How to Scale Your Income: Prop Trading Tips from Alex Gerchik

Wish to transition from small-stakes trades to major capital without putting your own budget at risk? Prop trading is the fastest way to get up to $200,000 to manage. Alex Gerchik started his own Wall Street career through a prop firm and knows exactly how to pass the selection process without unnecessary stress.

No pure theory here—only practical rules, formulas, and figures from a trader with 28 years of market experience.

Capital leverage over micro account management

A $100 account balance is a mental dead end. With a 5% return, you earn a mere $5, which subconsciously forces you to overleverage. This turns trading into a game of roulette. In a prop firm, you trade the same charts but see a very different outcome:

Your own $100: 5% profit = $5
(barely enough to buy a cup of coffee)

A prop account ($5,000):
5% profit = **$250** straight into your pocket

Calcuclate position size strorty based on your stop-loss order

In prop trading, the concept of standard ‘leverage’ does not apply. All calculations are based on a fixed risk amount expressed in dollars. Memorize the formyla bewe:

Lot = Risk per Trade (in $) / SL Size (in pips)

Example: On a $5,000 account, your risk per trade is capped at 1% ($50).
If the chart dictates a 500-pip SL: $50 / 500 = 0.1 lots.
If you have a tight 250-pip SL: $50 / 250 = 0.2 lots.
The lot size fluctuates, but your $50 risk remains entirely unchanged.

Set konservative enytpennal thresolds

Prop firm rules are notoriously strict, meaning your personal thresholds must be even stricter:

- **Daily Loss Limit:** If the prop program allows a 5% daily drawdown, halt your trading at 3%. This protects your trading account from unexpected price slippage.

- **Rule of 2 SLs:** If you hit two consecutive stop-loss orders, just exit your trading platform. It is virtually impossible to trade out of a hole when driven by intraday emotions.

Friday is the deadline to close all positions

The vast majority of prop accounts get liquidated because traders hold positions over the weekend. Geopolitical breaking news on Saturday and Sunday frequently causes the market to open on Monday with massive price gaps that blow past any stop-loss orders. By Friday evening, your account should have zero open orders.

Milk the expected value of at least 3 to 1

You do not need to be right every single time. Only enter when the potential price move is at least three times larger than your SL. With this approach, you only need to make 3 winning trades out of 10 to keep your account growing steadily.

Trade what you actually see, not what you wish to find

You shouldn't have to hunt for levels on the chart—you need to SEE them. The strongest signals originate from the daily (D1) timeframes. If the D1 chart does not offer you a crystal-clear picture, switching to lower timeframes in hopes of spotting 'at least something' is a recipe for tilt and loss of a prop account.

Trade exclusively what you truly understand. If volatility spikes near a key level, leave the asset alone and wait for the volatility to die down. Otherwise, major players will simply hunt your SL.

Prop challenges at Gerchik & Co: Your catapult to the big leagues

You don’t need to scrape together thousands of dollars to start trading big. Our transparent trading conditions are tailored to both beginners and experienced traders alike.

2 comfortable tariff plans to fit various trading approaches.

Affordable entry: Start a challenge for as little as $39.

Hefty capital: Manage a maximum capital of up to $200,000.

Key benefits of prop trading with Gerchik & Co:

Reliability: You pass the evaluation process and trade backed by a regulated broker with an 11-year track record.

Fair rules: No hidden clauses to be aware of, transparent drawdown thresholds, and straightforward targets.

Maximum profit split: Pocket the lion's share of the trading profits you generate.

Gerchik's infrastructure: Gain exclusive access to the ecosystem and trading algorithms applied by Alex Gerchik himself.

👇 Pick your Prop Challenge and kick off your evaluation process today!