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The First Ninety Days

Trading Basics

Trading Papers

The First Ninety Days

What to do, in order, once you have decided to trade

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Educational content only. Nothing in this document is financial advice, no part of it is a recommendation to buy or sell anything, and it knows nothing about your circumstances. Trading carries risk, including the loss of the amount invested.

Contents

The practical sequel to What the Job Actually Is. That paper describes the work so you can decide; this one assumes you have, and puts the first three months in order.

01

This assumes the decision is made

The first paper on this shelf describes the job — what the hours consist of, what the money is paid for, how much capital the arithmetic needs — and deliberately contains no steps at all, because its purpose is to let a person decide. This one starts on the other side of that decision. You have decided. Nothing here argues for or against; it answers the question the first paper leaves open, which is what to actually do, and in what order.

The order that works	The order people take
Pick one instrument, and stay	Watch whatever is moving
Pick a broker on four checks	Pick the one in the advertisement
Size the account to the arithmetic	Deposit what is spare and hope
Learn execution before analysis	Learn analysis for a year
Trade small and record everything	Trade small until it feels slow

The order this paper argues for, against the order most people actually take. Nothing in the right-hand column is stupid — each item is genuinely part of the job. They are simply in an order that makes the early ones impossible to judge.

Order is the whole subject. Almost everything in the right-hand column is genuinely part of trading, and a beginner who does those things is not being lazy or foolish. The problem is sequence: learning analysis for a year before ever placing an order means a year of study that cannot be checked against anything, and choosing a broker from an advertisement means the costs are discovered after they have started being paid.

month one	Set up, and learn to place and manage an order without thinking.
month two	Follow one written method at the smallest size, without changing it.
month three	Measure your own costs and your own compliance, not your profit.
at the end	Decide, on evidence, whether to continue — and at what size.

What the three months are for, one job each. Nothing here is about making money, and the last rung is the only one that produces a decision.

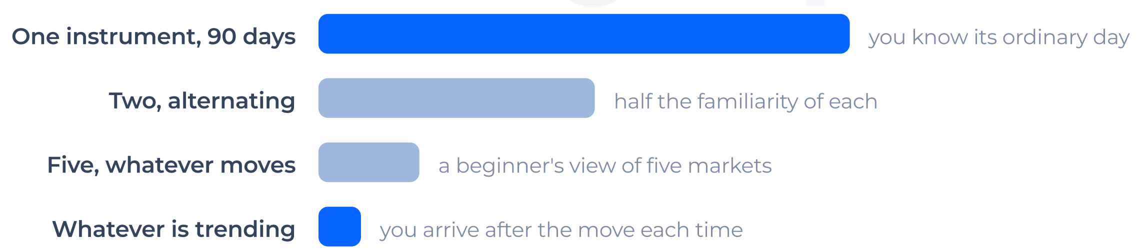
Three months is not a target and not a promise. It is roughly the shortest period in which the four jobs on that ladder can be done honestly, and each month has one job. Notice that none of them is making money, and that the last rung is the only one that produces a decision — which is what the ninety days are for.

> Read What the Job Actually Is first if you have not. This paper assumes you know what the work is and what it pays for, and it will not repeat that argument.

02

One instrument

The first decision is what to trade, and the most valuable part of the answer is the number rather than the name: one.



Schematic of why one instrument beats five. The hours are the same in both cases; what changes is how much of the same thing you have seen, which is the only input experience has.

The hours you have are fixed. What changes with the number of instruments is how much of the same thing you have seen — and seeing the same thing repeatedly is the only input experience actually has. After ninety days on one instrument you know what its ordinary Tuesday looks like, what its open does, where it goes quiet. After ninety days across five you have a beginner's view of five markets, which is worth less than a beginner's view of one.

The bottom bar is the version that feels most productive and teaches least. Trading whatever is trending means arriving after the move that produced the trend, in an instrument you have not watched, at the moment its behaviour is least typical. It is the most common way to spend three months and learn nothing transferable.

