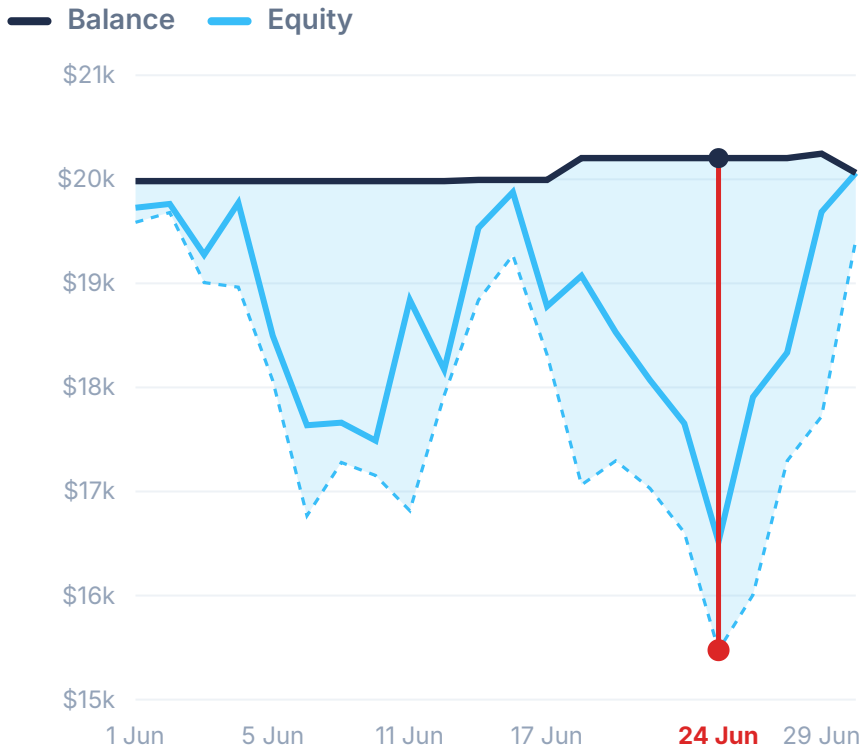
Sponsored by JustMarkets

Course 2 · Reading Backtests · Lesson 2

Balance vs Equity

What's the difference?

Learn to read the MySignalsFX Detail page using real numbers from a live account and a backtest.



Backtest Grid_CashBack · CHFJPY · June 2026

June 2026 · full month

+0.39%

Month closed in profit

24 June 2026 · one day

−23.40%

Equity below Balance

22 pages · about 15 minutes

In this lesson

4 parts · then read any Detail page on your own

Part 1 · Two words

3 What Balance and Equity mean

4 The one formula to remember

5 One trade, four moments

6 Reading the three states

Part 2 · Reading the Detail page

7 Map of the Detail page

8 Check the numbers in 3 steps

9 The Balance chart

10 Hover for any single day

Part 3 · A real month: June 2026

11 Balance flat, Equity sinking

12 Day by day

13 The Daily Profit chart

14 The calendar counts closed trades

15 Not a one-off

16 Measure MDD from Equity

Part 4 · Putting it to use

17 Equity and the stop-out

18 5 questions before you trust a portfolio

19 Warning signs vs good signs

20 Try the math

21 Quiz

22 Glossary + summary

Part 1 · Two words

What Balance and Equity mean

BALANCE · ACCOUNT BALANCE

Money from closed trades

Counts only trades that are already closed. Open trades are not included yet.

- Changes only when you **close a trade**, **deposit** or **withdraw**
- While a trade is open, Balance stays put however far price moves

EQUITY · VALUE RIGHT NOW

"What would I have if I closed everything now?"

Balance plus the profit or loss of trades that are still open.

- Moves **every time price moves** while a trade is open
- Shows how much money you really have at this moment

	Balance	Equity
Includes open trades?	No	Yes
Changes when	You close, deposit or withdraw	Price moves
Answers	What have closed trades made?	What is really left right now?

A simple picture: you buy an ounce of gold and the price drops. The cash in your wallet is unchanged (= **Balance**). But if you sold the gold now, you'd get back less than you paid (= **Equity** falls).

