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Trading Education Series

The Prop Firm Playbook

How to Pass Challenges, Get Funded, and Build a Career

Volume 6

The trader's guide to funded trading

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2026 Edition

Free Educational Resource

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INTRODUCTION

Your Path to Funded Trading

Proprietary trading firms offer one of the most accessible paths to trading with significant capital. For a one-time evaluation fee ($50–$500), you can earn access to accounts ranging from $10,000 to $1,000,000+ — without risking your own money.

But the statistics are sobering: 85–90% of traders fail their evaluations. Not because they cannot trade profitably — but because they do not understand the rules, cannot manage risk within the constraints, or let psychology derail them.

This Playbook is designed to give you every advantage. It covers the rules, the math, the strategies, and the mindset required to pass evaluations, manage funded accounts, and build a career as a funded trader. It is the guide most prop firms wish their traders would read before starting.

DID YOU KNOW?

This eBook is not about "how to trade" — Volumes 1–5 covered that. This is about how to trade within prop firm rules, which is a fundamentally different skill than trading your own capital.

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CHAPTER 01

What Is Prop Trading?

A proprietary trading firm (“prop firm”) provides traders with capital to trade in exchange for a share of the profits. The firm takes the financial risk; the trader provides the skill.

How the Business Model Works

- Trader pays evaluation fee: one-time payment ($50–$500) to attempt a challenge.
- Trader passes evaluation: demonstrates profitable, rule-compliant trading over 1–2 phases.
- Trader receives funded account: simulated account with real profit payouts (typically 80–90% to trader).
- Prop firm earns: evaluation fees (majority of revenue) + 10–20% profit share from successful traders.

Why Prop Firms Exist

For traders: access to capital without personal financial risk. A $500 evaluation fee can unlock a $100,000 account — 200:1 capital leverage that no bank or broker would offer.

For firms: evaluation fees provide steady revenue, and the small percentage of traders who pass and trade profitably generate ongoing profit share. It is a volume business — most evaluations fail, funding the payouts for those who succeed.

Prop Firm Model	Your Capital	Traditional Broker
Account size	$25K–$1M+ (funded)	$500–$50K (your savings)
Risk	Evaluation fee only ($50–$500)	Your entire deposit
Profit split	80–90% to you	100% to you (minus fees)
Drawdown rules	Strict (5–10% max)	None (you can lose everything)
Psychology	Rules enforce discipline	No guardrails

KEY TAKEAWAY

Prop firms are the most capital-efficient way to trade. For $200–$500, you can access $50K–$200K in buying power. The trade-off is strict rules — which, paradoxically, make you a better trader.

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CHAPTER 02

Evaluation Models Explained

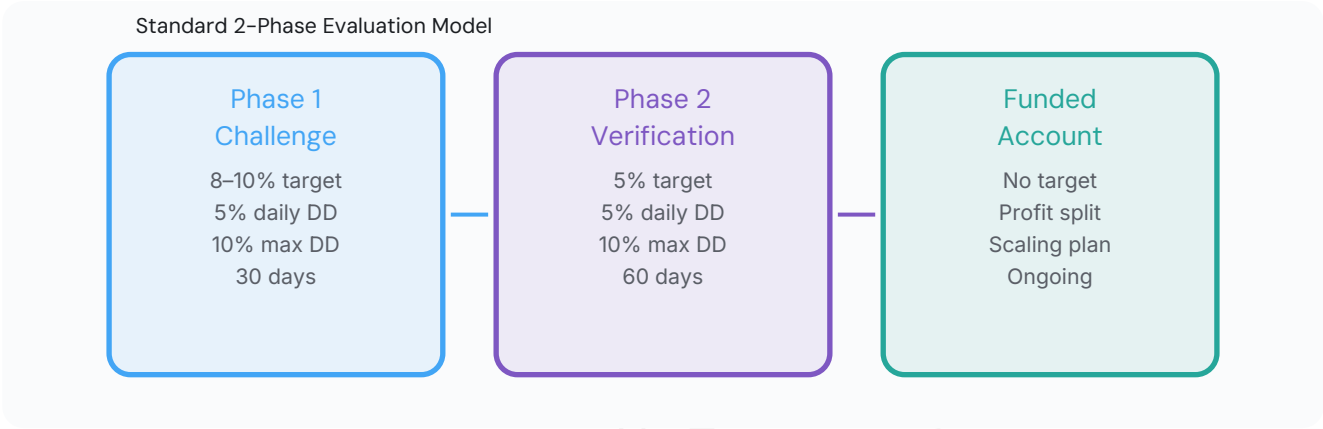


Fig 2.1 — Standard 2-phase evaluation: Challenge → Verification → Funded Account.