Property	Why it matters at the start	The cost of getting it wrong
Liquidity	tight spreads and honest fills	your costs swamp a small edge
Hours	it must be awake when you are	you trade tired, or you trade nothing
Volatility	enough movement to reach a target	either no setups or no survivors
Minimum size	the smallest position must be small	you cannot risk 1% of a small account
Data cost	some feeds are free, some are not	a monthly bill before any profit

What to weigh when choosing the one, described by the property rather than by the name. No row recommends an instrument; each names a trade-off you will live with daily for three months.

Which one is genuinely yours to choose, and the table describes what to weigh rather than what to pick. Two rows dominate at the start. Hours, because an instrument that is only awake at three in the morning will be traded badly or not at all, and both of those ruin the sample. And minimum size, because the whole method in this library rests on risking a small fraction of the account — if the smallest position your instrument allows is larger than one per cent of your account, the arithmetic cannot be followed at all.

03

Where to trade, and what to check

Choosing a broker is treated as a matter of features and is mostly a matter of four facts, none of which appears in an advertisement.

1. Find the regulator and the licence number, on the regulator's own site
2. Read how client money is held — segregated, and with whom
3. Open the fee page and add up spread, commission and overnight funding
4. Test a withdrawal with a small amount before you need a large one

The four checks that matter before money moves, in the order that costs you least. None requires expertise, and doing them takes one evening.

Check the licence on the regulator's own site rather than on the broker's. A claim of regulation is a claim like any other, and the register is public, searchable and takes two minutes. Read how client money is held while you are there: segregated client money is the difference between a firm's failure being an inconvenience and being your loss.

Then add up the costs on the fee page — spread, commission, overnight funding — and write the total down, because the third month will compare it to what you actually paid. And test a withdrawal early, with a small amount, while nothing depends on it. A withdrawal that takes three weeks is worth knowing about before it is the money you need.

	The regulator covers	It does not cover
About the firm	Client money held apart from company money, and reported trades.	Whether the person who recommended it earns a commission on you.
About your trading	A complaints route, and published risk warnings.	Any loss produced by your own decisions.

What a regulator behind a broker does and does not do for you. The right column is where beginners assume they are covered and are not, which is the same gap the second paper in this library is about.

One thing to be exact about, because beginners routinely assume more than is true. A regulator standing behind a broker is concerned with the broker: client money, accurate reporting, a complaints route, published warnings. It is not concerned with whoever recommended that broker to you, it does not check a course or a signal group, and it will not return a loss produced by your own decisions. The trust the word creates is real and narrow.

04

What the account has to be

The deposit decides more about the next three months than the method does, and it is usually chosen by what happens to be spare.

Account	1% is	The smallest sensible position	What this is for
$500	$5	often below the minimum	learning the buttons, not the method
$2,000	$20	workable on liquid instruments	a real record, at a real cost
$10,000	$100	comfortable	a record that can be scaled later
$50,000+	$500	comfortable, but slippage appears	a different set of problems

What an account can risk per trade at one per cent, and what that buys. This is the arithmetic that decides how the first ninety days will feel, and it is settled before any method is chosen.

Read the third column rather than the second. One per cent of five hundred is five, and on many instruments the smallest position you can open risks more than that — which means the account cannot follow its own rule, and the record it produces is of something other than the method. That is not an argument against starting small; it is an argument for knowing what a small account is for. It is for learning the mechanics and building a record, not for producing income.

	Ask	The answer that works
Where is this money from	Is it borrowed, or needed within a year?	Neither. It is money whose loss changes nothing you rely on.
What happens if it goes	Would I have to stop, explain it, or hide it?	No. Losing it is the budgeted cost of finding out.

The two questions to answer about the deposit before it is made, and the answers that make the next three months survivable. Neither is about ambition; both are about being able to keep going.

The two questions are worth answering in writing before the transfer. Money that is borrowed, or needed within the year, changes every decision that follows it: it makes a normal loss into an emergency and turns the rules into obstacles. And if losing it would have to be hidden or explained, it is too much — not because of the amount but because concealment and good record-keeping cannot coexist.

05

What to learn, and when

There is more material available than anyone can read, and almost all of it is presented as though the order does not matter. It does, and the ordering principle is simple: learn the things that make the next thing measurable.