Part 1 · Two words

The one formula to remember

EQUITY Value now = **BALANCE** Closed trades + **FLOATING P/L** Open trades

Real example from the Detail page · live account · 24 Nov 2026

EQUITY $1,596.86 = **BALANCE** $1,607.21 + **FLOATING P/L** −$10.35

Trade 1 · US500 Buy 0.16 lot	−$17.29
Trade 2 · US500 Buy 0.16 lot	+$6.94
Total floating (trades still open)	−$10.35

Part 1 · Two words

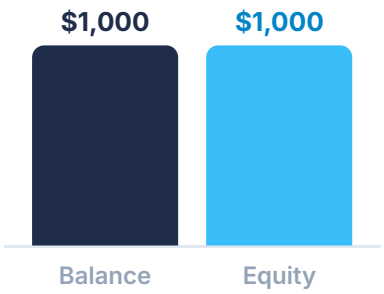
One trade, four moments · when does Balance move?

A simple example: start with $1,000, open one Buy on gold, and watch both numbers side by side.

1

Open a gold Buy

0.10 lot at $2,400 · each $1 move = $10

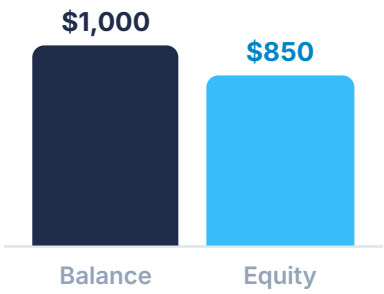


Floating $0

2

Price drops $15

Trade still open · floating loss −$150

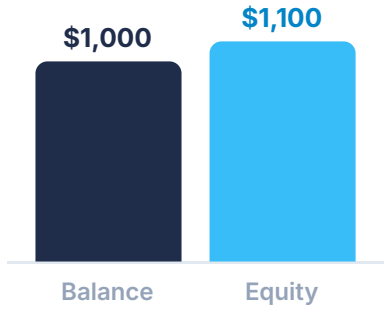


Floating −$150.00

3

Price recovers

$10 above entry · floating profit +$100

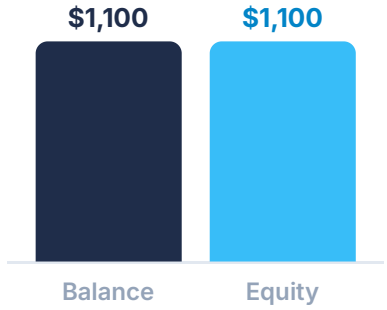


Floating +$100.00

4

Close the trade

The +$100 profit moves into Balance



Floating $0

Notice In ② and ③ Balance doesn't move at all; only Equity follows the price. Balance changes once, when the trade is closed ④.

Part 1 · Two words

Reading three states from two lines

Balance (dark line) Equity (blue line)

Equity = Balance

No open trades (or open trades exactly at breakeven)

