OSR | OSRWEALTH EDUCATION SERIES

TRADING GUIDE FOR BEGINNERS

A structured handbook on market structure, liquidity, risk management, psychology and discipline.

FOUNDER

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2026 Edition | Educational use only

Read this first

This handbook teaches you how markets, charts, risk and psychology fit together so you can build a trading process of your own. It does not give signals, and it does not promise results.

> **RISK WARNING**
>
> Most retail traders lose money. Brokers in many regulated markets are required to publish the share of retail leveraged accounts that lose, and those figures commonly sit between 70% and 80%. Leverage multiplies losses as easily as gains. Only trade money you can afford to lose, and treat everything here as education, not financial advice.

How this handbook is organized

Part	What you will learn	Why it comes in this order
1 Fundamentals	Markets, currency pairs, pips, lots, leverage, brokers and platforms	You cannot manage risk in units you do not understand.
2 Reading Charts	Candles, timeframes, sessions, levels, structure, liquidity	Charts are how you describe what price is doing.
3 Risk Management	Position sizing, stops, risk-to-reward, drawdown, expectancy	Risk decides whether you are still trading in a year.
4 Strategy Development	Trading plan, backtesting, demo, journaling, review	A strategy is a written, testable set of rules.
5 Trading Psychology	FOMO, revenge trading, routines, learning from losses	Most plans break at the moment of execution.
6 Toolkit	Checklists, templates, roadmap, glossary	Printable tools to apply the first five parts.

How to use it

- Read Parts 1 to 3 in order. Do not skip risk management to get to strategy.
- Open a free TradingView account and follow along with the examples on real charts.
- Work through the Part 6 templates. Writing your rules down is the point of the exercise.
- Move slowly. Understanding one concept deeply beats knowing ten superficially.

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PART 1

Fundamentals

What trading is, how the market works, and the units you will use every day.

What trading is

Trading means buying and selling financial instruments to profit from price movement, usually over shorter time horizons than investing. Because you can sell first and buy back later, you can aim to profit when prices fall as well as rise.

	Trading	Investing
Time horizon	Minutes to weeks	Months to years
Source of return	Price movement	Business growth, income, long-term trends
Direction	Long or short	Mostly long
Typical analysis	Price action, structure, technicals	Fundamentals: earnings, valuation, economy
Main risk tool	Stop-loss and position sizing	Diversification and time

Common trading styles

Style	Typical holding time	What it demands
Scalping	Seconds to minutes	Intense focus, tight costs, fast execution. High cost sensitivity.
Day trading	Minutes to hours, closed same day	Time at the screen, no overnight risk.
Swing trading	Days to weeks	Patience, wider stops, smaller position sizes.
Position trading	Weeks to years	Macro and fundamental view, tolerance for large swings.

CHOOSE BY LIFESTYLE

Your style must fit your schedule and temperament. A swing approach on the daily chart suits someone with a full-time job. Scalping a session you cannot attend consistently is a recipe for impulsive trades.

The main markets

Market	What moves it	Trading hours	Beginner note
Forex	Interest rates, central banks, economic data, risk sentiment	24 hours, Monday to Friday	Largest market by volume. Pairs like EUR/USD and GBP/JPY.
Indices	Earnings, the economy, sentiment (S&P; 500, NASDAQ, FTSE 100)	Exchange hours; index futures trade nearly 24h	A basket, so less single-company risk.
Gold and commodities	Real yields, the US dollar, supply and demand, geopolitics	Near 24h on weekdays	Gold (XAU/USD) is popular with forex traders.
Crypto	Sentiment, liquidity, regulation, flows	24/7	High volatility. Leverage can liquidate positions fast.
Stocks	Earnings, sector trends, news	Exchange hours	Regulated, strong fundamental data available.
Futures and options	Underlying asset plus time and volatility	Varies by contract	Derivatives. Study contract specs before trading.

Product availability varies by country. Some leveraged products, such as CFDs, are restricted or banned for retail clients in certain jurisdictions. Check what your local rules allow before you open an account.

Forex mechanics: pairs, pips, lots and spreads

Currency pairs

Every forex trade is a pair. In **EUR/USD = 1.1000**, EUR is the **base** currency and USD is the **quote** currency: one euro costs 1.1000 US dollars. **Buying** the pair means buying the base and selling the quote. **Selling** the pair is the reverse. Pairs are grouped as majors (all include USD, for example EUR/USD, GBP/USD, USD/JPY), minors (crosses without USD, for example EUR/GBP) and exotics.