Learn now	Because	Learn later
Order types, and what each does	you cannot test a rule you cannot place	chart patterns
Risk per trade, computed from the stop	it decides survival, not returns	indicator settings
Your own costs, measured on fills	they change what is profitable	market structure theory
Keeping a log that includes the skips	it is the only feedback that exists	macro and news
One entry rule and one exit rule	two rules can be tested; twenty cannot	everything else

What to learn, in the order that makes each thing measurable when you get to it. The right-hand column is what people learn first, and every item there is easier to judge once the rows above it exist.

Order types come first because a rule you cannot place is a rule you cannot test. Risk per trade comes second because it decides whether you survive long enough for anything else to matter. Costs come third because they change which methods are profitable, and a method judged before its costs are known has been judged on the wrong number.

Everything in the right-hand column is worth learning eventually, and none of it is worth learning first. Chart patterns are easier to evaluate once you have a log to check them against. Market structure is easier to follow once you have watched one instrument for a season. Macro is interesting and almost never actionable at this size. The order is not about importance; it is about what can be checked.

One practical limit worth setting now: two rules. One condition for entering and one for exiting, both written down. Not because two rules are enough forever, but because two rules produce a record that can be interpreted, and twenty produce a record in which nothing can be attributed to anything.

06

The simulator question

Whether to trade on a demo account is argued about as though there were one answer. There are two true statements and they point in different directions.

	A demo teaches	A demo cannot teach
About the mechanics	Where the buttons are, and what an order does.	What your fills and spreads will really be.
About you	Whether a rule can be followed on a quiet day.	Whether you follow it when the money is yours.

What a simulator teaches and what it cannot. Both columns are true at the same time, which is why the advice to demo for a year and the advice to skip demo are both wrong.

A simulator genuinely teaches the mechanics. Where the buttons are, what a stop order does, what happens when you modify a position — all of that is worth learning where a mistake costs nothing, and learning it live is an expensive way to discover that you pressed sell instead of buy.

What it cannot teach is the two things that decide the first ninety days. Its fills are not your fills, so the costs you measure there are fiction. And it cannot tell you whether you follow your rules when the money is yours, which is the single most important fact about you and the one a demo is structurally unable to produce.

1. Use it for two weeks, to learn the platform, not the market
2. Set its balance to the account you will actually open
3. Take only the setups your written rules produce
4. Decide in advance the date it stops, and stop on that date

How to use a simulator so that it ends. The fourth step is the one people skip, and skipping it is how a demo becomes a hobby that lasts a year.

So use it, briefly, with an end date decided in advance. Two weeks is usually enough to stop fumbling the platform. Setting its balance to the account you will actually open matters more than it sounds: a demo with a hundred thousand in it trains position sizes you will never take and feelings you will never have.

07

The first live week

The transition to real money is the part every guide skips, and it has a shape that is worth seeing in advance.

Day	What happens	What it is for
One	the first order, at the smallest size	proving you can place and cancel
Two	a fill that is worse than the chart price	meeting your real costs
Three	a setup appears and you hesitate	learning that hesitation has a price
Four	nothing qualifies all day	learning what the rule excludes
Five	a loss inside the rules	the most useful event of the week

The first live week, described as it actually goes. The right-hand column is what each day is for; none of them is for profit, and reading them as profit is the most common early mistake.

Read the third column. Every day of that week has a purpose and none of the purposes is profit. The second day is where you meet your real costs, and it is almost always worse than the chart suggested. The fourth day — nothing qualifies — is the one beginners find hardest to accept and the one that proves the rule is doing its job: a rule that never excludes anything has not excluded anything.

The fifth day is listed as the most useful event of the week, and that is not a consolation. A loss taken inside the rules, at the smallest size, is the only way to find out what you do when it happens — and finding that out at a size where the answer is cheap is precisely what the first month is for.

Two mechanical rules for that week, both boring. Trade the smallest size your broker allows, whatever your account can technically support. And place the stop at the same moment as the entry, in the same action if the platform allows it, because a stop that exists only as an intention is not a stop.

08

The record, from the first order

The log is the only thing in the first ninety days that turns them into evidence, and it has to start on the first order rather than when things get interesting.

