

ONE MOVE / TWO COMMITMENTS

THE SAME MOVE REACHES TWO ACCOUNTS DIFFERENTLY

One contract and two contracts share the price move, but not the cash effect.

SEPARATE FICTIONAL FUTURES EXAMPLE

ONE CONTRACT

1



TWO CONTRACTS

2



SAME DISTANCE: 100 TO 98

Cash effect before product value and costs are supplied

Begin with a separate fictional futures example. No order is being placed.

SEPARATE EXAMPLE / PRICE TO MONEY

TWO POINTS BECOME TWENTY DOLLARS PER CONTRACT

Entry 100 to stop reference 98: 2 points $\times$ \$10 = \$20 per contract before costs.

SEPARATE FICTIONAL FUTURES EXAMPLE

SUPPLIED PRICE REFERENCES



POINT VALUE

\$10
USD / point / contract

BEFORE COSTS

\$20
USD / contract

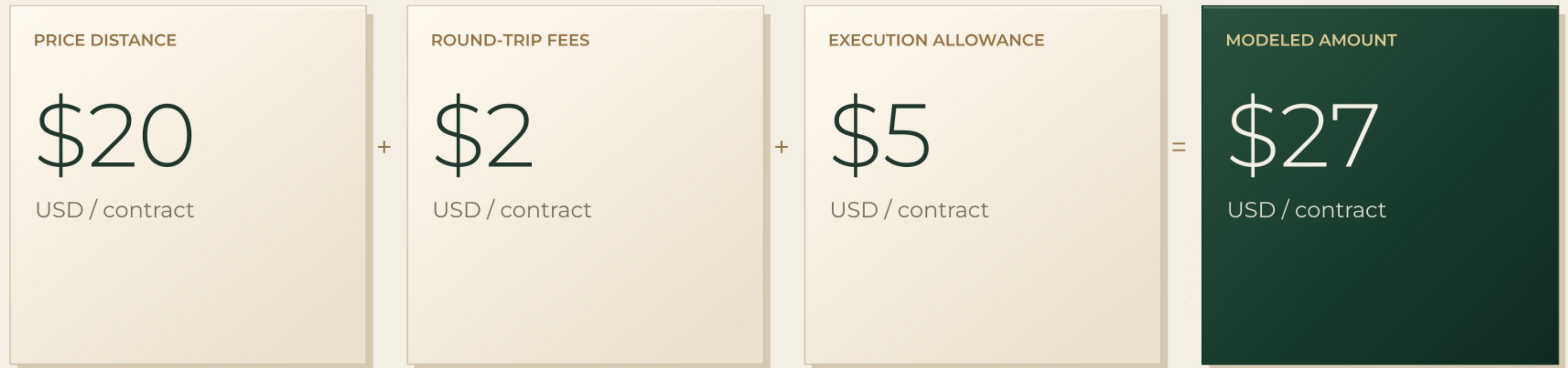
$2 \times \$10 = \$20$

These are stated planning inputs, not a recorded stop fill or a recommendation.

SEPARATE EXAMPLE / EXPLICIT ASSUMPTIONS

THE MODEL INCLUDES MORE THAN PRICE DISTANCE

\$20 price distance + \$2 fees + \$5 execution allowance = \$27 per contract.



Actual loss can exceed the model

The allowance is an assumption. It does not guarantee the actual fill or cap the loss.

SAME ASSUMPTIONS / DIFFERENT QUANTITY

QUANTITY CHANGES THE FINANCIAL COMMITMENT

One contract models \$27; two contracts model \$54 under the same assumptions.

1 CONTRACT

\$27


USD modeled

2 CONTRACTS

\$54


USD modeled

SAME DISTANCE, VALUE AND COST ASSUMPTIONS

MODELED AMOUNTS, NOT GUARANTEED LOSS LIMITS

A larger quantity changes exposure. It adds no evidence that the market interpretation is right.

YOUR CALCULATION / KEEP THE UNITS

WRITE THE CALCULATION SO ANOTHER PERSON CAN CHECK IT

Label each input, show the arithmetic, and mark the assumptions.