Pips and lots

Term	Meaning	Example
Pip	The standard unit of price change. Fourth decimal for most pairs, second decimal for JPY pairs.	EUR/USD 1.1000 to 1.1001 is 1 pip. USD/JPY 150.00 to 150.01 is 1 pip.
Pipette	A tenth of a pip. Many brokers quote to a fifth decimal.	1.10005 is half a pip above 1.1000.
Standard lot	100,000 units of the base currency	About $10 per pip on USD-quoted pairs
Mini lot	10,000 units	About $1 per pip
Micro lot	1,000 units	About $0.10 per pip

Pip value depends on the pair and your account currency. Use your platform's position size calculator when a pair does not quote in USD.

Spread and trading costs

The **bid** is the highest price buyers will pay. The **ask** is the lowest price sellers will accept. The difference is the **spread**, and you pay it the moment you enter. A trade starts slightly negative and must first make up the spread. Other costs include **commission** (common on raw-spread accounts), **swap or rollover** (a fee or credit for holding overnight) and **slippage** (getting filled at a worse price than requested, most common in fast markets and at news releases).

Leverage and margin

Leverage lets you control a larger position than your account balance. At 30:1, each $1 of your capital supports $30 of exposure. **Margin** is the collateral your broker locks to hold that position. If losses eat into your free margin, the broker issues a margin call or closes positions automatically (stop-out).

> **ILLUSTRATIVE EXAMPLE (NUMBERS ASSUMED FOR TEACHING)**
>
> Assume EUR/USD is 1.1000. One standard lot is 100,000 EUR, which is $110,000 of exposure. Required margin is the exposure divided by leverage: about $3,667 at 30:1, or $1,100 at 100:1. Higher leverage does not make the trade riskier by itself. It makes it possible to open a position far larger than your account can survive.

> **THE PRINCIPLE THAT MATTERS**
>
> Leverage is not the danger. Position size is. Your risk per trade should be set by your stop distance and a fixed percentage of your account, never by how much your leverage allows. Part 3 shows how.

Brokers and platforms

How a broker works

A broker connects you to the market and holds your funds. Two common models: **market makers** take the other side of your trade and quote their own prices, while **STP/ECN brokers** pass your order to liquidity providers and usually charge a commission plus a raw spread. Neither is automatically better. What matters is regulation, transparency and execution quality.

What to check before opening an account

- **Regulation:** licensed by a recognized authority in your jurisdiction (for example CIRO in Canada, the FCA in the UK, the CFTC and NFA in the US, ASIC in Australia). Verify on the regulator's own website.
- **Client funds:** held in segregated accounts, with a clear policy on negative balance protection.
- **Costs:** spread, commission, swap and inactivity or withdrawal fees, shown in plain language.
- **Withdrawals:** a reliable, documented process. Read independent reviews about payouts, not only about signups.
- **Platform support:** the charting and execution platform you actually want to use.

Platforms

Platform	Used for	Note
TradingView	Charting, analysis, paper trading	Best starting point. Free tier is enough to learn.
MetaTrader 4 / 5	Retail forex and CFD execution	Industry standard. MT4 is still common with prop firms.
cTrader	Forex and CFD execution	Clean interface, popular with scalpers.
TradeLocker, Match-Trader	Execution at many modern prop firms	Availability depends on your broker or prop firm.
NinjaTrader, Tradovate, TradeStation	Futures trading	Choose after you understand futures contract specs.
Interactive Brokers, Questrade, Wealthsimple	Stocks, ETFs and multi-asset accounts	Check product coverage and fees for your country.

A NOTE ON PROP FIRMS

Funded-account programs let you trade a firm's capital after passing an evaluation. Treat the evaluation fee as a cost, not an investment. Rules on daily loss and maximum drawdown are strict, and many attempts fail because of rule breaches rather than market direction. Learn to trade your own plan on a demo first, and read every rule before you pay.

PART 2

Reading Charts

A common language for describing what price is doing and where it may react.

Candlesticks and price action

Each candle summarizes one time period with four prices: open, high, low and close. The **body** shows the distance between open and close. The **wicks** show how far price travelled and was rejected. Long bodies show strong one-sided pressure. Long wicks show that one side tried and failed.



Blue = close above open (buyers won the period). Black = close below open (sellers won).