Model	Phases	Target	Time Limit	Best For
2-Phase (standard)	Challenge + Verification	8–10% then 5%	30 + 60 days	Most traders; lower fee, proven model
1-Phase	Single challenge	8–10%	30–45 days	Confident traders; faster to funded
Instant Funding	None (start funded)	No target	Ongoing	Experienced traders; higher fee upfront
Combine / Monthly	Monthly evaluation period	Varies	Rolling monthly	Futures traders; slower but flexible

Which Model to Choose?

If you are new to prop firms, start with the standard 2-phase model. It has the longest time limits (30+60 days), giving you maximum room to hit the target without rushing. The verification phase has a lower target (5%), acting as a confirmation that your Phase 1 wasn't luck.

Avoid instant-funding programs unless you have a proven track record. They charge higher fees and have tighter rules — one bad day can lose your funded status immediately.

KEY TAKEAWAY

Start with a 2-phase challenge on a $25K–$50K account. The evaluation fee is low ($100–$200), the rules are standard, and the time limit is generous. Once you pass, you can scale up to larger accounts.

CHAPTER 03

The Rules That Fail 90% of Traders

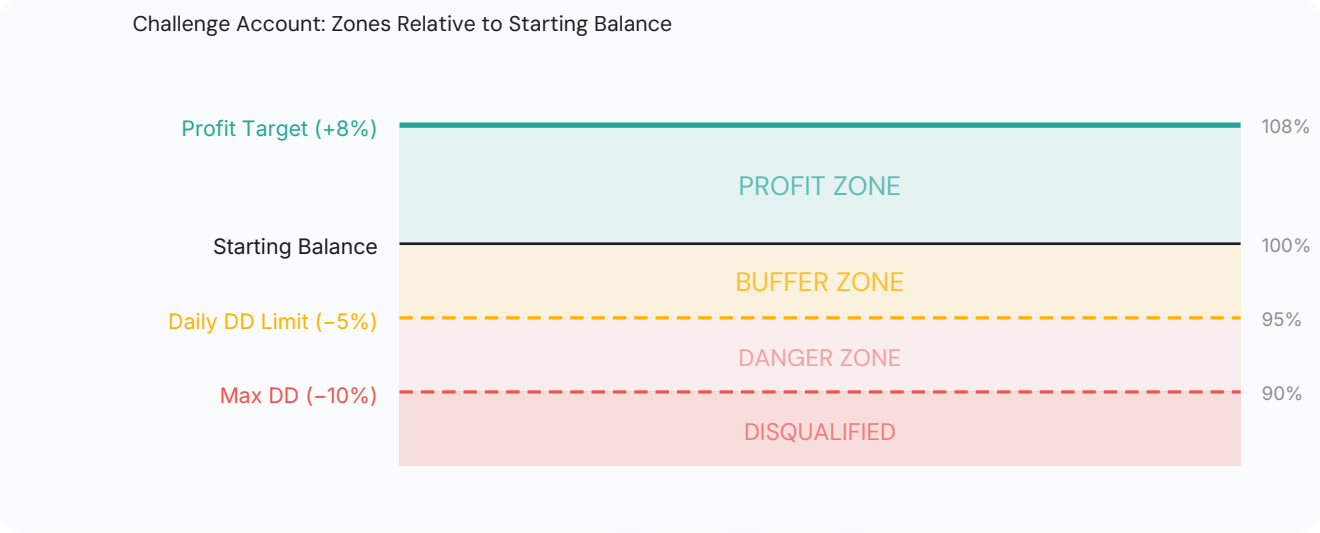


Fig 3.1 — The profit target sits above starting balance; daily DD and max DD limits sit below. Stay in the buffer zone.

Understanding the rules is more important than understanding charts. You can be a brilliant analyst and still fail because you broke a rule.

The Big Three Rules

Rule	Typical Setting	What Happens If Breached
Daily drawdown	5% of starting balance (or equity)	Account closed immediately. Challenge failed.
Maximum drawdown	10% of starting balance	Account closed immediately. Challenge failed.
Profit target	8–10% (Phase 1), 5% (Phase 2)	Must be reached to pass. No time pressure but must complete within limit.