WORKED-EXAMPLE CALCULATION

INPUTS	100 / 98 · \$10 per point per contract · quantity 1 or 2
COST ASSUMPTIONS	\$2 fees + \$5 allowance per contract
CALCULATION	\$27 per contract / \$54 for 2 contracts
MODEL LIMIT	Actual execution can differ

Pause using the player if you need time. Keep this worked example separate from Market A.

THE BRIDGE / PRODUCT SPECIFICATION

A CHART DISTANCE NEEDS A MONETARY TRANSLATION

Points × dollars per point per contract × contracts produces a cash amount.



STATED LINEAR FUTURES EXAMPLE

This simple formula belongs to the stated linear example; understand the actual product first.

STOP REFERENCE / THE REASON

AN EXIT REFERENCE BELONGS TO THE TRADE'S LOGIC

A stop reference states a condition for changing or ending the commitment.



01. **REASON FOR THE POSITION**
Why would a position no longer justify the same commitment?
02. **CONDITION THAT CHANGES THE REASON**
Market structure, volatility, or a defined financial constraint
03. **STOP REFERENCE**
98 · Supplied for this demonstration

The demonstration supplies 98. It does not establish that 98 is suitable for another market.

INTENTION / INSTRUCTION / RESULT

THE REFERENCE, THE ORDER AND THE FILL ARE DIFFERENT

A planned reference does not, by itself, create an order or establish its execution price.



Explain the intended exit, the actual instruction, and the execution separately.

ORDER STATUS / CONFIRMED EXPOSURE

SUBMITTED DOES NOT MEAN FULLY FILLED

Read the confirmed order status and filled quantity before describing the actual position.

FIELD	INSTRUCTION / FILL	POSITION EVIDENCE
SUBMITTED	Instruction sent	Execution not yet established
UNFILLED	No confirmed fill	No quantity from this order filled
PARTIAL	Some quantity filled	Requested and filled quantities differ
COMPLETE	Requested quantity filled	Confirm the actual position

Submission, no fill, partial fill and complete fill are different states.

STOP ORDERS / DIFFERENT TRADEOFFS

A TRIGGER CANNOT GUARANTEE BOTH PRICE AND EXECUTION

A stop-market seeks execution after triggering; a stop-limit can remain unfilled.

STOP-MARKET

Execution after trigger

Fill price can differ

STOP-LIMIT

Price restriction

Can remain unfilled

CHECK ACTUAL PRODUCT AND PLATFORM RULES

Learn the product and platform's actual trigger and order behavior.

MODEL / ACTUAL RESULT

COMPARE ACTUAL EXECUTION WITH THE STATED ASSUMPTIONS

The \$5 allowance models uncertainty; the eventual fill and charges determine the realized result.

PLANNED MODEL

\$20 distance

\$2 fees

\$5 allowance

REALIZED RESULT

Actual entry and exit fills

Actual filled quantity

Actual charges

NO ACTUAL FILL SUPPLIED

No actual fill or outcome is supplied for this worked example.

MARGIN / A DIFFERENT QUESTION

PERMISSION TO OPEN IS NOT A LOSS LIMIT

Margin concerns opening or maintaining exposure; it does not set the trade's maximum loss.

MARGIN

What funds are required?

MODELED RISK

What do the stated trade assumptions imply?
\$27 per contract

PLATFORM PERMISSION DOES NOT ESTABLISH SUITABILITY

The worked risk model came from distance, product value, quantity and costs.

QUANTITY / BEGIN WITH A BOUNDARY

THE BUDGET IS A BOUNDARY, NOT A TARGET TO CONSUME

Understand the trade and its exit conditions before choosing its quantity.



UNUSED BUDGET IS ALLOWED

01. **TRADE LOGIC AND EXIT**
Understand the trade's reasoning and exit conditions.
02. **STATED RISK BUDGET**
 $B \cdot \text{USD}$
03. **PERMITTED QUANTITY**
The budget limits the calculation.

A risk budget belongs to the account and approach, not enthusiasm for a particular setup.

