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Trading Journal; Application in Risk Management and Error Identification

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A trading journal is a tool for recording Past trade review, analyzing performance, risk, and identifying mistakes. Trade date, symbol, direction, entry and exit price, trade volume, and risk-to-reward ratio are among the elements that must be recorded in a trading journal.

It is also advisable to add columns such as strategy type, trading timeframe, trading session (Asia, Europe, or America), and position holding duration to the trading journal in order to achieve a more comprehensive evaluation of the trading system's efficiency.



Recording trades and Trade performance analysis in a trading journal

What is a trading journal?

A trading journal is an important tool for recording all positions, their details, and reviewing the course of trades. In this log, all trades and related information such as date, trade volume, risk level, reason for entry, strategy review, and profit or loss are recorded.

It is even possible to log professional metrics such as risk-to-reward ratio (RR), R-Multiple, and MAE/MFE of each trade for more precise analysis. Visual guide to trading journal from Edgewonk YouTube channel:



Advantages and disadvantages of journaling

By recording accurate data, journaling can be a method to review trading strategies; however, it requires time, high discipline, and entering details immediately after each trade. Advantages and disadvantages of trading journaling:

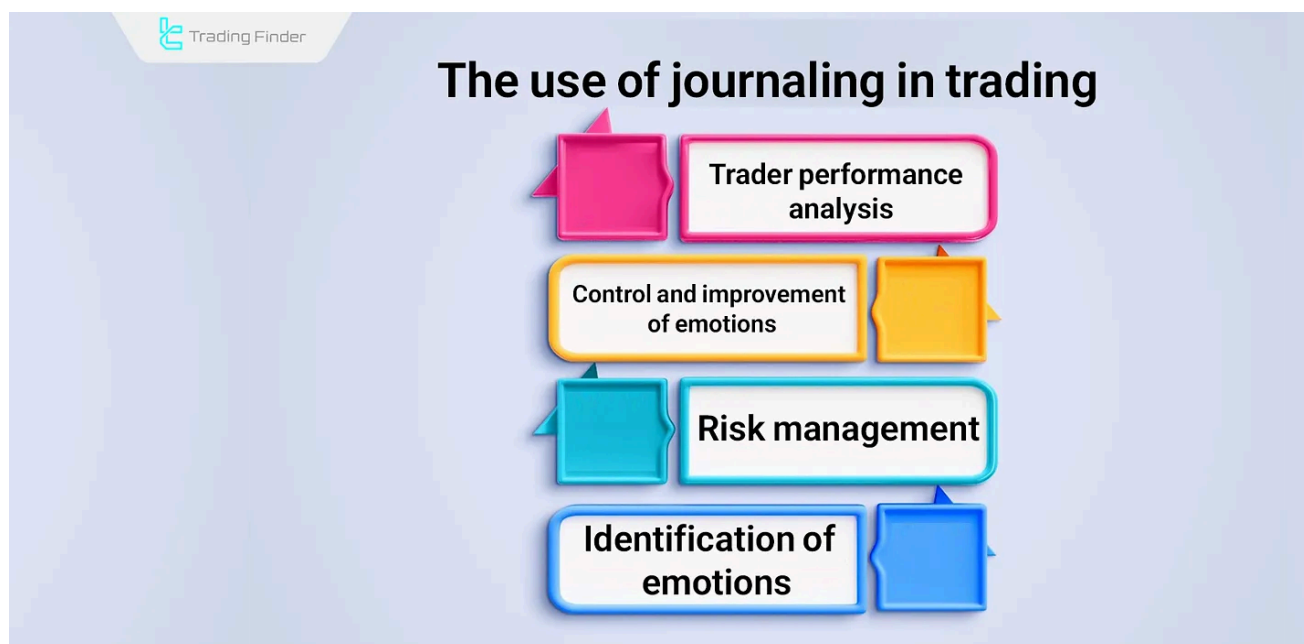
Advantages	Disadvantages
Identifying strengths and weaknesses of the trading strategy	Time-consuming to record accurate information
Controlling emotions and preventing impulsive trades	Possibility of forgetting to record trades regularly
Providing enough data for statistical analysis (Win Rate, Expectancy, etc.)	Difficult for short-term trades and scalpers



strategies in different timeframes	are kept
Increasing accountability and discipline in trading process	Dependency on tools (notebook, Excel, software) and possible human error in recording data