Column	Why it is there
Date, time and instrument	the ordinary index
The rule that fired	ties the trade to the method
Price wanted and price filled	measures slippage without extra work
Stop distance and position size	shows whether risk was really constant
Result in R	makes different sizes comparable
Rule broken, if any	the single most informative column

The log, from the first order. Six columns, filled in the same minute the trade is placed — a log written from memory in the evening is a record of your memory, not of your trading.

Six columns, and two of them are the ones people leave out. The rule that fired ties the trade to the method, without which a losing month cannot be told apart from a month of ignoring the plan — and those two have opposite remedies. The broken-rule column is the most informative field in the whole document and the least pleasant to fill in, which is the same reason.

Fill it in at the moment the order is placed, not in the evening. A log written from memory records what you remember deciding, which is reliably different from what you decided, and the difference always flatters. Thirty seconds at the time is worth more than an hour afterwards.

Log the setups you passed on, too. They are half the evidence about a rule — a rule that you skip on a third of its signals is not the rule you are testing — and they are the half nobody keeps.

09

The costs you will actually meet

Costs are the most underestimated force in a first quarter, and the reason is that they are quoted per trade and paid per trade, which makes each one look negligible.

Schematic of the cost most beginners meet and few measure. Each bar is what a round trip costs as a share of a small average trade — the same trade, on the same idea, at four different places to put it.

The same idea, in the same instrument, costs very different amounts depending on when and where it is executed. The second bar is the one that catches beginners: the same pair outside its liquid hours can cost several times as much to enter and leave, and the hours a beginner is free are often exactly those hours.

The last bar is the quietest. Overnight funding on a leveraged position is small daily and relentless, and a position held for three weeks can pay more in funding than the move it was waiting for. It rarely appears in a beginner's calculation because it does not arrive as a line on a trade.

The practical instruction is one afternoon in month three: export the fills, compare each price you asked for with the price you received, add the platform and data bills, and express the total as a share of your average trade. Traders who do this frequently discover a method that is profitable gross and negative net — which is a fixable problem, and an unfixable surprise if it is never measured.

10

What starting now actually changed

What changed	The gain	The bill
Commission-free accounts	the visible fee fell	it moved into the spread and the order flow
Fractional and micro sizes	1% risk is workable on a small account	it removes the last reason to wait
Funded-account programmes	capital without capital	a fee per attempt, and rules that fail you
AI assistants and screeners	a fast answer to any question	a confident answer to a wrong question
Signals and copy trading	somebody else's decisions	no record of your own, and no learning
Markets open around the clock	trade whenever you are free	no closing bell to make you stop

What has genuinely changed about starting now, and what each change actually does. Every row cuts both ways, which is why the honest version of this list is not a list of improvements.

A guide written for this year should say what is different about this year, and the honest version is not a list of improvements.

Every row cuts both ways. Commission-free did not make trading free; it moved the visible fee somewhere less visible, which is worse for a beginner precisely because it is harder to measure. Fractional and micro sizes are a genuine improvement — one per cent of a small account is now actually placeable — and the same change removes the last practical reason to wait until you are ready.

Funded-account programmes deserve their own sentence, because they are marketed at exactly this reader. The model is legitimate: pay a fee, pass an evaluation on simulated capital, trade a funded account for a share of profit. What it is not is a way to skip the ninety days. The rules that come with it — daily loss limits, drawdown ceilings, holding restrictions — are stricter than anything you would write yourself, and failing them is a fee rather than a lesson.

	Good use	Bad use
The task	Explain what this order type does. Check this arithmetic.	Is this a good trade? What will this do next?
Why	The answer is checkable, and being wrong is visible.	The answer sounds the same whether or not it is right.

Where an assistant helps a beginner and where it quietly hurts. The distinction is not how good the model is; it is whether the task has a checkable answer.

Assistants are the newest item and the one with the sharpest edge. Ask what an order type does, or to check your position-size arithmetic, and you get a checkable answer that saves real time. Ask whether a trade is good, or what a market will do, and you get an answer in the same confident voice — with nothing behind it, because nothing can be behind it. The distinction is not the quality of the model; it is whether the question has an answer that can be verified.