Daily Drawdown — The Silent Killer

The daily drawdown resets each day (usually at midnight server time or 5PM EST). On a $100,000 account with a 5% daily DD, you can lose a maximum of $5,000 in a single day. If your equity drops below $95,000 at any point during the day, you are disqualified. Immediately. No warnings.

This is where most traders fail. They have 2–3 losing trades, get frustrated, increase size to “win it back,” and blow through the daily limit in a revenge-trading spiral. The fix is simple: after 2 consecutive losses, stop trading for the day.

Maximum Drawdown — The Absolute Floor

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The max drawdown is cumulative across the entire evaluation. On a $100K account with 10% max DD, your equity can never drop below $90,000 — from your starting balance, not from your highest profit. Some firms use a "trailing" max DD that follows your equity high, making it even stricter.

How the Trailing Max DD Works

If your account grows from $100,000 to $105,000 and the firm uses a trailing max DD of 10%, your new floor is $94,500 (not $90,000). The floor rises with profit but never decreases. This means early profits create a buffer, but large winning streaks followed by losses can still breach the DD.

WARNING

Read the rules of YOUR specific prop firm before starting. Rules vary significantly between firms. Some use equity-based DD (includes floating P&L;), some use balance-based DD (only counts closed trades). The difference can mean passing or failing on the same trading.

Other Rules That Catch Traders

Rule	Common Setting	Why It Exists
Minimum trading days	4–5 per phase	Prevents lucky one-trade passes
No news trading	Major events restricted	Volatility makes risk uncontrollable
No weekend holding	Positions closed by Friday	Gap risk on Monday open
Consistency rule	No day >30–40% of total profit	Ensures repeatable performance, not luck
Lot size limits	Max lots per position	Prevents over-leveraging
No hedging	Opposing positions on same pair	Simplifies risk monitoring

KEY TAKEAWAY

The daily drawdown limit is the #1 reason traders fail. Protect it above all else. After 2 losses in a day, stop. After reaching -2% intraday, stop. The target can wait until tomorrow. The DD cannot be recovered once breached.

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CHAPTER 04

Choosing the Right Prop Firm

Not all prop firms are legitimate. Some are designed to profit purely from evaluation fees with near-impossible rules. Here is how to evaluate them:

Green Flags

- Transparent payout history (published or verifiable on Trustpilot/social proof).
- Reasonable rules (5% daily DD, 10% max DD, 30+ day time limit).
- Scaling plan with clear milestones.
- Active community (Discord, Telegram) with real funded traders.
- Clear legal structure (company registration, physical address, terms of service).
- Multiple payout methods (bank wire, crypto, e-wallet).

Red Flags

- Unrealistically easy rules (1-day challenge, no DD limits) — likely never pays out.
- No verifiable payouts or customer reviews.
- Hidden fees (monthly data fees, platform fees, inactivity fees).
- Extremely tight rules designed to disqualify (1% daily DD, trailing DD from day 1).
- No customer support or delayed responses.
- Anonymous ownership or offshore shell company with no track record.

Factor	What to Look For
Evaluation fee	$100–$300 for $50K–$100K accounts (reasonable range)
Profit target	8–10% Phase 1, 5% Phase 2 (standard)
Daily drawdown	5% of starting balance (industry norm)
Max drawdown	10–12% (reasonable; below 8% is very tight)
Time limit	30+ days Phase 1, 60+ days Phase 2 (generous)
Profit split	80%+ to trader (standard is 80%, elite is 90%)
Payout frequency	Bi-weekly or monthly (avoid firms with 90-day waits)

KEY TAKEAWAY

Spend 1 hour researching before spending $200 on a challenge. Check Trustpilot reviews, search “[firm name] payout proof” on YouTube, and join their Discord to talk to funded traders. A legitimate firm welcomes scrutiny.

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CHAPTER 05

The Evaluation Mindset

The #1 mental shift required for prop firm trading: the evaluation is not about making money. It is about NOT losing money.

In your personal account, the goal is profit. In a prop firm evaluation, the goal is survival while slowly accumulating the 8–10% target. The daily DD limit means one bad day can undo weeks of progress. So the priority order is:

- 1. Protect the daily DD — never breach it. Ever. Stop after 2 losses.
- 2. Protect the max DD — never let cumulative losses exceed 6–7% (leave buffer above the 10% limit).
- 3. Hit the target gradually — 8% over 30 days = 0.27% per day. That is tiny. One good trade per day.