Application of journaling in trading

The purpose and application of journaling in trading is to carefully review the process, identify strengths and weaknesses, and evaluate trading strategies. Applications of journaling:



Performance analysis and error identification are among the most important applications of journaling in trading

- ⚡ **Performance analysis:** evaluating the success of strategies, developing and improving trading strategies;
- ⚡ **Emotional control:** sometimes emotions such as fear or greed dominate traders; recording these helps improve emotional control;



⚡ **Error identification:** journaling allows traders to detect past mistakes and correct them.

How to identify past mistakes using a journal?

To detect mistakes, the journal should be reviewed regularly and at specific intervals.

For example, review the trading journal weekly to identify and note down mistakes; repeat this process the following week to spot recurring errors that lead to losses. In this way, after a few months, the number of mistakes will significantly decrease.

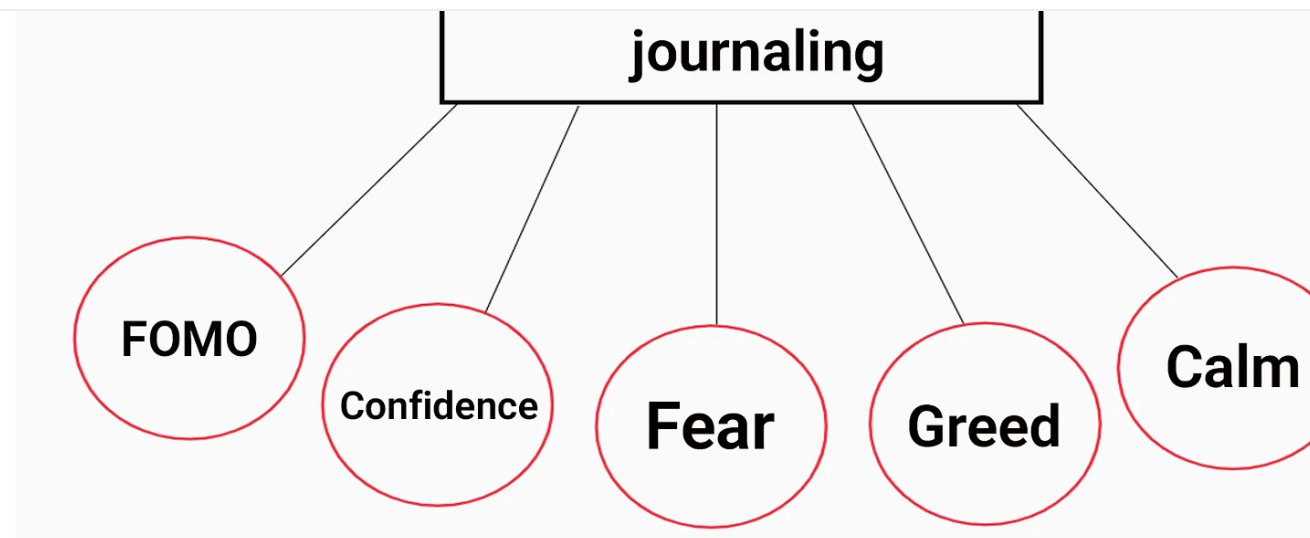
Managing emotions in a trading journal

One of the key sections of journaling is controlling and analyzing emotions during trading. Many losses occur not due to weak strategy but as a result of emotional reactions such as fear, greed, or revenge trading.

Regularly recording and analyzing these emotions in the journal helps traders identify their behavioral patterns and manage their trading mindset in the future.

Emotion labeling method

To manage emotions effectively in a trading journal, it is better to use fixed and repeatable labels. These labels allow you to more quickly detect behavioral patterns when reviewing past trades. Types of emotion labeling:



Standard and essential labels for trading journaling

Note your dominant emotion when entering or exiting a trade;

For better standardization, you can use fixed labels such as:

- ⚡ FOMO (Fear of Missing Out)
- ⚡ Confidence
- ⚡ Fear
- ⚡ Greed
- ⚡ Calm

What should be recorded in a trading journal?

