Lesson 3: Risk Engine - Position Sizing, Stops, and R-Multiples

Overview

- Protect capital and standardize results with fixed risk and R tracking.

Key Concepts

- Risk 0.5 to 1 percent while learning.
- Position size = Risk / (Stop pips x pip value).
- Expectancy depends on average win and loss.

Framework

- Set risk per trade.
- Place stop beyond invalidation.
- Compute position size.
- Set target in R and log outcome.

Checklist

- Risk percent set.
- Stop beyond invalidation.
- Size calculated.
- Target set in R.