Figure 1. Anatomy of a candlestick.

Pattern	What it looks like	What it suggests	What it needs
Pin bar	Small body, one long wick	Price pushed to a level and was rejected	A meaningful level and a clear prior move
Engulfing	Body fully covers the previous body	Momentum shift as the other side takes control	Location at support, resistance or the end of a move
Doji	Open and close nearly equal	Indecision or pause	Context: indecision at a key level matters more than in a range

LOCATION BEATS PATTERN

A pattern in the middle of nowhere is noise. The same pattern at a level you marked in advance, in the direction of the higher timeframe trend, is a setup.

Timeframes: the top-down approach

Price looks different on every timeframe. A top-down approach keeps you from trading a 5-minute pullback straight into a daily resistance level.

Role	Typical timeframes	Question it answers
Direction and key levels	Weekly, Daily, 4H	Which way is the bigger picture and where are the major levels?
Setup	4H, 1H	Is price at an area where my setup can form?
Entry and stop	15m, 5m	Where exactly do I enter and where is the idea wrong?

Pick two or three timeframes and keep them. Higher timeframes have less noise, wider stops and fewer trades. Lower timeframes offer more trades, more noise and more costs relative to your stop.

Market sessions

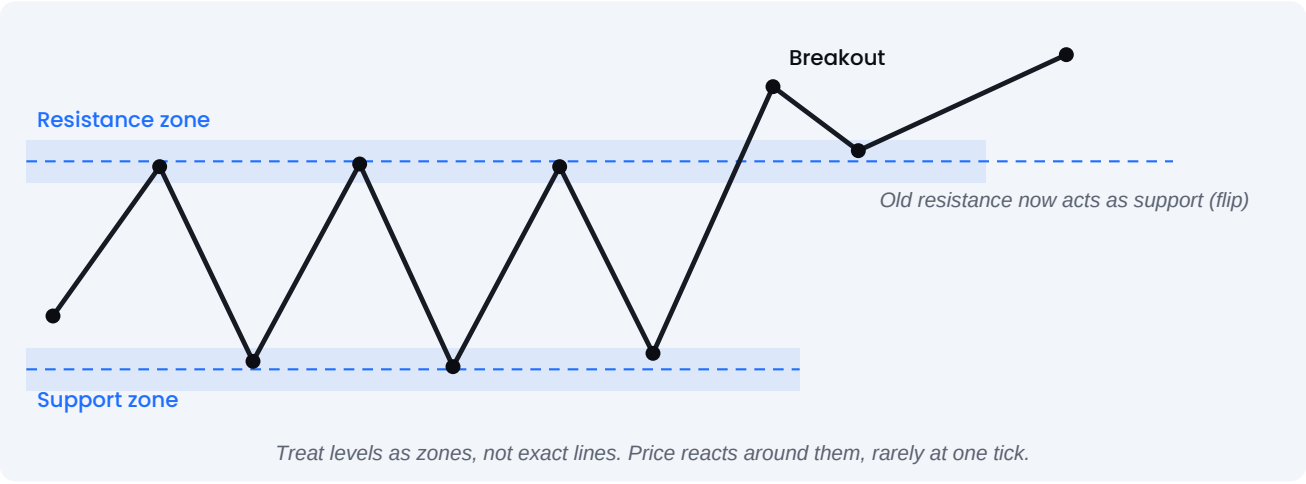
Forex trades around the clock, but liquidity and volatility are not constant. They follow the major financial centres.

Session	Approx. hours (US Eastern)	Character
Sydney	5:00 pm to 2:00 am	Quiet. AUD and NZD pairs most active.
Tokyo	7:00 pm to 4:00 am	Moderate. JPY pairs and Asia-linked flows.
London	3:00 am to 12:00 pm	High liquidity. Often sets the day's early direction.
New York	8:00 am to 5:00 pm	High liquidity. US data releases drive sharp moves.
London and New York overlap	8:00 am to 12:00 pm	Typically the most liquid and volatile window of the day.

Hours shift by about an hour when daylight saving time changes in different countries. Confirm the exact times on your platform.

Support and resistance

Support is an area where buying has previously been strong enough to stop price falling. **Resistance** is an area where selling has stopped price rising. When price breaks a level, the old resistance often becomes support and the reverse. Draw levels as zones rather than single lines, because price reacts around an area.



