Risk Management 2.0: Moving beyond entries to master position sizing

NotebookLM

Obsession with Entry.

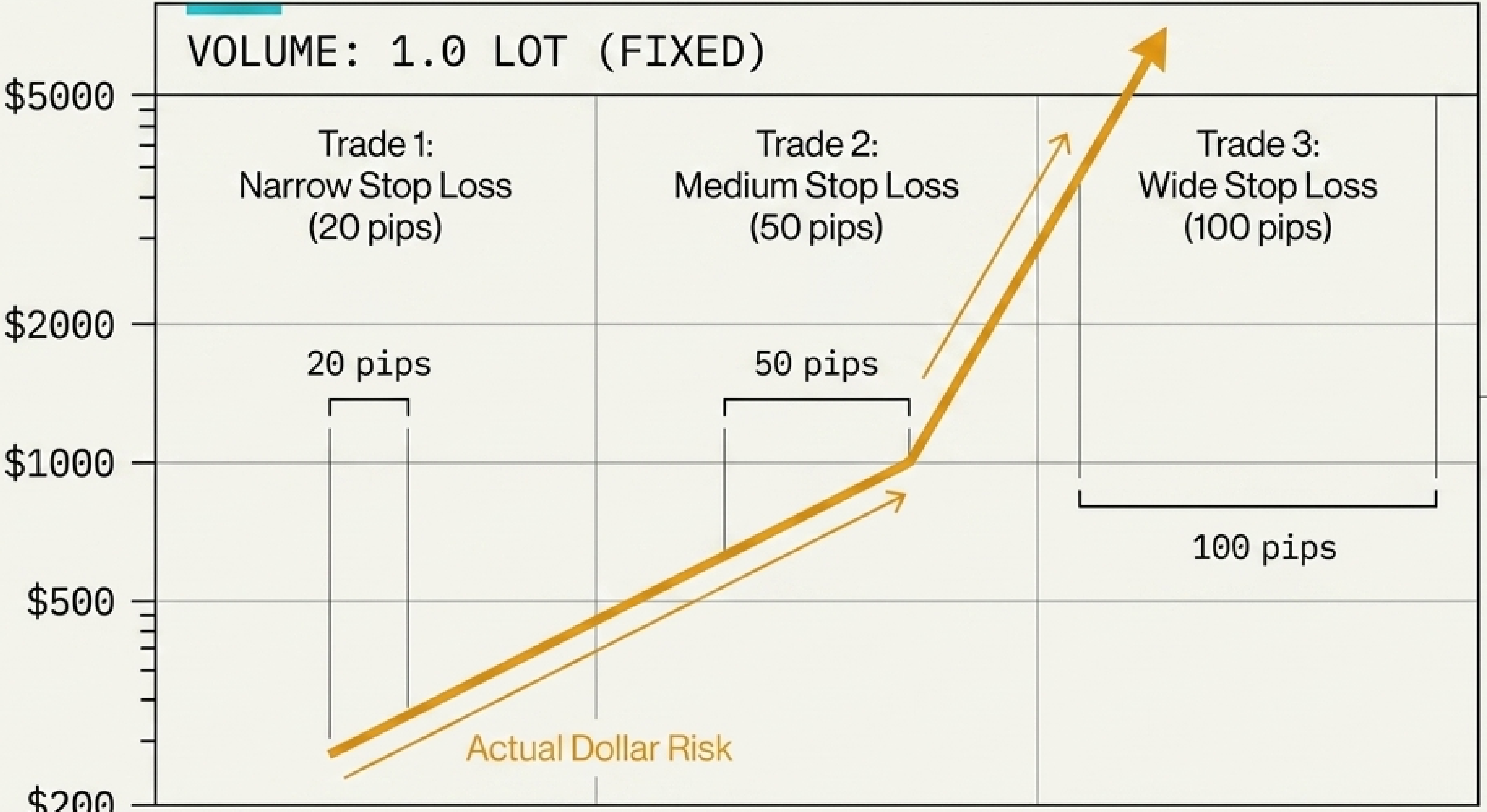
Focuses entirely on where to enter the market, ignoring the mathematical impact of the trade size.

Obsession with Capital Exposure.

Focuses strictly on how much to risk.

Shifting focus from entry coordinates to risk exposure is the 'Holy Grail' of long-term survival.

Fixed lot sizes create uncontrolled dollar risk.



Applying the exact same volume across trades with varying stop losses transforms a fixed lot into a chaotic, uncontrolled financial risk.