On the Detail chart: the blue line sits right on the dark line



Equity below Balance

Open trades are losing overall · the wider the gap, the higher the risk

Blue line under the dark line · the gap is the unrealised loss



Equity above Balance

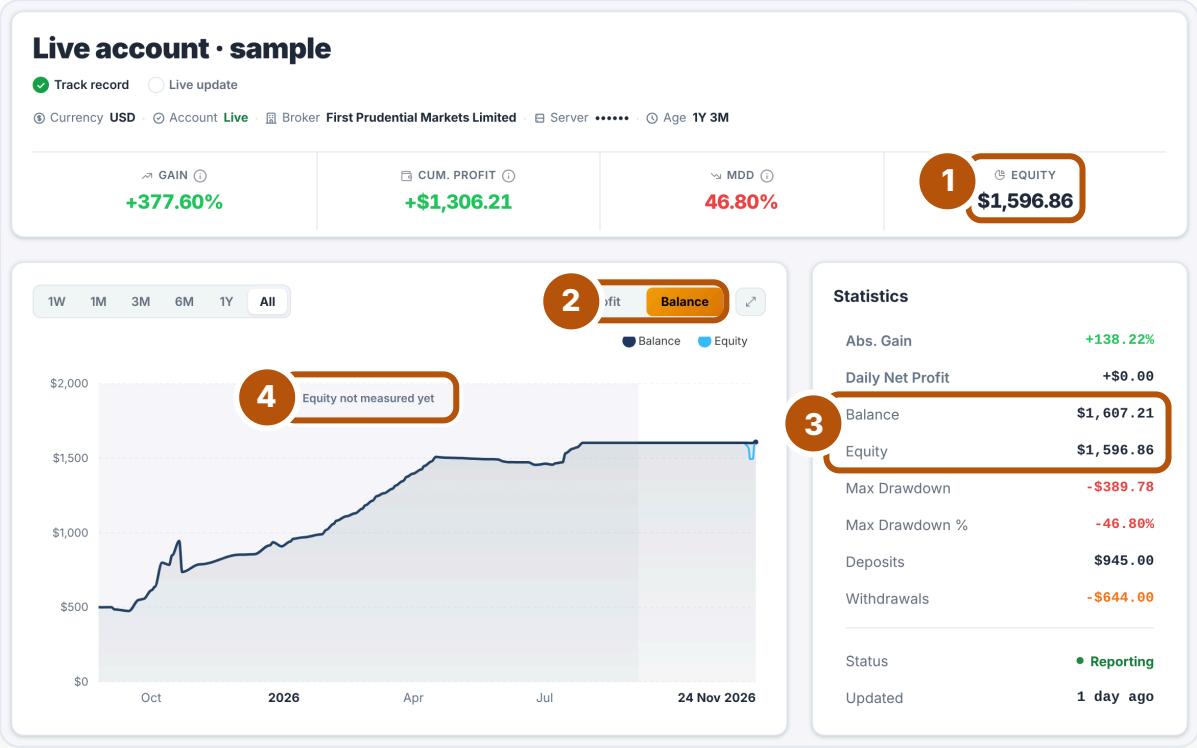
Open trades are in profit, but not yet banked

Blue line above the dark line · this profit can still disappear

Remember Profit or loss on open trades isn't real until you close them. But if Equity falls far enough for the broker to close your positions, that loss becomes real instantly.

Part 2 · Reading the Detail page

Map of the Detail page · where to find each number

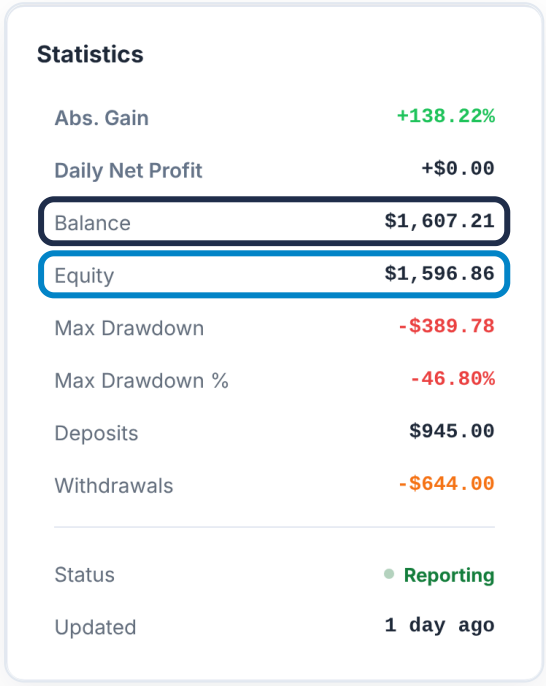


1. **EQUITY box at the top** · portfolio value now, open trades included
2. **Balance button on the chart** · shows two lines: dark = Balance, blue = Equity
3. **Statistics panel** · Balance and Equity side by side; the difference is the floating P/L
4. **"Equity not measured yet"** · a period with no Equity data, Balance only