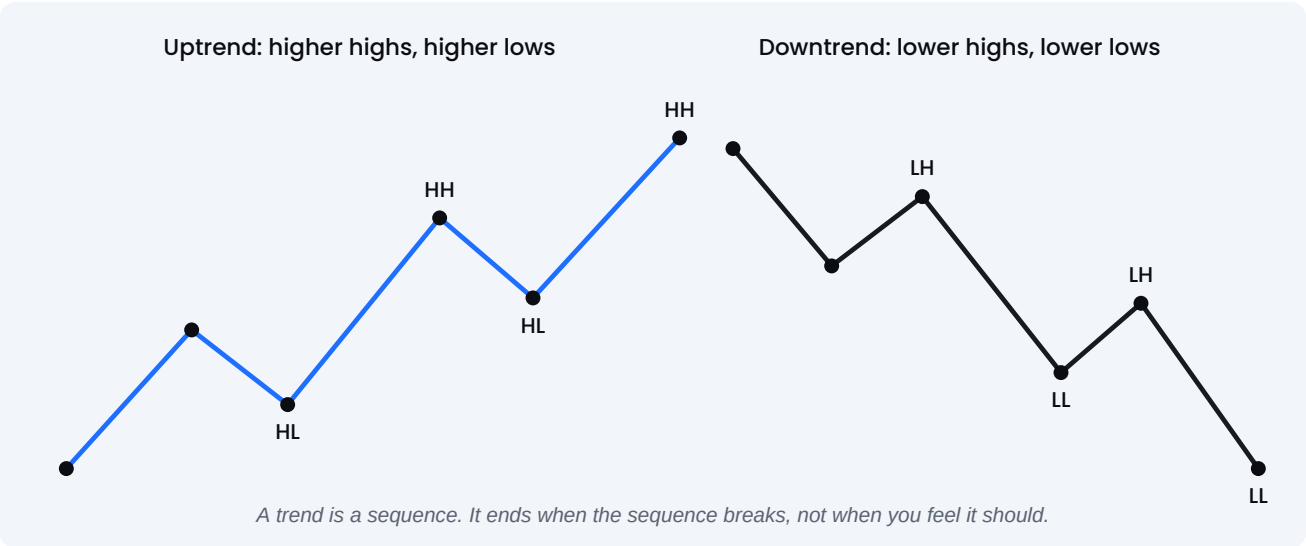
Treat levels as zones, not exact lines. Price reacts around them, rarely at one tick.

Figure 2. Support, resistance and a flip after a breakout.

Repeated tests do not always make a level stronger. Each test uses up some of the orders defending it, so a level that has been hit many times can be closer to breaking than to holding. Wait for confirmation, such as a candle close beyond the zone and a retest, rather than guessing the break.

Market structure and trends

Market structure is the sequence of swing highs and lows. An uptrend makes **higher highs and higher lows (HH/HL)**. A downtrend makes **lower highs and lower lows (LH/LL)**. **Consolidation** is sideways movement with no clear sequence.



A trend is a sequence. It ends when the sequence breaks, not when you feel it should.

Figure 3. Trend structure.

- In an uptrend, the first warning is a break below the most recent higher low. A change in trend is confirmed by a new lower high.
- In a range, trade the edges with defined risk or stay out. The middle of a range has no edge.
- Trade with the higher timeframe structure first. Counter-trend trades demand tighter risk and smaller size.

NOT TRADING IS A POSITION

Waiting for price to reach your area, or staying flat when structure is unclear, is a legitimate decision. Many account-damaging trades are taken out of boredom.

Liquidity in plain language

Price moves where orders are. Traders place stop-losses just below obvious lows and just above obvious highs, and breakout traders place orders beyond the same levels. Those clusters of orders are **liquidity**. Large participants need a lot of counterparties to fill big positions, so price is often pulled toward these clusters. When price spikes through a level, triggers the orders and then reverses, it is called a **liquidity sweep**.



Idea: large orders need counterparties, and obvious clusters of stops supply them. Not every sweep reverses.

Figure 4. A liquidity sweep above equal highs.

BE HONEST ABOUT THE LIMITS

A sweep is only recognizable in hindsight. Many moves through obvious levels are genuine breakouts that keep going. Use the concept to understand where your own stop is vulnerable, and require confirmation and a defined stop before trading any reversal.

About volume

Volume is useful in stocks and futures, where trades go through a central exchange. Spot forex has no central exchange, so most charts show **tick volume** (the number of price updates), which is only a rough proxy. Do not base forex decisions on volume the way you would in futures.

