Advanced Cheat Sheet

Lessons 9-12 - the edge

9. Risk management

- Risk 1-2% of equity per trade (the loss if the stop is hit). Streaks of 5-7 losses are normal.
- Drawdown maths: lose 50%, need +100% back. Capital preservation beats everything.
- Break-even win rates: 1:1 needs 50% | 1:2 needs 33.4% | 1:3 needs 25%. Structure beats accuracy.
- Size = (account x risk%) / (stop pips x pip value). Size is always calculated, never guessed.
- Procedures beat willpower: fixed risk, stop in with the order, hard daily loss limit, journal everything.

10. Technical analysis

- Candles: body = conviction, wick = rejection. Meaningful only at significant levels.
- Support/resistance are ZONES from the daily chart; broken levels reverse roles.
- Identify the market state first (trend or range) - it dictates which tactics can work.
- Few indicators with distinct jobs (trend, momentum, ATR for stops). Overbought is not a sell signal.

11. Fundamental analysis

- Currencies follow interest-rate expectations; hawkish = stronger, dovish = weaker.
- Markets move on ACTUAL vs FORECAST. Priced-in news barely moves anything.
- Gold: up on falling real rates, fear, weak dollar. Indices: love cuts and growth.
- Check the economic calendar every session. Don't hold tight stops through CPI/NFP/rate decisions.

12. Smart Money Concepts

- Liquidity = stops clustered beyond obvious highs/lows. Price is often drawn to these pools.
- Sweep (spike + sharp reversal) = warning about stop placement and a reversal fingerprint.
- BOS confirms trend; CHoCH is the first structural crack. Mechanical trend rules.
- Playbook: HTF bias -> liquidity sweep -> CHoCH confirm -> order block / FVG entry -> opposing liquidity target.
- SMC changes nothing about risk: 1% sizing and hard invalidation still rule.