop-up

Limitations

Being only a 'Single Entry' spread betting calculator inherits limitations.

Could this '**Spread Bet Calculator Trading Spreadsheet**' be improved?

Of course! There's always room for improvement! Many things spring to mind. One addition could be the inclusion of a '*Volatility Filter*' that would offer a margin of variability, allowing (to some degree) for the markets' natural fluctuations; its harmonic signature in rhythm & rhyme. This would create targets that could adjust & '*breathe*' within pre-chosen variables; a '*Diaphragm*' designed to expand & contract in tandem to the beating heart of the market.

This could be '*Tweaked*' by the simple addition of some 'Average True Range' cells to manipulate & play with the data.

Maybe in time I might upload a '*Multiple Entry*' Spread Betting Calculator. This then opens up a whole new World where permutations & decision theory flourish. Options to '*Take Partial Profits*,' '*Average In*,' '*Average Down*' & '*Load Up*' for the big trending plays can only come from a '*Multiple Entry*' trading perspective.

Usage: - Immerse Yourself

Download this trading calculator & let your mind play with the numbers. Experiment; '*future orientate*' yourself & picture the '*What If*' scenarios as if you are in the '*Financial Cauldron*,' feel the heat within the '*Present*' moment.

Compare these hypothetical potential outcome plays with how your '*Normal*' way of managing trades & targeting exit points would '*Normally*' be.

Can you stretch? Can you allow yourself to push that bit further; expand & increase your goals, raise your bar so as to create a new standard, a new '*Base-Line*,' that **CAN** become your new '*Constant*' you can now '*Deem & Dare*' to trade from.

To overcome limiting beliefs, targets that you prematurely close out on; orchestrated via the thorn of emotional unbalance; dispatched by the ever present ninja assassin, the mercenary '*Ego*;' you must have belief in yourself that's leveraged by your competence, the underpinning to your kingpin to overcoming EGO; that of **CONFIDENCE**.



It's confidence that truly overcomes fear. Administrating your confidence to 'stretch' to new targets can be greatly developed via mental rehearsal. Immerse yourself & engage with the trading calculator's numbers it generates fully!

With every new 'breakthrough' you make; a position you 1st envision then actualise so as to take on trades that 'Were' outside of your habitual 'Comfort Zone;' you'll break into higher realms of prefecture. This is a stab straight through the 'Assassin's' heart. You'll peel away layer by layer the emotional film cast over you & start to realise **INTRINSICALLY** that 'Super Trading' is 'Totally' within your grasp; as **YOU** are above EGO & FEAR.

You are not your body. Ego is not part of you. You are the 'Witness' to all your thoughts & feelings. If you can just come to terms & ingrain this FACT in your mind. Consciously store this knowledge at the forefront of your 'Long-Term Memory.' Having a constant awareness that **YOU** are the **WITNESS**; the **CONTROLLER** that sits on the summit, elevated above all. The custodian & coordinator of 'Every' thought & feeling you've ever had & will have is the most powerful & potent force of all living entities. Being capable of regulating any thought or feeling via this detached perspective, the 'WITNESS' that **IS** the **REAL YOU**; you realise that you can 'Become' & trade in a way you desire & seek.

For the art in **BEING** is a 'State' driven affair.

"You Can Step Into The 'Costume' That Befits The WITNESS During Your Trading Hours." - DowBoy