Reframing the Target

Target	Days Available	Required Per Day	At 1% Risk, Means...
8%	30	0.27%/day	Win a 1:1 trade every ~4 days
8%	20 (leaving buffer)	0.40%/day	Win a 1:1.5 trade every ~3 days
10%	30	0.33%/day	Win a 1:1 trade every ~3 days
5% (Phase 2)	60	0.08%/day	Almost impossible to fail if you just don't blow up

When you see 8% as “less than one good trade every 3 days,” the pressure disappears. You do not need to trade every day. You do not need to catch every move. You need 8 good trades in 30 days at 1% risk with 1:1 RR. That is the math.

DID YOU KNOW?

Phase 2 is even easier. 5% over 60 days = 0.08% per day. If you passed Phase 1, Phase 2 should feel like a formality. The biggest risk in Phase 2 is overconfidence leading to rule breaches.

KEY TAKEAWAY

Think of the evaluation as a risk management test, not a trading competition. The firm is checking whether you can follow rules under pressure. Slow and steady wins. One good trade per week is enough.

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CHAPTER 06

Strategy Selection for Challenges

Not all strategies work in prop firm evaluations. The constraints (tight drawdown, time limit, consistency rules) favor specific approaches:

Strategy Type	Prop Firm Fit	Why
Trend following (MA crossover)	Poor	Low win rate means many consecutive losses → DD breach risk
Swing trading (daily pullback)	Excellent	Clean entries, wide stops ok, 1–2 trades/week suffices
Price action at key levels	Excellent	High-probability, clear invalidation, strong RR
Scalping	Risky	Many trades = many chances to compound losses. Needs perfect execution.
Mean reversion (BB bounce)	Good	High win rate protects DD, but smaller wins mean slow progress
Breakout trading	Good	Few trades, high RR when right, but false breakouts risk DD
News trading	Usually prohibited	Most firms ban it explicitly

The Ideal Prop Firm Strategy Has:

- 50%+ win rate — limits consecutive losses (protects daily DD).
- 1:1.5 to 1:2 risk-reward — each win covers 1.5–2 losses.
- 1–3 trades per day maximum — fewer decisions = fewer mistakes.
- Daily chart or H4 timeframe — cleaner signals, less screen time, less noise.
- Clear stop loss based on structure — ATR or swing-based, not fixed pips.
- Works in multiple market conditions — or you know when to sit out.

Adapting Your Existing Strategy

If you already have a profitable strategy, adjust it for prop firm constraints:

Your Strategy	Prop Firm Adjustment
Risk 2–3% per trade	Reduce to 0.75–1%. Prop DD limits are tighter than personal tolerance.
Trade 5–10 times/day	Reduce to 1–3. More trades = more DD risk from compounding losses.

Hold overnight/weekend	Check if allowed. Many firms restrict or penalize overnight positions.
Trade news events	Stop. Most firms prohibit trading near high-impact news.
Use grid/martingale	Stop. Adding to losers is the fastest way to breach max DD.
No stop loss	Non-negotiable: every trade needs a stop. Floating DD is monitored real-time.

During a challenge, trade one strategy only. Do not switch approaches mid-challenge. Consistency rules penalize exactly this. Pick your strategy, practice 2 weeks on demo, then start.

KEY TAKEAWAY

The best prop firm strategy is boring. One setup, one timeframe, 1–2 trades per day. Adapt what already works — don’t invent something new under pressure.

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CHAPTER 07

The Math of Passing

Trades Needed to Pass 8% Target (at 1% risk per trade)

Win% \ Risk-Reward Ratio →	1:1.0	1:1.5	1:2.0	1:2.5	1:3.0
40%	—	—	40	20	14
45%	—	64	23	14	10
50%	—	32	16	11	8
55%	80	22	13	9	7
60%	41	17	10	8	6

Fig 7.1 — Trades needed to hit 8% target at 1% risk. Green = achievable (<15 trades), Amber = moderate, Red = difficult.

