

How to Calculate ROI (Return on Investment) on MT4

Step 1: Access Your Account History in MT4

1. Open your MT4 platform.
2. Locate the Terminal Window at the bottom of the screen.
3. Click on the Account History tab.
4. Right-click in the Account History area and select Custom Period to define the timeframe you want to analyze (e.g., a month, quarter, or year).

Step 2: Gather the Required Data

- Starting Balance: The balance at the beginning of your selected period.
- Profit/Loss: This can be found in the Account History.
- Deposits: Amounts added to the account during the selected period.
- Withdrawals: Amounts taken out of the account during the same period.
- Ending Balance: The final balance after the selected period.

Step 3: Use the ROI Formula

ROI is calculated using the formula:

$$\text{ROI (\%)} = [(\text{Ending Balance} - \text{Starting Balance} - \text{Deposits} + \text{Withdrawals}) / \text{Starting Balance}] \times 100$$

Step 4: Interpret Your ROI

- Positive ROI: Indicates that your account grew during the period.
- Negative ROI: Indicates a loss during the period.

Example Calculation

Scenario:

- Starting Balance: \$1,000
- Profit/Loss: \$300
- Deposits: \$200
- Withdrawals: \$100
- Ending Balance: \$1,400

Using the formula:

$$\text{ROI (\%)} = [(1,400 - 1,000 - 200 + 100) / 1,000] \times 100$$

$$\text{ROI (\%)} = (300 / 1,000) \times 100 = 30\%$$

Your ROI for this period is 30%.

Tips for Accurate ROI Calculations

1. Keep Track of Deposits and Withdrawals: Regularly update your records to ensure accuracy.
2. Use Consistent Timeframes: Compare ROI over similar periods for better analysis (e.g., month-to-month or year-to-year).
3. Analyze Performance: Use ROI trends to evaluate your trading strategy's effectiveness.

Why is ROI Important?

- Measures Profitability: Helps you track how much your investment is growing.
- Evaluates Strategies: Allows you to compare different trading strategies or robots.
- Informs Decisions: A steady and consistent ROI signals a reliable trading system.