A trading journal must include all information related to a trade. Recordable items:

- ⚡ **Date:** entry and exit date of the trade
- ⚡ **Symbol:** traded asset symbol
- ⚡ **Trade direction:** buy or sell
- ⚡ **Entry and exit price:** entry price, targets, and exit point
- ⚡ **Trade volume:** volume, lot size, and value of the trade
- ⚡ **Risk level:** risk taken in positions
- ⚡ **Reason for entry:** could be technical setup, **fundamental** or sentiment analysis, or a combination
- ⚡ **Trade result:** profit or loss in percentage and monetary value



trading process

Importing trade history from MT4/MT5 into the journal

One of the best ways to complete a trading journal is to directly transfer trade history from MetaTrader 4 or 5 into Excel or Google Sheets.

This ensures all details of each position are systematically available without needing to manually record everything. [Guide for creating Excel trading journal](#) on axi.com:

Microsoft Excel

Microsoft Excel is the original tool for traders looking to start their first trade journal. Using a trading journal in Excel gives you full control and a ton of functionality by building a spreadsheet from scratch or downloading a free spreadsheet template from the web.

If you are Excel-savvy then setting your journal up will be easy, but for users who aren't across the financial-related functions and macros, you will have to spend some time getting it ready. Remember to double-check and triple-check the spreadsheet! You don't want any mistakes that could potentially skew your trade history.

How to create Excel in trading journal; Source: axi.com

Steps to extract history in MetaTrader 4 (MT4)

To ensure the trading journal includes actual trade data in addition to manual notes, account history can be directly exported from MetaTrader 4. Steps to export trade history from MT4:

1. Go to the Account History tab;
2. Right-click on an empty area and select Save as Detailed Report or Save as Report;
3. The output file will be saved in HTML format;
4. To convert to Excel:



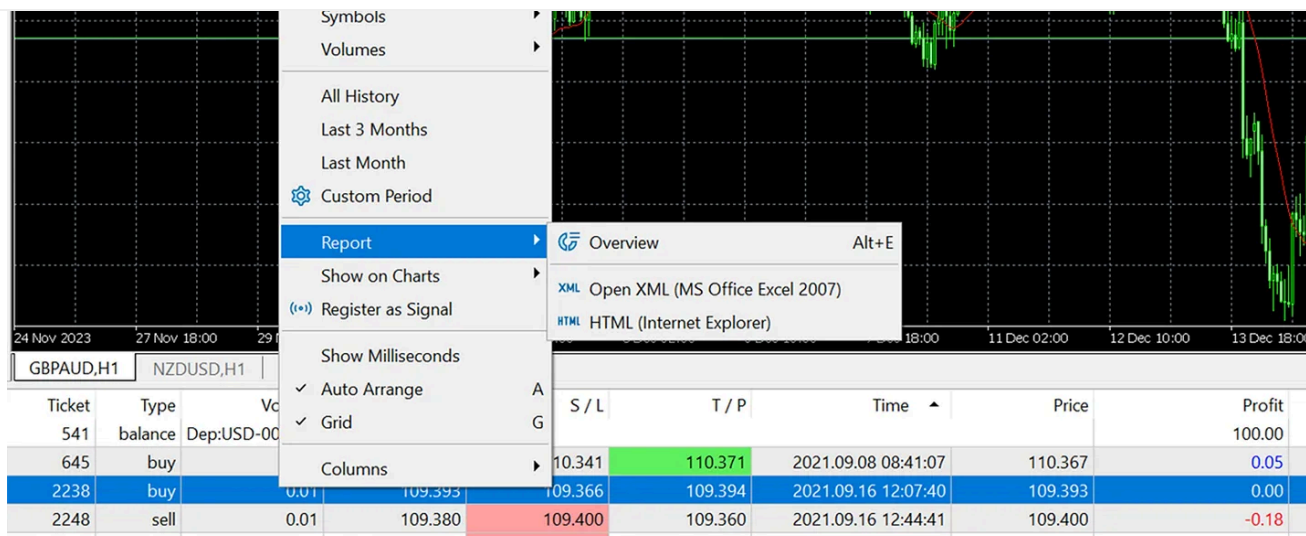
Order	Time	Symbol	Price	Volume	Type	Commission
125584618	2022.11.28 16:05:00	eurusd	1.04473	0.0		
125584852	2022.11.28 16:20:00	eurusd	1.04387	0.0		
125584944	2022.11.28 16:24:00	eurusd	1.05437	0.0	buy	
125671546	2022.12.05 10:05:27	eurusd	1.05428	0.0	sell	0.01
125764145	2022.12.13 14:34:08	eurusd	1.55531	0.0	sell	0.05
125764186	2022.12.13 14:35:53	euraud	1.06197	0.0	buy	1.00
125800720	2022.12.15 13:45:01	eurusd		0.0	buy	0.01