Strategy frameworks at a glance

Framework	Core idea	Beginner note
Support/resistance and breakouts	Trade reactions at levels, or breaks with confirmation	Simple and teachable. Beware false breakouts.
Trend following	Trade in the direction of structure, moving averages or trendlines	Lower win rate, larger winners. Needs patience.
Supply and demand	Trade zones where large imbalances began a move	Zone drawing is subjective. Define it in writing.
Price action / naked charts	Read candles and structure with minimal indicators	Builds chart-reading skill that carries over.
ICT and SMC concepts	Order blocks, fair value gaps, liquidity sweeps, institutional order flow	Popular but terminology-heavy and open to interpretation. Convert every concept into a testable rule before trusting it.
Indicator-based	RSI or MACD divergence, moving-average crossovers	Indicators lag price. Use as a filter, not a trigger.

Start simple. Master one or two concepts before adding complexity. A strategy with five conditions that you follow beats one with twenty that you improvise.

PART 3

Risk Management

The skill that keeps you in the game long enough to improve.

Why risk comes first

You cannot control whether a trade wins. You can control how much you lose when it does not. Losses are also harder to recover from than they look, because the gain needed grows faster than the loss.



Figure 5. Recovering a 50% loss requires a 100% gain.

Risk per trade

Most professional frameworks risk between 0.5% and 2% of the account on one trade. Beginners should sit at the low end, often 0.5% to 1%, because early mistakes are frequent. The table shows why: losing streaks happen to every strategy.

Risk per trade	Dollar risk on $5,000	Account after 10 straight losses
0.5%	$25	-4.9%
1%	$50	-9.6%
2%	$100	-18.3%
5%	$250	-40.1%
10%	$500	-65.1%

With 1% risk, a ten-trade losing streak is painful but survivable. With 10% risk, it ends the account.

Position sizing

Position size is derived from three things: how much you are willing to lose, where your stop must go for the idea to be wrong, and the value of a pip.

> **FORMULA**
>
> **Lot size = Dollar risk / (Stop distance in pips x Pip value per lot)**

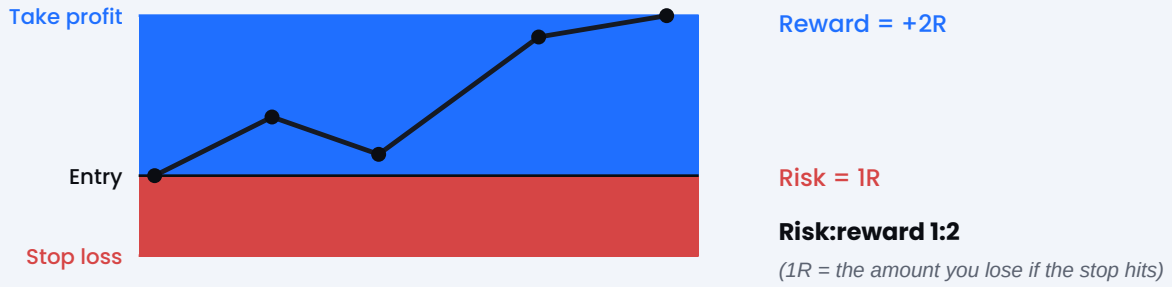
> **WORKED EXAMPLE**
>
> Account: $5,000. Risk: 1% = $50. Stop distance: 25 pips on EUR/USD. Pip value: about $10 per standard lot. Lot size = 50 / (25 x 10) = **0.20 lots** (20,000 units, about $2 per pip). If the stop is hit, you lose 25 pips x $2 = $50.

Order of operations: find the level where the idea is invalid, place the stop beyond it, measure the distance, and only then calculate size. Never shrink the stop to fit a bigger position.

Stop-loss and take-profit

- **Stop-loss** marks where your trade idea is wrong, not an arbitrary number of pips. Place it beyond structure, with a small buffer for spread and noise.
- Never widen a stop after entry. Moving it closer to lock in profit is a separate, planned decision.
- **Take-profit** belongs at a logical target, such as the next level of structure or a liquidity area, not at a number that merely looks nice.
- **Order types:** market (fill now), limit (buy lower or sell higher than the current price), stop (buy higher or sell lower, used for breakouts and stop-losses).

Risk-to-reward and expectancy



At 1:2, you break even at a 33% win rate before costs. At 1:1, you need 50%.

