

CAPITAL PRESERVATION

EVERYTRADE FREE BONUS #3

# Bulletproof Your Account: Risk Rules & the Pro's Closing Routine

The position-sizing discipline that prevents account blowup, and the exact 30-minute checklist professionals run every single evening — win or lose.

## PART 1

## The Ironclad Risk Cheat Sheet

Account blowup isn't caused by one bad trade. It's caused by one oversized trade.

Every trader who has blown up an account can point to the exact moment it happened — not a string of small, planned losses, but a single position sized far too large because "this one felt different." The market doesn't punish traders for being wrong. It punishes them for being wrong at a size they couldn't survive. The entire purpose of position sizing is to make sure that no single trade, no matter how badly it fails, can knock you out of the game.

### THE BLOWUP MECHANISM

It is mathematically impossible to "be due for a win" your way out of an oversized loss. A single trade risking 20% of an account needs only one bad setup to inflict damage that takes dozens of winning trades to repair. Survival, not any single trade, is the actual objective.

### The 1-2% Rule

Never risk more than 1-2% of total trading capital on a single position. This is not a suggestion — it is the foundation every other piece of strategy is built on top of. The rule doesn't limit how much you can make; it limits how much any one mistake can cost you, which is precisely what allows you to take the next trade, and the one after that, with a clear head instead of a desperate one.

### WHY THE MATH DEMANDS IT

Risk per trade	20% of capital
Consecutive losses to lose 80% of account	5 trades
Gain required to recover from -80%	400%

**At 1-2% risk per trade, the same 5-loss streak costs 5-10% — fully recoverable.**

### Position Sizing in Practice

Position size is never a fixed number of shares — it is calculated backward from your stop-loss every single time. Decide your dollar risk first (1-2% of capital), decide your stop-loss distance second, and let those two numbers dictate exactly how many shares you can buy. If the math says 140 shares, you buy 140 shares — not 500 because the setup looks exciting.

Account Size	Max Risk (1.5%)	Stop Distance	Max Shares
\$10,000	<b>\$150</b>	\$1.50/share	100 shares
\$25,000	<b>\$375</b>	\$2.50/share	150 shares
\$50,000	<b>\$750</b>	\$3.00/share	250 shares

### NON-NEGOTIABLE RULES

1) The stop-loss is set before the order is placed, never after. 2) If the position size math doesn't work at your risk limit, you don't take the trade — you don't "round up." 3) A widened stop to "give it more room" is a silent rule violation, not a strategy adjustment. 4) Two consecutive max-size losses should trigger an automatic size reduction until the streak is reviewed.

This system feels restrictive precisely because it is designed to be. The trader who follows the 1-2% rule without exception is the trader who is still in the game a year from now — and being in the game is the only precondition for ever compounding capital at all.

## PART 2

## The 30-Minute Post-Market Routine

The market closes. The professional's work is just getting started.

The gap between amateur and professional traders is rarely visible during market hours — it's visible in what happens after the closing bell. Retail traders close their laptop the second the session ends. Professionals spend the next 30 minutes turning the day's price action into tomorrow's plan, so that every decision at the open has already been made in advance, calmly, with no money on the line.

- 1 Review the watchlist for breakout readiness.** Go through every stock on your watchlist and check whether any have completed a valid base or pattern and are now positioned to break out. Any ticker that qualifies gets a pending order set up directly in EveryTrade — entry trigger and stop already defined — so the trade is ready to execute the moment price confirms, with zero hesitation at the open.
- 2 Manage open positions and update stops.** Walk through every position currently held. Has the stock moved enough to justify trailing the stop-loss higher? Has the original thesis changed? This is where winners are protected — moving a stop up to lock in gained R is a disciplined adjustment; moving a stop down to avoid being wrong never is.
- 3 Review closed positions and self-audit (recommended weekly).** Go back through trades that closed this week — both winners and losers — and ask what worked, what didn't, and whether the plan was actually followed. This step is what turns trading experience into trading skill. Skipping it is how the same mistakes quietly repeat for months without ever being noticed, because there's no record forcing you to confront them.
- 4 Scan for new setups and log every alert.** Screen for fresh patterns forming across the broader market. Every qualifying setup — ticker, trigger price, and stop-loss — gets entered into EveryTrade immediately, while the analysis is fresh. Nothing is left to memory; memory is exactly what fails under the pressure of a live market the next morning.

### WHY THE WEEKLY AUDIT MATTERS

A single day of hindsight tells you little — markets are too noisy for one session to reveal a pattern. A full week of closed trades, reviewed together, is enough to surface a real behavioral leak: a stop that keeps getting moved, a setup type that consistently underperforms, an emotion that shows up right before the worst entries. Without this weekly discipline, those patterns stay invisible — and invisible problems never get fixed.

### BOTTOM LINE

Capital preservation comes first — the 1-2% rule is what keeps you solvent long enough to let an edge play. The post-market routine is what turns each trading day into a repeatable, improving process instead of 250 disconnected gambles a year. Run both, every single day, and the rest of the strategy finally has room to work.

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