This diagram shows exactly how many trades you need based on your win rate and risk-reward ratio. The math is:

FORMULA

Trades Needed = Target (in R) ÷ Expectancy per Trade

Where Expectancy = (Win% × Avg Win in R) – (Loss% × 1R)

Example: 50% WR, 1:2 RR → Expectancy = (0.5 × 2) – (0.5 × 1) = 0.5R per trade
Trades = 8R ÷ 0.5R = 16 trades to hit 8% target at 1% risk

16 trades over 30 days = roughly 1 trade every 2 days. That is incredibly manageable. The problem is not the target — it is the emotional pressure that makes traders overtrade, over-risk, and break rules.

What Risk Percentage Should You Use?

Risk Per Trade	Trades to Hit 8% (50% WR, 1:2 RR)	Max Consecutive Losses Before DD Breach	Recommendation
0.5%	32 trades	10 losses (safe)	Very conservative; good for nervous traders
0.75%	22 trades	6–7 losses (safe)	Conservative; recommended for beginners
1.0%	16 trades	5 losses (moderate)	Standard; recommended for experienced traders

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1.5%	11 trades	3–4 losses (risky)	Aggressive; only if high win rate (60%+)
2.0%	8 trades	2–3 losses (dangerous)	Not recommended; one bad day = breach

At 1% risk, you can afford 5 consecutive losses before hitting the daily DD. At 2% risk, just 2–3 losses end your challenge. The math clearly favors 0.75–1% risk.

KEY TAKEAWAY

Risk 0.75–1% per trade. At 50% win rate and 1:2 RR, you need ~16–22 trades over 30 days to pass. That is less than 1 trade per day. The target is easy; the discipline is hard.

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CHAPTER 08

Daily Routine for Challenge Traders



Fig 8.1 — Optimized daily schedule for a prop firm challenge trader (UTC).

Pre-Market (30–60 min before your session)

- Check the economic calendar (ForexFactory, Investing.com) — avoid trading 30 min before/after high-impact news.
- Mark key levels on your charts (daily S/R, Fibonacci, MAs).
- Review yesterday's trades in your journal.
- Write down today's rules: max 2 trades, 1% risk each, stop after 2 losses.

Active Trading (2–4 hours)

- Focus on ONE session (London or NY — not both, to avoid fatigue).
- Wait for setups that meet ALL your criteria — no forcing trades.
- If no setup appears, that is a good day. No trade = no loss = no DD damage.
- After a win, do NOT immediately look for another trade. Take the win.
- After 2 losses, close the platform. Done for the day. Non-negotiable.

Post-Market (15–30 min)

- Record trades in journal: entry, SL, TP, result, R-multiple, screenshot, emotions.
- Update your challenge tracker (current P&L;, remaining DD buffer, days left).
- Identify one thing to improve tomorrow.
- Close charts. Do not check them again until tomorrow's pre-market.

PRO TIP

The most dangerous time is after the active trading window. Bored traders look for "one more trade" during the slow afternoon session and take low-quality setups. Set a hard stop time and stick to it.

KEY TAKEAWAY

A disciplined daily routine turns challenge trading from a stressful gambling session into a professional process. 2–4 hours of focused trading, 30 min of preparation, 15 min of review. That is all you need.

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CHAPTER 09

Managing a Funded Account

Congratulations — you passed. Now the real work begins. A funded account has the same DD rules but no profit target. Your goal shifts from "hit 8%" to "extract consistent profits without breaching rules."

First 30 Days: The Probation Mindset

- Trade at 50–75% of your challenge risk. If you used 1% during the challenge, use 0.5–0.75% on the funded account.
- The first payout is the hardest psychologically. Many traders increase risk trying to hit the minimum payout threshold quickly.
- Focus on consistency: 4–5 trading days per payout cycle, positive expectancy, no rule breaches.
- Build a profit buffer before increasing risk. Get 3–4% in profit before even thinking about normal risk.

Payout Strategy

Approach	How It Works	Best For
Withdraw everything	Take all profit at each payout cycle	Traders who want income now
Leave 50%, withdraw 50%	Build buffer while earning income	Balanced approach (recommended)
Leave all profit	Maximize buffer for scaling eligibility	Traders aiming for max account size

The recommended approach: leave 50% of profits in the account until you have a 5%+ buffer above the max DD. This buffer is your insurance against a losing streak. Once the buffer is built, withdraw freely.