QUANTITY / CHECK THE UNITS

A BUDGET DIVIDED BY UNIT EXPOSURE GIVES A LIMIT

For this model: budget in dollars ÷ \$27 per contract gives a quantity limit in contracts.



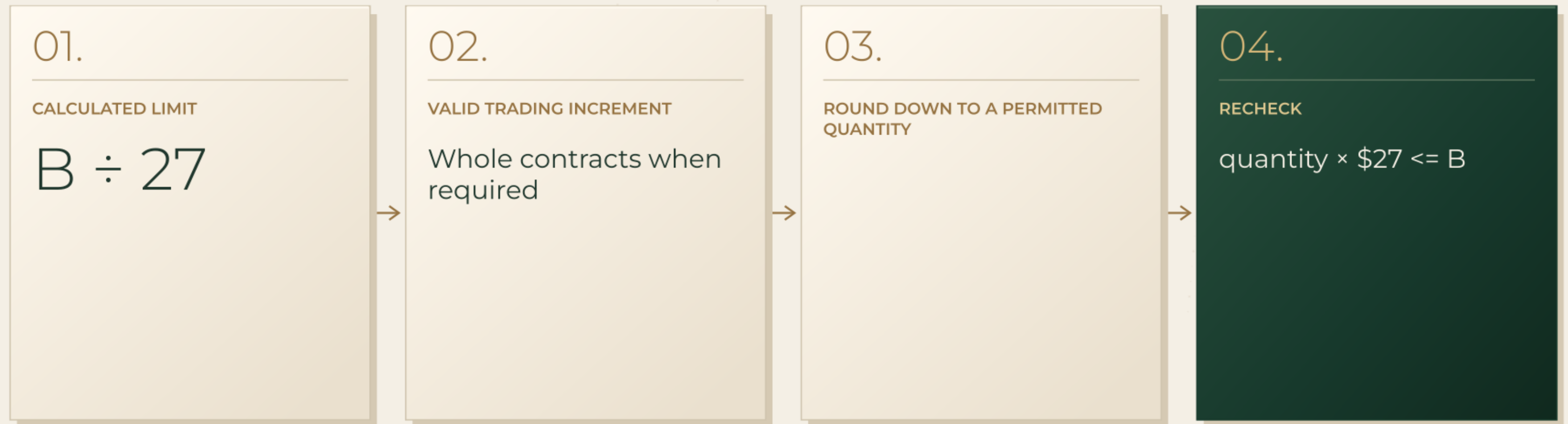
BUDGET NOT SUPPLIED

No account budget is supplied here. Keep the budget symbolic rather than inventing one.

QUANTITY / THE TRADABLE INCREMENT

AN ARITHMETIC FRACTION MAY NOT BE TRADABLE

Choose a permitted increment no larger than the modeled limit, then recalculate the total.



For a whole-contract product, round down to whole contracts; never round up to use the budget.

QUANTITY / A VALID ZERO

SOMETIMES NO TRADABLE QUANTITY FITS THE MODEL

If even the smallest permitted quantity exceeds the budget, no quantity fits that boundary.

SMALLEST PERMITTED QUANTITY

modeled amount

BUDGET

smaller than that amount

NO TRADABLE QUANTITY FITS

PRESERVE THE LOGIC OF THE EXIT

Do not change the stop merely to make a desired quantity appear affordable.

CHECK YOUR EXPLANATION

GIVE EACH NUMBER ITS OWN JOB

Separate the modeled amount, margin requirement and realized result in your calculation notes.

FIELD	THIS EXAMPLE	BASIS
MODELED AMOUNT	\$27 per contract	Stated planning assumptions
MARGIN REQUIREMENT	Unknown	Not supplied
REALIZED RESULT	Unknown	No actual fill supplied

Explain what is known, what is assumed and what remains unknown before moving on.

READINESS / ORDINARY COMPETENCE

KNOW WHAT YOU ARE OPERATING

Identify the instrument, order behavior, filled quantity and responsibility after entry.

