LEARN THEN TRADE

Pre-Trade Checklist

Six questions, in order, before the order goes in. It is meant to be boring: a checklist you enjoy running is a checklist you have started editing to suit the trade you already want to take.

- [ ] **Is this setup written in my plan?**
  Not "does it look like" one. If you cannot point at the line in your plan that describes it, it is a new idea, and a new idea is tested, not traded.
- [ ] **Where is invalidation?**
  A level that proves the idea wrong — not a distance that keeps the loss comfortable. If you cannot name what would have to happen for you to be wrong, you do not have a trade.
- [ ] **What is my size, and does it come from the arithmetic?**
  Risk amount divided by the distance from entry to stop. Size is the output. If you chose the size first and then placed the stop, start again.
- [ ] **What does the round trip cost?**
  Spread, commission both sides, and funding if you hold. Subtract it before you decide the reward is worth it.
- [ ] **Have I already lost today, and is that why I am here?**
  Name it out loud. The trade after a loss is the most expensive trade most people take.
- [ ] **Can I take this loss and still follow the plan tomorrow?**
  If the answer is not an immediate yes, the size is wrong, whatever the arithmetic said.

If any box is unticked

Do not place the order. Not a smaller version of it. The purpose of a checklist is that it is allowed to stop you, and a checklist you override under pressure is one you have trained yourself to ignore.

After the trade closes

Record it while you still remember why you took it, and answer one question honestly: did I follow the plan? A loss taken exactly as planned is a good trade. A win taken by breaking your own rules is a bad trade that happened to pay.

Today’s note to yourself

Educational material only. Not financial advice, and not a recommendation to trade.