Figure 6. A 1:2 risk-to-reward trade.

Risk:Reward	Win rate needed to break even (before costs)
1:1	50%
1:1.5	40%
1:2	33.3%
1:3	25%

Expectancy is the average result per trade, measured in R (multiples of the amount risked):

> **EXPECTANCY**
>
> Expectancy = (Win rate x Average win) - (Loss rate x Average loss)
> Example: 40% winners averaging +2R, 60% losers averaging -1R. (0.40 x 2) - (0.60 x 1) = **+0.2R per trade**.
> Over 100 trades, that is about +20R before costs.

A positive expectancy figure is only trustworthy with a sample large enough to mean something. Treat fewer than 50 trades as anecdote, and aim for 100 or more before drawing conclusions.

Drawdown and loss limits

A **drawdown** is the fall from an equity peak to a trough. Set limits in advance, while you are calm. Example rules to adapt to your own plan:

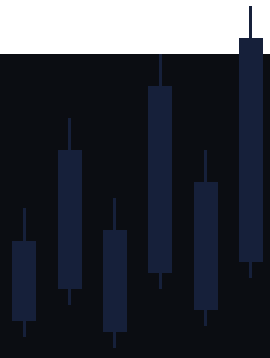
- **Daily loss limit:** stop trading for the day after losing 2R to 3R, or 2% to 3% of the account.
- **Weekly loss limit:** stop for the week after losing around 5%.
- **Drawdown rule:** if the account falls 10% from its peak, cut risk per trade in half until you recover.
- **Open risk cap:** total risk across all open trades should not exceed 2% to 3%.
- **Correlation:** EUR/USD, GBP/USD and AUD/USD long together are largely one bet against the US dollar. Count them as one risk.

> **CAPITAL PRESERVATION**
>
> A trader who protects capital gets thousands of chances to be right. A trader who chases large profits often gets one bad month.

PART 4

Strategy Development

Turn an idea into written rules you can test, measure and improve.



Building your trading plan

A trading plan is a written document that answers every decision you will face before you face it. If it exists only in your head, it will change whenever you are under pressure.

Plan section	What to define
Markets and sessions	1 or 2 pairs or instruments, and the sessions you will trade
Timeframes	Direction timeframe, setup timeframe, entry timeframe
Setup	The exact conditions that must be true before you consider a trade
Entry	The specific trigger that gets you in
Invalidation	The price at which the idea is wrong (your stop)
Exit	Take-profit target, partial exits, and any trailing rules
Risk	Percent risked per trade, daily and weekly limits, max open trades
No-trade conditions	News events, unclear structure, time of day, emotional state

The test of a good rule: could someone else read it and mark up a chart the same way you would? If not, it is too vague to backtest.

Entries, invalidation and exits

- **Entry** is a trigger, not a feeling. Example: “Candle closes back inside the range after sweeping the previous day's high.”
- **Invalidation** is decided before entry. If you cannot say where you are wrong, you do not have a trade.
- **Exit** rules cover both outcomes: where you take profit and when you leave early (for example, a break of structure against you).

Backtesting

Backtesting means applying your rules to past charts to see how they would have performed.

- Test one setup at a time. Scroll forward bar by bar so you cannot see the future.
- Record **every** valid instance, not only the ones that look good in hindsight.

- Log each result in R-multiples and include the spread.
- Collect at least 50 to 100 trades, then review win rate, average win and loss, expectancy and the largest losing streak.
- Keep some history untouched. Test on it once at the end to check the rules were not just fitted to the data you studied.

Demo trading

Demo trading rehearses execution. The goal is to follow your written plan and to learn the platform, not to grow fake money. Its limits are real: there is no fear, and fills can be better than live ones. Judge readiness by evidence rather than by the calendar.

> **SUGGESTED EXIT CRITERIA FOR DEMO**
>
> You have logged at least 50 to 100 trades executed to plan. You followed your rules on the vast majority of them. Expectancy is positive after costs. Your largest drawdown stayed inside the limits you set. Time alone is not the measure.

Going live, small

- Start with micro lots and a fraction of your planned risk, such as 0.25% to 0.5% per trade.
- Treat the first live months as a psychology test. The goal is to follow the plan with real money at stake.
- Scale up only after a full sample of live trades meets the same criteria as demo.