Anchor your exposure to a dynamic account percentage.

~~Abandon fixed lot sizes.~~

Eliminates uncontrolled exposure.

Variables calibrate around the anchor.

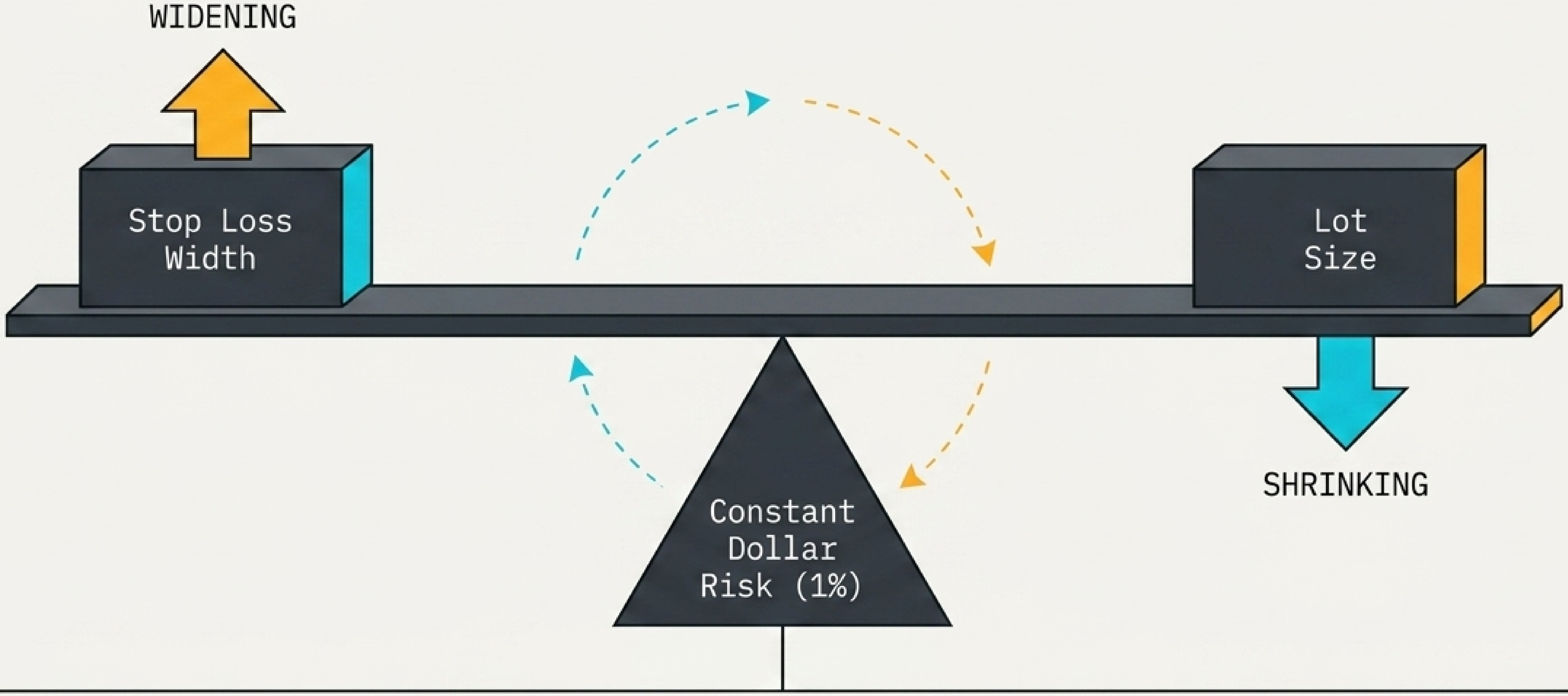
Calculate every position based on a strict percentage of your total account equity (usually 1%).

Current Trade

Variables calibrate the curreunt.

By locking the percentage, your dollar risk remains the constant anchor, regardless of the trade setup.

The Calibration Engine maintains a flat risk profile.



If your stop loss is wider, your lot size must be smaller. This inverse relationship is what keeps your dollar risk constant regardless of market volatility.

The strict pre-trade execution protocol.

1. Define Parameters

Determine your structural Stop Loss based purely on the market setup, independent of your account size.

2. Calibrate Volume

Input your Stop Loss and 1% risk threshold into a position size calculator.

3. Execute Dynamically

Place the trade using the exact, dynamically generated lot size.

SYSTEM STATUS: DOLLAR RISK CONSTANT. SURVIVAL PROBABILITY OPTIMISED.