11

The traps of a first quarter

Some mistakes belong to beginners specifically, in the sense that they stop being available later. They are worth writing down before starting, because none of them feels like a mistake in the moment.

The trap	How it feels	What it costs
Raising size after a good week	earned confidence	the good week, and the next one
Adding a second instrument	diversifying	half the familiarity of each
Changing the rule after two losses	adapting	the sample, and the ability to test
Skipping the log for a week	it was a quiet week	the only feedback there was
Trading the news because it is big	opportunity	the widest spreads of the month
Funding an evaluation to go faster	a shortcut past the small account	a fee, and someone else's rules

The traps specific to the first ninety days, with what each one feels like from inside. None of them feels like a mistake at the time, which is the reason for writing them down before starting.

The first is the most expensive and the most reasonable-feeling. A good week produces confidence, confidence produces size, and the size is set by the feeling rather than by the arithmetic — usually just in time for the ordinary losing week that follows. The defence is a rule written before the good week: no size change inside ninety days, whatever happens.

The third is the one that quietly destroys the whole exercise. Changing the rule after two losses feels like learning, and it is the opposite: it restarts the sample without saying so, and a sample that restarts every fortnight never produces a number. Two losses in a row is an entirely ordinary event in any method with an edge.

The last row is worth naming plainly because it is sold hard. Paying for an evaluation to skip the small account does not skip anything — it replaces your rules with someone else's stricter ones and adds a fee per attempt, at the exact point in your development when you are least able to meet them.

1. Count the trades that followed the plan, as a share of all of them
2. Compute the cost per trade from your own fills, not the fee page
3. Compute the result in R, before and after those costs
4. Recompute it without your three best trades
5. Decide: continue unchanged, change one thing, or stop

What to do on day ninety, before deciding anything. It is an afternoon of arithmetic, and it answers the only question the three months were asked to answer.

12

Day ninety

The three months end with an afternoon of arithmetic, and it should be done before any conclusion is reached, because a conclusion reached first will choose the numbers that support it.

Compliance first, and it is the step people skip. If a third of your trades bent a rule, the record is measuring you rather than the method — and changing the method in response is the most common expensive mistake at this stage. Only once compliance is high does the result say anything about the rules at all.

Then costs from your own fills rather than from the fee page, then the result in R before and after them, then the same result with your three best trades removed. That last step is uncomfortable and informative: if the quarter is carried entirely by three trades, you have learned that the method's ordinary output is ordinary, which is true of most methods and worth knowing now.

	Compliance high	Compliance low
Result positive	The method may have something. Keep the size and extend the sample.	You got away with it. The record measures luck, not the method.
Result negative	A normal, expected outcome. Fix costs and frequency before the method.	Nothing has been tested yet. Repeat month two before concluding anything.

How to read what day ninety tells you. The bottom-left cell is the one people misread as failure, and it is the only cell that describes a beginning going correctly.

The bottom-left cell is the one to read carefully. High compliance and a negative result is not failure; it is the expected outcome of a first quarter, and it is the only cell that describes a beginning going correctly — you followed a plan, the plan produced a real number, and the number can now be improved. Costs and frequency are the things to fix before the method, because both can be fixed this month and the method cannot.

And whatever the verdict, ninety days of following a written plan at the smallest size is the thing almost nobody has. It is not a profitable quarter and it is not meant to be. It is the first

Term	As used in this paper
R	One unit of planned risk: the distance from entry to stop.
Compliance	The share of trades that actually followed the written rules.
Slippage	The difference between the price you asked for and the one you got.
Spread	The gap between buying and selling price, paid on every round trip.
Funding	The overnight charge for holding a leveraged position.
Evaluation	A paid test that grants access to a funded account on pass.

The terms this paper uses in a fixed sense. They carry the same meaning across the rest of the library, and where the industry uses one of them loosely, the narrower reading here is meant.

sample either of you has ever produced — and everything else in this library assumes it exists.

> Educational content only. Nothing in this document is financial advice, and no part of it is a recommendation to buy or sell anything.