Journaling and review

A journal turns experience into data. Combine a notebook for feelings with screenshots for the chart. Record every trade, including the ones you skip.

Field	Why it matters
Date, pair, session	Shows when and where you perform best
Setup name and screenshot	Lets you review the decision, not just the result
Entry, stop, target, result in R	Allows real statistics
Followed plan? (yes / no)	Separates good process from good luck
Emotion before and after	Reveals patterns such as FOMO or revenge trades
One lesson	Forces a takeaway from every trade

Weekly review: What did my plan-adherence rate look like? Which setups paid, and which cost me? Which mistakes repeated? What is the single change for next week? **Monthly review:** recalculate expectancy per setup and per session, then decide whether the data supports any change.

Avoid constant strategy switching

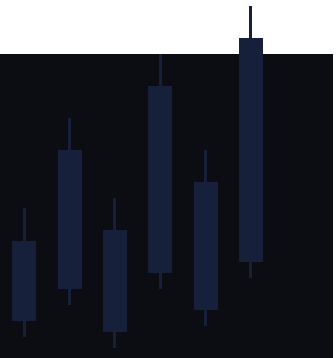
Switching systems after a few losses makes it impossible to know whether a strategy works. Every strategy has losing streaks, and a new one has them too.

- Commit to a minimum sample (for example, 50 trades) before judging a setup.
- Change one variable at a time and write down what you changed and why.
- If you feel an urge to switch, check whether the strategy is failing or whether you are failing to follow it. The journal will tell you.

PART 5

Trading Psychology

Where a good plan is kept or broken.



Why psychology decides outcomes

Most traders do not fail for lack of information. They fail because the plan says one thing and the moment says another. Psychology is the skill of executing your rules when you are afraid, excited, bored or hurt. It can be trained like any other skill.

Trap	What it looks like	Countermeasure
FOMO	Entering late because price is running and you fear missing it	Only trade from pre-marked areas. If you missed the entry, the trade is gone. Another will come.
Revenge trading	Taking an unplanned trade right after a loss to win it back	Hard rule: after two consecutive losses, step away from the screen for a fixed period.
Hesitation	Skipping a valid setup after a few losses	Reduce size, not frequency. Keep executing the plan at a risk that feels calm.
Overtrading	Taking low-quality setups out of boredom or to hit an imagined quota	Set a maximum number of trades per day. Count zero trades as a successful day when no setup appears.
Moving or removing stops	Widening a stop to avoid taking the loss	Place the stop at entry, never widen it, and treat violations as a rule-break to log.
Overconfidence after wins	Increasing size or loosening rules after a hot streak	Size only changes under written rules, never in the moment.

Discipline through routine

Discipline is easier when it is designed into your day instead of relying on willpower.

Stage	Routine
Before the session	Check the economic calendar. Mark higher timeframe levels. Re-read your plan. Set your max trades and loss limit for the day.
During the session	Trade only from pre-marked areas. Take screenshots. Follow the checklist before each entry. No new trades after your stop-for-the-day rule.
After the session	Log trades and emotions. Rate your plan adherence. Close the platform.

Learning from losses

A loss does not mean you made an error. Sort every loss into one of three types before reacting.

Loss type	Meaning	Action
Normal loss	Valid setup, followed the plan, the outcome was simply the losing side of the odds	None. This is the cost of doing business.
Execution error	The plan was fine but you broke it (late entry, moved stop, oversized)	Identify the trigger and add a specific safeguard.
Plan flaw	You followed the plan and the data across many trades shows a problem	Review the rule and test a change, once enough trades support it.

> **JUDGE PROCESS, NOT ONE OUTCOME**
>
> Any single trade is close to random. A good trade can lose and a bad trade can win. The scorecard is how well you followed your rules across 50 or 100 trades.

A question to ask after every red day

“If I made the same decisions again with the same information, would I be comfortable?” If yes, move on. If no, write down the exact decision that changed and what rule would have stopped it.

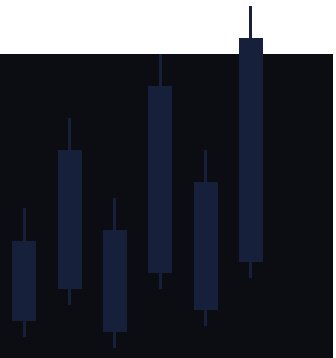
Recommended reading

Book	Why read it
Trading in the Zone, Mark Douglas	A foundation for thinking in probabilities and accepting risk.
The Mental Game of Trading, Jared Tendler	A practical approach to diagnosing and fixing emotional mistakes.
Naked Forex, Alex Nekritin and Walter Peters	Price action trading without indicators, built on levels and candles.
Mastery, Robert Greene	How discipline and deliberate practice build long-term skill.