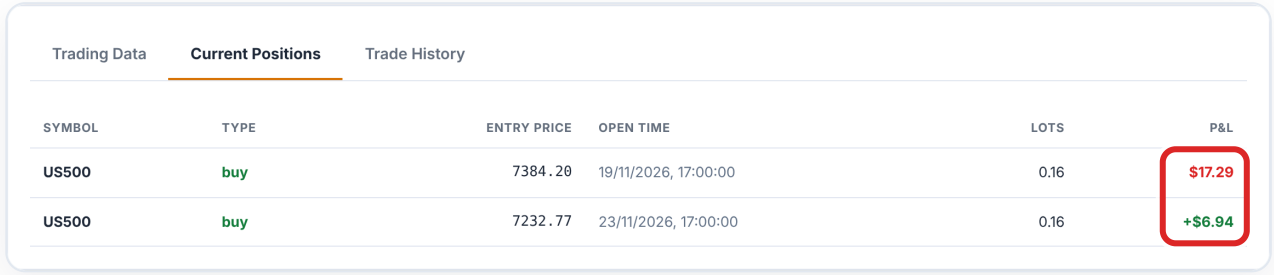
Screenshot of a live account's Detail page, 24 Nov 2026 · account name hidden

Part 2 · Reading the Detail page

Check the numbers yourself in 3 steps



① Statistics panel



② Current Positions tab · trades still open (red = loss)

③ Do the math

Balance $1,607.21 – **Equity $1,596.86** = **$10.35** (Equity is lower)

Open trades: **−$17.29** + **$6.94** = **−$10.35** · **an exact match** ✔

Why it matters If Equity sits far below Balance, open Current Positions: which trades are losing, how long have they been open, and how many are there?

Part 2 · Reading the Detail page

The Balance chart · what the two lines tell you



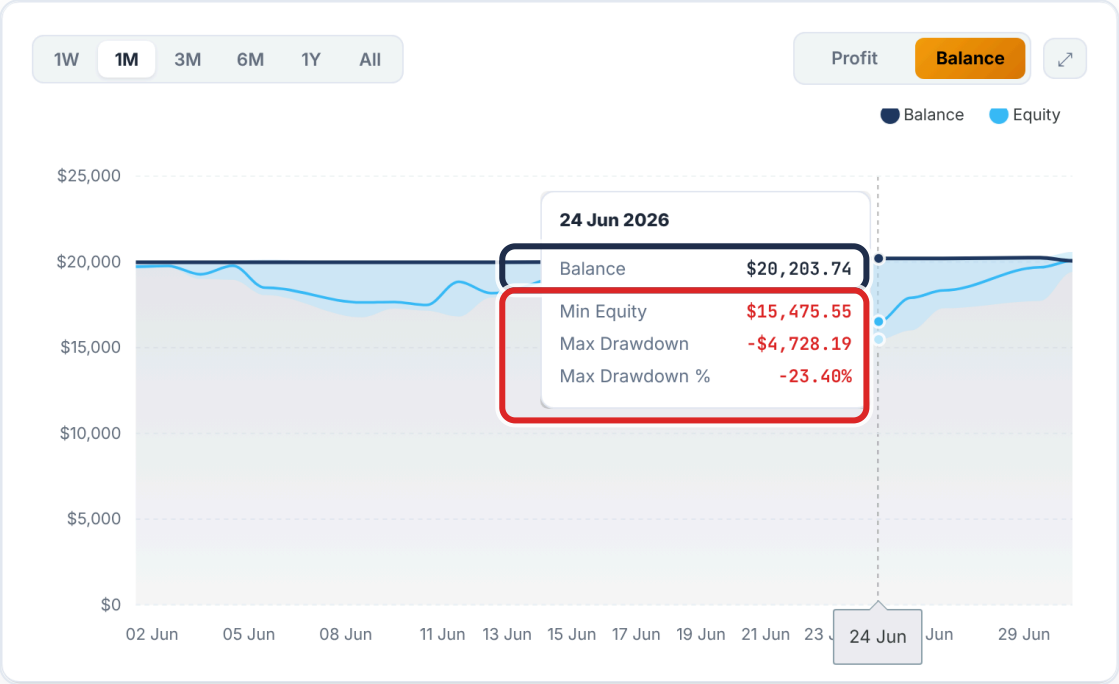
1. Click **Balance** (the Profit view shows cumulative profit only)
2. The **dark line** climbs in steps, because it only moves when trades close
3. The **blue line** is Equity · where it hangs below the dark line is that day's floating loss
4. Red box: June 2026, the deepest dip on the whole chart · Part 3 opens it up day by day

Backtest Grid_CashBack · CHFJPY D1 · $1,000 start · Jan 2024 – Jun 2026

Trap A thumbnail or chart that shows only Balance always looks smooth, because the Equity dips are hidden.