Common Funded Account Mistakes

Mistake	Consequence	Fix
Increasing risk after passing	Funded account blown in first week	Start at 50–75% of challenge risk
Trying to hit payout threshold fast	Overtrading, DD breach	Let profits accumulate naturally
Not building a buffer first	One losing streak = account lost	Get 3–4% profit before normal risk
Withdrawing 100% every cycle	No buffer for drawdowns	Leave 50% in account until buffer built
Changing strategy after funding	Results don't match challenge	Trade EXACTLY what you traded in evaluation

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Trading every day	Fatigue, forced trades, lower quality	Trade only when A+ setups appear

The Funded Trader's Calendar

A practical monthly structure for funded account traders:

- Week 1: Normal trading. Build P&L. No withdrawal pressure.
- Week 2: Continue if positive. If in drawdown, reduce risk to 0.5%.
- Week 3: If profitable, consider requesting payout (most firms have bi-weekly or monthly cycles).
- Week 4: Protect gains. Reduce risk if near payout. No heroic trades.
- Payout day: Withdraw 50%. Leave 50% as buffer. Reset mentally for next cycle.

> KEY TAKEAWAY
>
> Funded account management is simpler than the challenge: same rules, no target. Risk 0.5–0.75%, build a buffer, withdraw 50%, and scale up when eligible. Treat each payout cycle as a mini-challenge: slow start, build profits, protect gains.

CHAPTER 10

Scaling Plans & Career Path

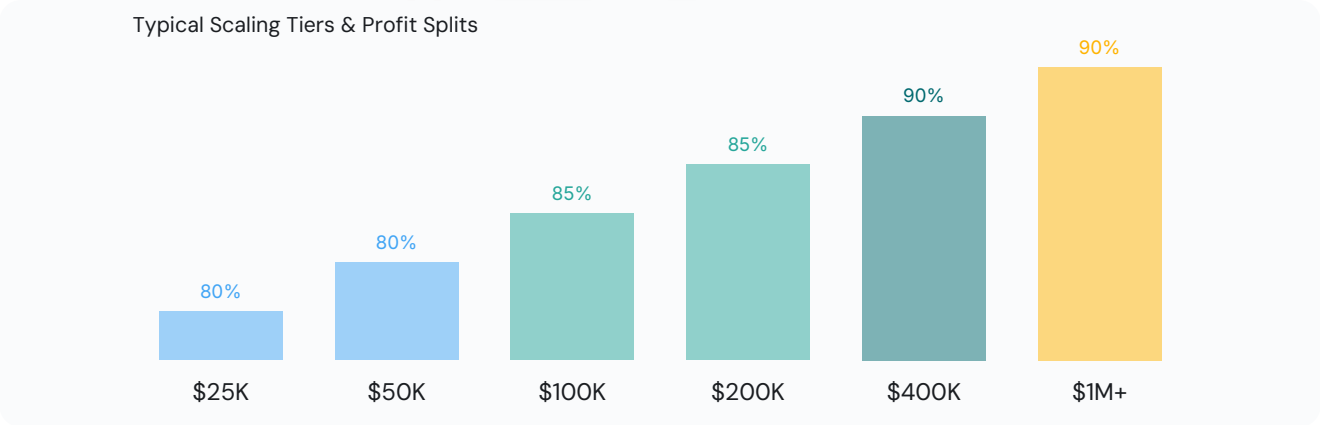


Fig 10.1 — Typical scaling tiers from $25K to $1M+. Profit splits improve at higher tiers.

Most prop firms offer a scaling plan: demonstrate consistent profitability over 3–4 months, and they double your account size. This is the fastest path to serious capital:

Milestone	Account Size	Monthly Income (at 3% monthly, 80% split)	Career Stage
Start	$25,000	$600/month	Side income
Scale 1	$50,000	$1,200/month	Supplemental income
Scale 2	$100,000	$2,400/month	Part-time trading income
Scale 3	$200,000	$4,800/month	Full-time trading income

Scale 4	$400,000	$9,600/month	Professional trader
Elite	$1,000,000+	$24,000+/month	Career trader

At 3% monthly return (very achievable for consistent traders) and 80% profit split, a $200K account generates $4,800/month. That is a full-time income in most countries, earned from 2–4 hours of trading per day.

Multiple Accounts Strategy

Many funded traders hold accounts at 2–3 different prop firms simultaneously. If you trade the same strategy across all accounts, your effective capital is the sum of all accounts — without additional risk.

> KEY TAKEAWAY
>
> Scaling from $25K to $200K takes 12–18 months of consistent trading. The math works: 3% monthly on $200K = $4,800/month at 80% split. That is a realistic, achievable career path for disciplined traders.