PART 6

Toolkit

Printable tools to turn this handbook into a working process.



Pre-trade checklist

Run through this before every entry. If any answer is no, the trade does not qualify.

- [ ] Does the higher timeframe structure support this direction, or have I reduced size for a counter-trend trade?
- [ ] Is price at an area I marked before the session started?
- [ ] Does my written setup show all required conditions?
- [ ] Is my entry trigger present on the candle close, not just in my head?
- [ ] Do I know exactly where the idea is invalid, and is my stop beyond that point?
- [ ] Is the reward at least 1.5 times my risk to a logical target?
- [ ] Is my risk 1% or less of the account, with size calculated from the stop distance?
- [ ] Is there high-impact news within the trade window?
- [ ] Am I within today's loss limit and trade count?
- [ ] Am I calm? Would I take this trade if I had just won, or just lost?

My trading plan template

Plan section	Your rules
Markets and sessions	
Timeframes	
Setup conditions	
Entry trigger	
Invalidation (stop)	
Exit and targets	
Risk per trade	
Daily and weekly limits	
No-trade conditions	

Trade journal template

Date	Pair	Setup	Entry / SL / TP	Result (R)	Plan followed?	Emotion	Lesson

Weekly review prompts

- Trades taken ___ Plan followed on ___ of them (___%)
- Best setup this week and why:
- Costliest mistake and the rule that would have prevented it:
- One change to make next week:

Roadmap to live trading

Stage	Focus	Move on when
1 Learn	Terminology, charts, risk and psychology (Parts 1 to 3 and 5)	You can explain each term and calculate position size without help.
2 Define	Write a one-page plan with one setup (Part 4)	Another person could mark up a chart using your rules.
3 Backtest	50 to 100 historical trades of that setup	Expectancy is positive after costs and the losing streak is tolerable.
4 Demo	Execute the plan in live markets with simulated money	Plan adherence is consistently high over a full sample.
5 Live, small	Micro lots and a fraction of planned risk	Live results and behaviour match demo over a full sample.
6 Scale or refine	Raise size gradually under written rules, or refine one variable at a time	Ongoing: review monthly, protect capital first.

Glossary

Term	Definition
Ask	Lowest price a seller will accept.
Bid	Highest price a buyer will pay.
Base / quote currency	In EUR/USD, EUR is the base and USD is the quote.
Break of structure	Price closing beyond the most recent swing high or low.
Consolidation	Sideways price action with no clear trend.
Drawdown	Peak-to-trough decline in account equity.
Expectancy	Average result per trade, usually measured in R.
Fair value gap	A three-candle imbalance where the outer candles do not overlap (ICT/SMC term).
Leverage	Using borrowed capital to control a larger position.
Liquidity	How easily you can trade without moving price. Also: clusters of resting orders.
Liquidity sweep	Price running through obvious highs or lows to trigger orders, then reversing.
Margin	Collateral held by the broker to keep a leveraged position open.
Order block	The last opposing candle before a strong move, treated as a reaction zone (ICT/SMC term).
Pip	Standard unit of price change in forex.
R-multiple	Result expressed as multiples of the amount risked.
Risk:reward	Potential reward divided by risk.
Slippage	Fill at a different price than requested.
Spread	Difference between bid and ask, your entry cost.
Stop-loss	Order that closes a trade at a pre-set loss.
Support / resistance	Zones where buying or selling pressure has historically stalled price.
Swap	Fee or credit for holding a position overnight.
Take-profit	Order that closes a trade at a pre-set profit.
Volatility	Size and speed of price swings.

FINAL ADVICE

Focus on process, not P&L. Expect losses as part of a probabilistic game. Avoid high leverage while learning. Understand your costs, taxes and local regulations, because rules differ by country. Build slowly. Consistency beats big wins.

Disclaimer. This handbook is for educational purposes only and is not financial, investment, legal or tax advice. Trading leveraged products involves substantial risk of loss and is not suitable for everyone. Past performance does not guarantee future results. Examples use assumed numbers for illustration. Always verify broker regulation and local rules before trading, and consider speaking to a licensed professional.