Part 2 · Reading the Detail page

Pick 1M and hover the chart · see any single day



The popup for 24 June 2026 shows

Balance	**$20,203.74**
Min Equity · the day's low	**$15,475.55**
Max Drawdown · the gap	**−$4,728.19**
As a percentage	**−23.40%**

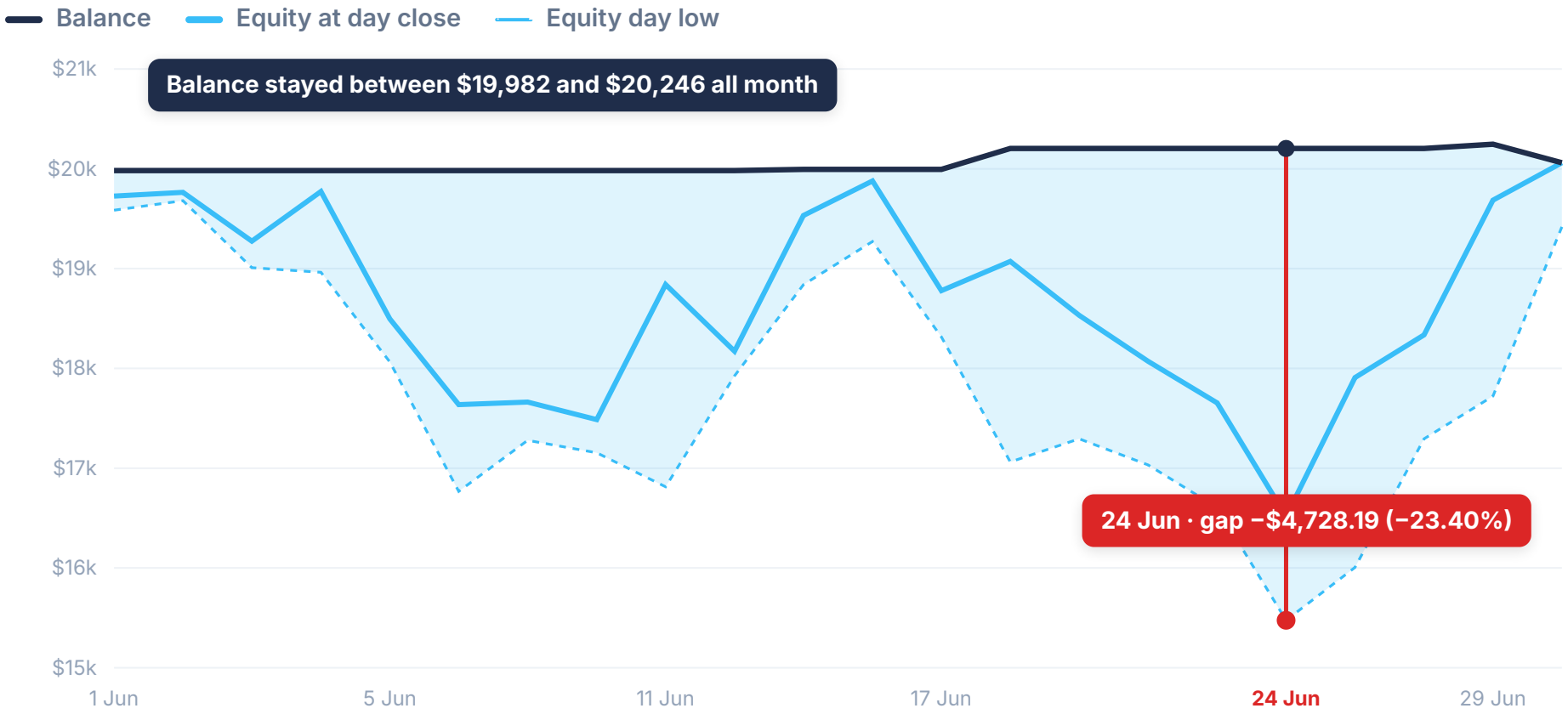
Check: 20,203.74 − 15,475.55 = **4,728.19**

4,728.19 ÷ 20,203.74 = **23.40%**

In plain words That day the account Balance was still a full $20,203, but closing every trade at the worst moment would have left only $15,475.

