Pre-trade risk checklist

Use fictional or proposed inputs before placing an order. The planned stop is an assumed fill, not a guaranteed execution price or maximum loss.

Instrument, direction, date and reason for the proposed trade

Account value, planned risk amount and proposed quantity

Entry, assumed stop fill, worse exit scenario and total costs

Other positions exposed to the same companies, sector or market

Checks to complete before acting

- [ ] I checked spread, liquidity, order size and the relevant trading hours.
- [ ] I understand whether the order prioritizes execution or price control.
- [ ] I calculated the loss at a worse exit price, including estimated costs.
- [ ] I considered the combined loss and concentration across positions.
- [ ] I recorded what would invalidate the idea and when to review it.

Check broker order conditions and the instrument rules. The SEC explains that a triggered stop becomes a market order; the eventual fill can differ from the stop price.