INSTRUMENT	What exactly is selected?
ORDER	What does the instruction do?
CONFIRMED FILLS	Where is actual quantity shown?
AFTER ENTRY	What still requires attention?
YOUR PRACTICE TASK	Name one operation to rehearse

Write one operation to rehearse

Name an operation you still need to rehearse before treating familiarity as competence.

READINESS / TIME AND ATTENTION

THE METHOD MUST FIT THE ATTENTION AVAILABLE

Compare what the approach requires with the time and attention you can actually provide.

METHOD REQUIRES

Monitoring task

Timing

Response responsibility

ACTUALLY AVAILABLE

Attention

Time window

Practical constraints

DESCRIBE THE FIT OR THE GAP

Motivation does not create monitoring time. A rehearsal should reflect the intended circumstances.

SIMULATION / A DEFINED PURPOSE

PRACTICE ONE MECHANISM YOU WANT TO UNDERSTAND

Simulation can support learning order behavior, sizing and management mechanics.



01. **PRACTICE QUESTION**
Can I identify a partial fill? · Can I check the modeled quantity?
02. **REHEARSE THE MECHANISM**
Learn the mechanics without putting real money behind each mistake.
03. **RECORD WHAT WAS DEMONSTRATED**
Record what the rehearsal shows about that task.

Choose an observable practice question; record what the rehearsal establishes.

SIMULATION / THE LIMITS OF THE RESULT

SIMULATED PROFIT IS NOT PROOF OF AN EDGE

Fill assumptions, practical conditions and real financial exposure can differ from simulation.

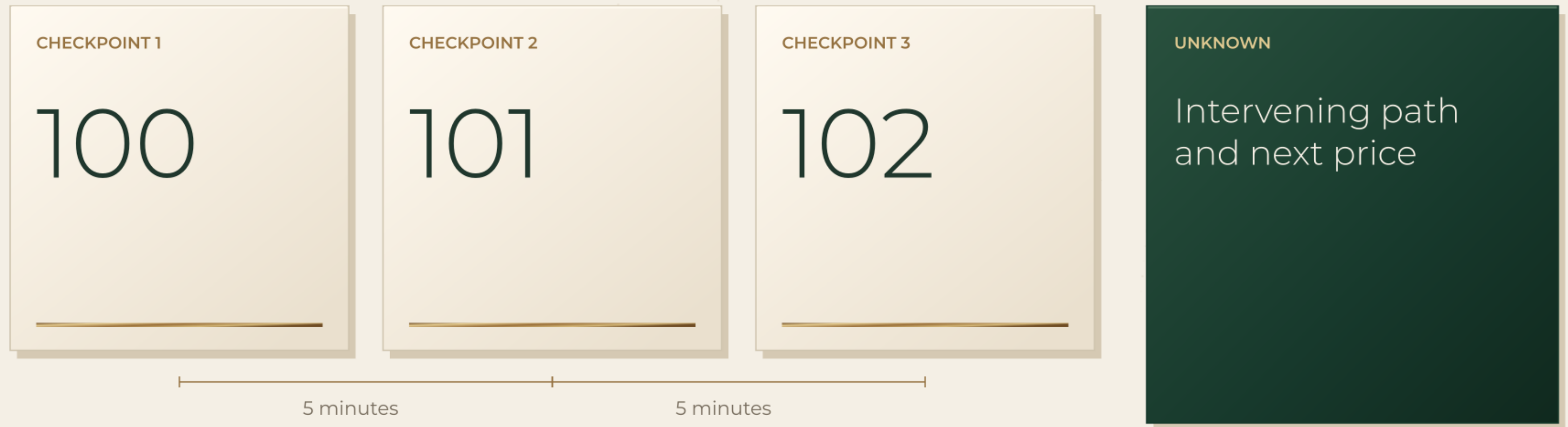
FIELD	CAN HELP EXAMINE	DOES NOT ESTABLISH
RESULT	The simulated sample	A profitable strategy or live readiness
MECHANICS	Order and quantity handling	Reliable live execution
CONDITIONS	The rehearsed circumstances	Attention under different circumstances

A mechanics rehearsal neither proves profitability nor certifies readiness for live trading.