Part 3 · A real month: June 2026

Same month · Balance flat, Equity sinking



+0.39%
Full-month result in Monthly Returns

−23.40%
Widest gap of Equity below Balance (24 Jun)

0.48 → 3.86 lots
Total open lots grew 8× within the month

Part 3 · A real month: June 2026

Day by day · open trades keep piling up

Date	Open trades	Total lots	Balance	Floating at close	Equity low	Gap vs Balance
1 Jun	1	0.48	**$19,982.58**	**−$255.59**	**$19,586.06**	**−2.0%**
5 Jun	4	2.89	**$19,982.58**	**−$1,473.99**	**$18,064.77**	**−9.6%**
8 Jun	4	2.89	**$19,982.58**	**−$2,542.85**	**$16,767.26**	**−16.1%**
11 Jun	4	2.89	**$19,982.58**	**−$1,221.76**	**$16,814.44**	**−15.9%**
17 Jun	3	2.41	**$19,995.15**	**−$1,223.53**	**$18,316.09**	**−8.4%**
18 Jun	2	1.93	**$20,203.74**	**−$1,346.97**	**$17,063.19**	**−15.5%**
22 Jun	3	3.86	**$20,203.74**	**−$2,201.13**	**$17,030.98**	**−15.7%**
24 Jun	3	3.86	**$20,203.74**	**−$3,852.12**	**$15,475.55**	**−23.4%**
29 Jun	1	1.45	**$20,246.67**	**−$652.81**	**$17,721.48**	**−12.5%**