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CHAPTER 11

Common Mistakes & Disqualifications

Mistake	What Happens	Prevention
Revenge trading after losses	Daily DD breached in one session	Hard rule: stop after 2 losses. Walk away.
Increasing risk to hit target faster	One bad trade = 3–4% loss	Same risk every trade. No exceptions.
Trading during restricted news	Automatic disqualification	Check the calendar BEFORE the session.
Holding over weekend	Gap opens against you Monday	Close all positions by Friday 3PM.
Ignoring consistency rule	One big win + many small losses = fail	Distribute profits across multiple days.
Not reading the specific rules	Unknowingly breaking a rule	Read the FULL rules document before starting.
Over-trading (10+ trades/day)	Commissions eat profits + fatigue errors	Max 2–3 trades per day.
Trading multiple correlated pairs	Effective risk 2–3x intended	Max 2 correlated positions.

The “Almost Passed” Trap

The most dangerous moment is when you are at 7% profit with 3 days left and need just 1% more. The temptation to increase risk is overwhelming. But this is where most traders fail — they take a larger position, the trade goes against them, and in 2 hours they lose 3–4%, dropping back to 3–4% profit and needing to start over.

The fix: trade the last 3 days identically to the first 3 days. Same risk, same rules, same setups. If you don’t hit the target this month, you will next month. The challenge fee is $200; the habit of discipline is worth thousands.

KEY TAKEAWAY

90% of disqualifications come from breaking risk rules, not from bad trading. Read the rules. Follow the rules. When in doubt, take the smaller risk. The evaluation will still be here tomorrow.

CHAPTER 12

Prop Firm Taxes & Legal

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Prop firm payouts have unique tax implications that vary by country. Here is a general overview (consult a local tax professional for specifics):

Question	Typical Answer
Am I employed by the prop firm?	No. You are an independent contractor in most cases.
How are payouts taxed?	Typically as self-employment income or miscellaneous income (not capital gains).
Do I receive a 1099 or tax form?	Some US firms issue 1099-NEC. International firms may not issue tax forms.
Do I owe self-employment tax?	In many jurisdictions, yes (social security, Medicare equivalent).
Can I deduct expenses?	Usually yes: evaluation fees, platform costs, education, home office.
Is the evaluation fee deductible?	Generally yes, as a business expense (if trading is your business).

Legal Considerations

- Read the prop firm's Terms of Service before starting. Understand their dispute resolution process.
- Most prop firms state that you are trading on simulated accounts — payouts are compensation for performance, not actual trading profits.
- Keep records of ALL payouts, evaluation fees, and correspondence with the firm.
- If a firm refuses a legitimate payout, document everything and escalate to social media + review platforms (firms hate public disputes).

KEY TAKEAWAY

Prop firm income is typically taxed as self-employment income, not capital gains. Track all payouts and expenses. Consult a tax professional familiar with trading income in your jurisdiction.

CHAPTER 13

From Funded to Independent

Prop firms are a stepping stone, not a destination. The long-term goal for most serious traders is building enough capital to trade independently — keeping 100% of profits.

When to Transition

- You have 12+ months of consistent funded trading with documented performance.
- You have saved $50,000+ in personal trading capital from prop firm payouts.

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- Your annual return exceeds 30–50% consistently (at that point, personal capital outearns the profit split).
- You are comfortable with the psychological shift of risking your own money.

Many traders maintain prop firm accounts even after building personal capital — the prop firm capital is "free" leverage that amplifies their total trading income.

> KEY TAKEAWAY
>
> Use prop firms to build skill, capital, and track record. Transition to personal trading when your saved capital plus compounding outearns the profit split. Many traders keep both.

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CHAPTER 14

5 Challenge-Optimized Strategies

These strategies are designed specifically for prop firm constraints: high win rate, controlled drawdown, and achievable targets.

