BEYOND CANDLE

TRADING DESK REFERENCE

A concise educational reference for planning, execution and review.

A. Before the trade

• Identify market regime and trend; mark relevant levels; define the setup and invalidation point; check liquidity, volatility and scheduled events; calculate quantity before entry; know the order type and possible slippage.

B. Basic risk formulas

• Risk budget = Trading capital × Risk percentage ÷ 100

• Risk per unit = Absolute value of (Entry – Stop-loss)

• Indicative quantity = Risk budget ÷ Risk per unit

• Gross long P&L; = (Exit – Entry) × Quantity

• R multiple = Net trade result ÷ Initial planned risk

• These are simplified estimates; costs, slippage, taxes, gaps and contract rules can change actual results.

C. Options concepts

• Call: gives the buyer a right, but not an obligation, to buy the underlying under the contract terms. Put: gives the buyer a right, but not an obligation, to sell. Premium is affected by underlying price, strike, time to expiry, implied volatility, rates and other factors. Greeks are sensitivities, not guarantees. Short options can carry large or theoretically unlimited risk depending on the position.

D. Research checklist

• Understand the business and its revenue drivers; review financial statements and cash flows; assess debt and governance; compare valuation with peers and history; identify catalysts and risks; record the date and source of every important data point; write what would invalidate the thesis.

E. Post-trade review

• Record entry, exit, quantity, costs and chart context; mark whether rules were followed; note emotional decisions; review a series of trades rather than one outcome; evaluate drawdown, expectancy and adherence before changing a strategy.

F. Useful official references

• NSE India: https://www.nseindia.com/

• BSE India: https://www.bseindia.com/

• SEBI investor education: https://investor.sebi.gov.in/

• RBI: https://www.rbi.org.in/

• MCX: https://www.mcxindia.com/

• Use official sources for current circulars, contract specifications, market timings and regulatory updates.

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