8 Jun Balance unchanged at $19,982.58 for a full week, while the floating loss reached −$2,542.85

24 Jun Total lots grew from 0.48 to 3.86 (8×) · floating loss at close −$3,852.12

Part 3 · A real month: June 2026

The Daily Profit chart · tell light bars from solid bars

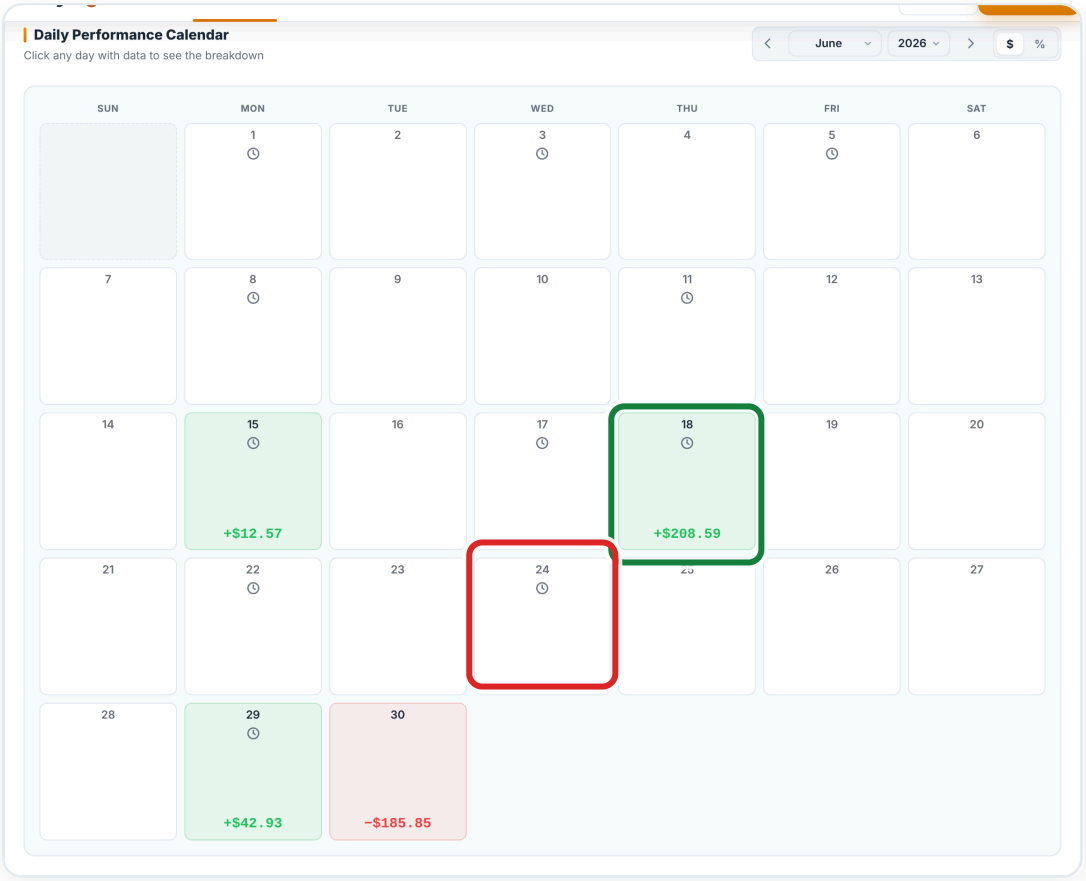


Light bars · floating loss on trades still open that day. Not realised yet, but it shows how much pressure the portfolio is under.

Solid bars · profit or loss from trades that closed. This is what actually lands in Balance, e.g. 18 Jun +$208.59.

Part 3 · A real month: June 2026

The daily calendar · counts closed trades only



18 Jun: calendar shows green +$208.59

A trade closed in profit that day, but 2 trades were still open with a floating loss of −$1,346.97

24 Jun: calendar is empty

No trades closed, so nothing shows, yet this was the month's lowest Equity, −23.40%

Takeaway The calendar and the Balance chart answer "what did closed trades make?". To know "how much risk am I carrying?", look at Equity.

Part 3 · A real portfolio

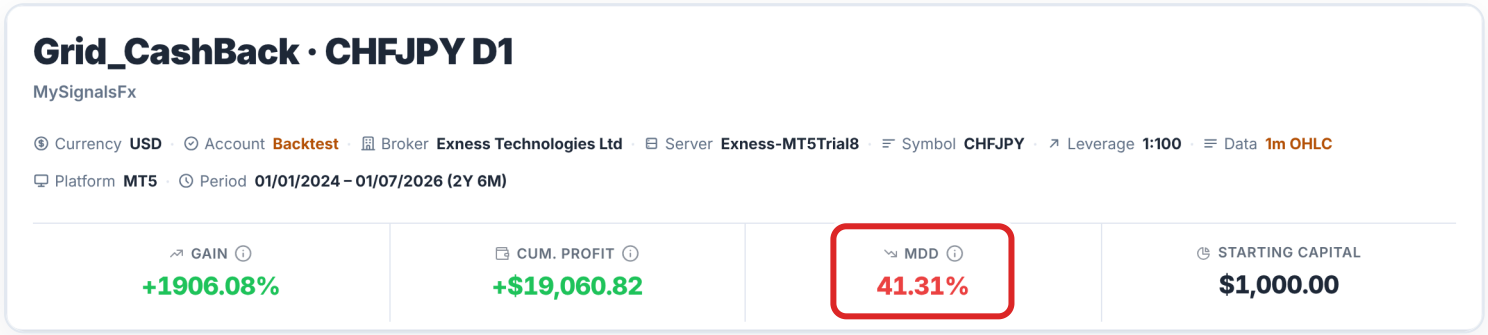
Not a one-off · the 5 days with the widest gap



Lesson Each time, price came back and Equity recovered. In a round where price doesn't come back, this gap turns into a real loss (see the Grid lesson in Course 1).

Part 3 · A real portfolio

Measure MDD from Equity · not Balance



Daily Balance only

Less than 1%

Peak-to-trough drop of the daily Balance · it looks as if it barely ever lost

MDD on the Detail page

41.31%

Includes the time open trades were underwater · the real pain your capital has to survive

Watch out If someone shows a very low drawdown, ask whether it's measured on Balance or Equity. For systems that hold losing trades for long, Balance drawdown is always misleadingly low.

Part 4 · Putting it to use

Brokers watch Equity · not Balance

When a broker closes positions automatically (a stop-out), it uses the Margin Level, which is calculated from Equity.