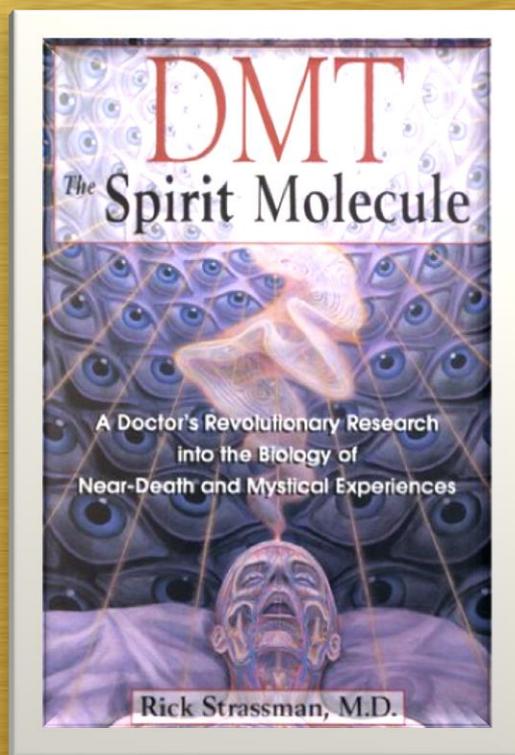
There are those that want to '**BE**' something and those that want to '**DO**' something.

So the numbers so you can **BE!**

Paradoxically **BEING** always precedes **DOING**, as **BEING** (As mentioned above) is purely a 'State Of Mind.' You need to 'BE' in the correct state to 'DO;' actions commensurate with that state.

So Understand That Trading Is STATE Driven; how you are 'Being' in moments in time. You can BE in a state designed for 'Super Trading,' as we are all products of choice. You have the capacity to 'Alter' your state, as you '**SELF-CREATE.**'

Being in the correct trading state is the prescription for **FEAR** & **EGO** to cower into the darkened shadows of your mind. Present they may still be; but you **ARE** the controller, the witness that can govern all. Only you construct the bacteria's that secrete **FEAR** & **EGO**. The remedy? An intravenous drip delivering a large medication of knowledge! Knowing the 'REAL



YOU' is a detachment from these two illusionary & intangible 'germs' that can lead to paralysis & disease is the treatment & the cure you seek. Adjusting your metabolism with a strong dose of knowledge (if applied as prescribed) leads towards transcendence; pen ultimately discharging **ENLIGHTENMENT!** Could this be a targeting of the '*Pineal Gland?*' A possible equivalent release of sorts & comparable to the wonder drug we unknowingly seek; namely ['DMT - The Spiritual Molecule?'](#)

***"Trading Need Not Be A Pursuit Underwritten By Fear.
Trade With The Pure YOU, As The WITNESS; A Detachment From EGO.
Trading Is State Driven; & YOU Are Its Driver!" - DowBoy***

Final Comments

It's now time to say farewell to this post.

Trading isn't a visual game; it's not derived from the eye. '**The Art Of The Chart**' is derived from the **HEART**; it involves feeling! We must '*Feel*' the trade. We attach words as descriptive anchors in which these feelings & emotions latch onto;

"So Choose Your Trading Words Wisely My Friends!"

I hope you can use this '**Spread Betting Calculator**' to place yourself inside the numbers it generates & view from your MIND's eye ruled by your beating heart. The numerical scenarios that reveal themselves can become the new rhythmic pattern for your heart; your '*Trading Ticker*' to attune to; thus initiating the creation of new '*networks*' in thought & fresh '*Patterns*' of behaviours to occur.

Your mind holds the contents of who you are; but it's the vessel of your beating heart that is the '*Essence*' of who you are! Truly trading from your heart gives rise to the collective connective of trading in the '*Quantum State*' of 'MIND BODY HEART & SPIRIT; the REAL depiction of '**What You Are!**'

"The Heart Always Does & Always Will Govern The Mind Of A Trader." - DowBoy

This **FREE Trading Spreadsheet** isn't password protected; so use this as a starting point & maybe try & create your own '*Spread Betting Calculator*' that's tailored for you.

But at least now, I've answered the call for something on the WWW for **FREE** that can be of benefit to all within the '*Spread Betting Community*.'

So; enjoy this, my '**FREE Spread Betting Calculator**.'

"I wish you well in your journey & in your trading."

[DowBoy b.1967 – 10th-May-2013](#)

<http://www.Daytradinglife.com>  