How to export trade history for journaling in MetaTrader 4

Steps to extract history in MetaTrader 5 (MT5)

In MetaTrader 5, the trade report export process is simpler than in MT4, often allowing direct export as CSV. This feature enables opening trade data in Excel or Google Sheets without extra conversion. Steps to export trade history from MT5:

1. In the History section, right-click on an empty area;
2. Select Report or Save as Report;
3. The output file will be saved as HTML or, in some versions, CSV;
4. If CSV, simply open it directly in Excel or Google Sheets.



How to export trade history for journaling in MetaTrader 5

Trading journal example

This example shows how details of a position such as date, symbol, entry and exit price, volume, risk level, reason for entry, final result, and additional notes can be systematically recorded in the journal.

These records can then be used for both statistical and psychological trading analysis.

Example of a trading journal entry:

Date	Symbol	Trade direction	Entry price	Exit price	Volume	Profit
25/01/29	EUR/USD	Short	1.0437	1.0213	0.01	0.0224
Reason for entry	Result	Emotions	Notes			
Monetary policy divergence	224 pips / \$22.4 profit	I felt anxious	Trading with fundamental data was a new experience			

Conclusion



one can increase profits and minimize losses.

In trading journaling, all trade information including profit and loss, reason for entry, risk level, and emotional state is recorded. Thus, it can be used to identify mistakes and flaws in a strategy.



Trading Journal Tutorial PDF

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Quiz

5 Questions

Q1: What is the primary purpose of maintaining a trading journal?

- 1. To automatically execute profitable trades
- 2. To record past trades, analyze performance, and identify mistakes
- 3. To predict future market movements

Q2: Which of the following is NOT mentioned as a disadvantage of trading journaling?

- 1. Time-consuming to record accurate information
- 2. Increases trading costs and fees
- 3. Possibility of forgetting to record trades regularly



1. Using random descriptive words for each trade

2. Using fixed and repeatable labels like FOMO, Fear, Greed, and Calm

3. Only recording positive emotions during winning trades

Q4: How can trade history be imported from MetaTrader 4 into a trading journal?

1. Go to Account History tab, click on detailed report in HTML format, then

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3. MT5 only exports winning trades to reduce file size

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What is a trading journal?





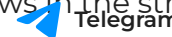
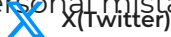
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What elements are included in a trading journal?

A trading journal includes date, entry and exit prices, trade volume and value, risk level, reason for entry, outcome (profit/loss), and trader's emotions.

What is the benefit of journaling in trading? **Our Social Media**

A trading journal not only organizes trades and ensures adherence to strategy but also helps identify personal mistakes, reasons for losses, and flaws in the strategy.



MQ15 Mql5

TradingView



5 From 5.0



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Sinan Aydın | Oct 16, 2025

A screenshot of the NinjaTrader website. It features a "Live Trading Account" section with bullet points: "Unlimited simulated trading included" and "No deposit minimum requirement". Below this is a purple banner with the text "Tutorial on downloading and installing NinjaTrader". Underneath, there are three columns of options: "Download Desktop Platform", "Use Desktop Platform with Multiple Brokers", and "Import License Key". Each column has a corresponding button: "Download", "Purchase", and "Import".

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