RETURN TO MARKET A / FACTS UNCHANGED

MARKET A STILL SUPPLIES ONLY THREE RECORDED PRICES

At five-minute checkpoints: 100, 101, 102. The intervening path and next price remain unknown.



The fictional futures calculation supplied no contract specification or costs for Market A.

MARKET A / MISSING-INPUT WORKSHEET

LEAVE THE MISSING MONETARY INPUTS VISIBLY BLANK

Name the product value, costs, plan, quantity rules and budget that a calculation would require.

MISSING INPUTS - DO NOT FILL BY GUESSING

PRODUCT VALUE AND QUANTITY INCREMENTS	not supplied
COSTS AND EXECUTION ASSUMPTIONS	not supplied
REASONED ENTRY AND EXIT CONDITIONS	not established
STATED BUDGET	not supplied

Do not copy the futures example's \$10, \$2, \$5 or stop 98 into Market A.

MARKET A / A REASONED NEXT STEP

AN INCOMPLETE CALCULATION CAN BE AN HONEST RESULT

Explain which missing input prevents a monetary conclusion, then name what you would need next.

ORIGINAL ANSWER

Keep unchanged

INPUT STILL NEEDED

Name one missing input

WHY THE CALCULATION NEEDS IT

Explain why it matters

NEXT STEP

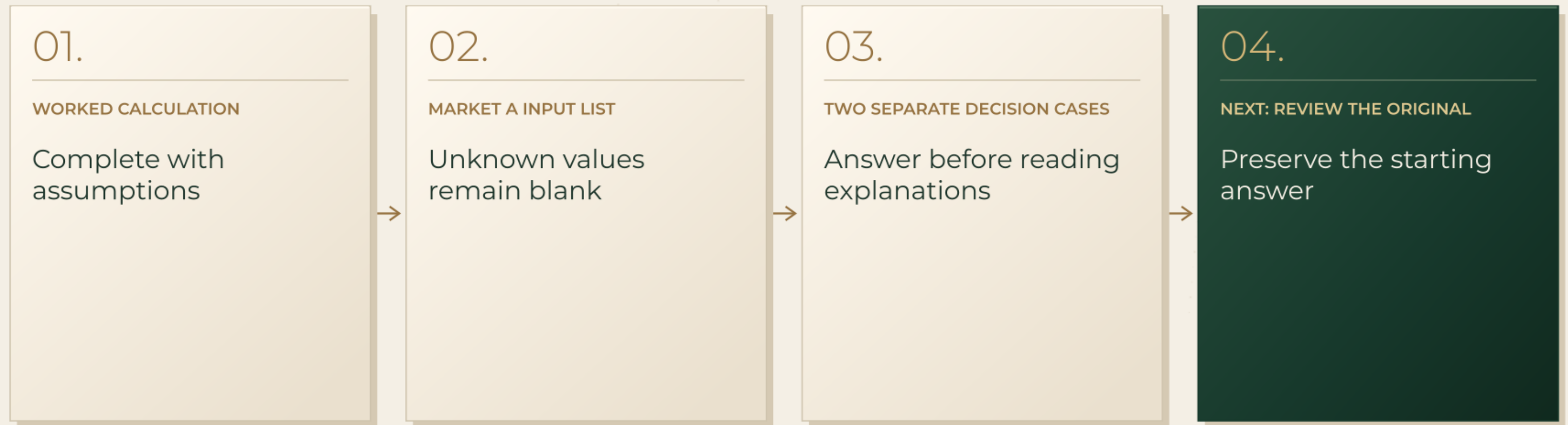
Wait or name a conditional paper-plan requirement

Waiting or writing a conditional paper plan remains valid. Neither option places an order.

CARRY THE WORK FORWARD

KEEP THE CALCULATION AND ITS LIMITS TOGETHER

Save the worked calculation and Market A's missing-input list with your first judgment record.



Next: compare the original record with a dated review, without overwriting the starting point.