Strategy 1: The London Pullback

SESSION	London (08:00–11:00 UTC)
TIMEFRAME	H1 setup, M15 entry
TREND	H4 trend established (price above/below 50 EMA)
SETUP	Price pulls back to H1 20 EMA during London session
ENTRY	M15 bullish/bearish engulfing at the 20 EMA
STOP	Below M15 swing low (15–25 pips typical)
TARGET	1:1.5 to 1:2 (next H1 level)
RISK	0.75–1% per trade

Strategy 2: The NY Session Breakout

SESSION	NY Open (13:00–15:00 UTC)
TIMEFRAME	M15
SETUP	Pre-NY consolidation range forms (08:00–13:00 UTC)
ENTRY	M15 candle closes above/below the range with volume
STOP	Opposite side of the consolidation range
TARGET	1.5× range width
FILTER	Trade in direction of London session trend only
RISK	0.75% per trade

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Strategy 3: Daily Pin Bar at S/R

TIMEFRAME	Daily chart (check once at market close)
SETUP	Pin bar at key daily support or resistance
ENTRY	Next day: limit order at 50% of pin bar range
STOP	Below pin bar wick + ATR buffer
TARGET	Next daily S/R level or 2:1 minimum
FREQUENCY	1–2 trades per week (low frequency, high conviction)
RISK	1% per trade
BEST FOR	Patient traders who prefer fewer, higher-quality setups

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Strategy 4: RSI Divergence Bounce

TIMEFRAME	H4 divergence, H1 entry
SETUP	RSI bullish divergence at H4 support (higher RSI low, lower price low)
CONFIRMATION	H1 bullish engulfing or morning star at the support
ENTRY	On H1 confirmation candle close
STOP	Below the divergence swing low
TARGET	50% Fibonacci retracement of prior decline
RISK	1% per trade
WIN RATE	~55–60% (high probability at confluence zones)

Strategy 5: The Simple EMA Trend Ride

TIMEFRAME	H4 chart
INDICATORS	20 EMA + 50 EMA + RSI (14)
BUY	20 EMA above 50 EMA, RSI above 50, price touches 20 EMA from above
SELL	Opposite: 20 below 50, RSI below 50, price touches 20 EMA from below
STOP	Below 50 EMA (or 2× ATR)
TARGET	Trail with 20 EMA — exit when candle closes beyond it
RISK	0.75% per trade
STRENGTH	Catches medium-term trends, low trade frequency, minimal screen time

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CHAPTER 15

Your 30-Day Challenge Action Plan

Here is a day-by-day plan for passing a standard 2-phase evaluation:

Week 1 (Days 1–7): Foundation

- Day 1: Read ALL rules. Set up charts. Mark key levels. DO NOT TRADE.
- Days 2–3: Trade at 0.5% risk (half your normal). Get comfortable with the platform and execution.
- Days 4–7: Increase to 0.75% risk. Take only A+ setups. Target: end week at +1–2%.

Week 2 (Days 8–14): Build Momentum

- Risk 0.75–1% per trade. Follow your strategy exactly.
- Target: end week at +3–4% total.
- If you hit +4%, consider reducing risk to 0.5% for the rest of the week (protect gains).

Week 3 (Days 15–21): Consistency

- Same risk, same strategy. No changes.
- Target: end week at +5–7%.
- If you are at +7%, you only need 1% more. Reduce risk to 0.5% and coast.

Week 4 (Days 22–30): Close It Out

- If below target: continue at 0.75–1% risk. Do NOT increase size.
- If at/near target: reduce to 0.5% risk. Take only the best setups.
- If you pass early: STOP TRADING. There is zero benefit to additional trades after hitting the target.

> WARNING
>
> Do NOT change your strategy in Week 4 because you are “so close.” The traders who fail in the final week are the ones who deviate from their plan. Treat Day 28 exactly like Day 3.

After Passing

- Take 2–3 days off before starting Phase 2 (or funded trading). Mental reset.
- Review your challenge journal: what worked, what nearly failed, what to improve.
- Start Phase 2 / funded account at 50–75% of your challenge risk.
- Build a profit buffer before increasing to full risk.

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KEY TAKEAWAY

The 30-day plan is simple: start slow (0.5%), build to normal (0.75–1%), and coast once you are near the target. The biggest mistake is rushing. You have 30 days. Use them all if needed. Passing on Day 28 counts exactly the same as passing on Day 5.

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Trading Education Series

Volume	Title	Focus
Vol. 1	Fundamentals of Trading	Market basics, how trading works
Vol. 2	Technical Analysis Mastery	Charts, indicators, price action
Vol. 3	Risk & Money Management	Position sizing, drawdown control
Vol. 4	Trading Strategies & Systems	Complete systems, strategy templates
Vol. 5	Crypto Trading Essentials	Bitcoin, DeFi, wallets, portfolio
Vol. 6	The Prop Firm Playbook	Pass challenges, get funded, scale up

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