MARGIN LEVEL % = **EQUITY** Value now ÷ **MARGIN** Funds held × 100

Hypothetical · $1,000 margin held · broker stop-out level 50%

Situation	Balance	Equity	Margin Level	Result
Trade just opened	**$5,000**	**$5,000**	500%	**Normal**
Price moves against you	**$5,000**	**$1,500**	150%	**Getting close**
It keeps moving against you	**$5,000**	**$500**	50%	**Broker starts closing trades**

See it? Balance is $5,000 on every row, yet the account is stopped out because of Equity. Stop-out levels differ between brokers, so check your broker's terms.

Part 4 · Putting it to use

5 questions before you trust a portfolio

Open the Detail page and answer them one by one · it takes less than 3 minutes

1	**How far is Equity below Balance right now, in %?**	Look at: the EQUITY box at the top + Statistics panel
2	**How deep has the blue line ever dipped?**	Look at: the chart's Balance button · pick All, then 1M/3M and hover
3	**Is the MDD shown measured from Equity?**	Look at: the MDD box at the top · look for an "Equity not measured yet" zone
4	**How many trades are open, and how much is each losing?**	Look at: the Current Positions tab
5	**Nice daily profits, but any long light bars?**	Look at: the Daily Profit chart · light bars = floating loss

Part 4 · Putting it to use

Warning signs vs good signs

Be careful

- ! Equity stays below Balance for many days in a row
- ! Balance rises in a smooth line, while the blue line dips deep from time to time
- ! Total open lots keep growing while the trades are losing
- ! Very low MDD, but a long “Equity not measured yet” zone
- ! The calendar is green almost every day, but the Daily Profit chart has long light bars

More trustworthy

- ✓ Equity and Balance move close together; the gap never gets deep
- ✓ Losing trades are closed quickly, not left open for long
- ✓ The MDD shown is measured from Equity, with full data coverage
- ✓ The number of open trades doesn't grow with the losses
- ✓ Monthly gains line up with the Equity line, not just Balance

Part 4 · Putting it to use

Try the math

A Detail page shows: **Balance $8,400** · **Equity $6,720** · Current Positions has 3 trades: −$1,050 · −$810 · +$180

1) What is the total floating P/L?

2) Does it match Equity − Balance?

3) How far is Equity below Balance, in %?

4) If you closed every trade now, what would the new Balance be?

5) If price came back until all 3 trades were at breakeven and you closed them, what would Balance be?

Answers 1) −1,050 − 810 + 180 = **−$1,680** · 2) 6,720 − 8,400 = −1,680, **yes** · 3) 1,680 ÷ 8,400 = **20%** · 4) **$6,720** (equal to Equity) · 5) **$8,400** (unchanged, with no profit or loss)

Part 4 · Putting it to use

Quiz · 3 questions

1

A trade is open and price moves hard against it. Which number falls?

A. Balance

B. Equity

C. Both

2

The daily calendar is green all month. What does that tell you?

A. The portfolio was never underwater

B. Closed trades made money, but you still need to check Equity

C. Equity stayed above Balance all month

3

What does a broker use to stop you out?

A. Margin Level, calculated from Equity

B. Balance

C. Cumulative profit

Answers: 1-B · 2-B · 3-A

Wrap-up

Glossary + the one-line summary

Balance
Account money, counting closed trades only

Equity
Balance + profit or loss of trades still open

Floating P/L
Profit or loss on trades not yet closed

Min Equity
The lowest Equity of the day · hover the chart to see it

Drawdown
How far the portfolio fell from its peak · measure it from Equity

Margin Level
Equity ÷ Margin × 100 · what brokers use for stop-outs

Balance tells you what's been banked. Equity tells you what's really left right now.

Before you trust any portfolio, open its Detail page, click Balance on the chart, and see how deep the blue line has ever dipped.

Screenshots from the MySignalsFX Detail page, 24 Nov 2026 · live account name hidden · Backtest Grid_CashBack is a historical simulation and does not guarantee future results · Educational content, not investment advice · Forex/CFD trading carries a high level of risk and you may lose all of your capital.