



Position sizing, explained

Why a 50% loss needs 100%

Losses are asymmetric

Lose 50% and you need 100% to get back. Lose 20% and you need 25%. The deeper the hole, the steeper the climb out. This one fact rules all of risk management.

Risk a fraction, not a feeling

Risk a fixed slice of the account per idea, not a dollar amount that feels right. One percent per trade means 100 bad ideas to go broke, not 10.



It feels like leaving money behind

Sizing small feels wrong when you are confident. But being right 60% of the time with reckless sizing still ruins you. The math does not care about your conviction.



Size by volatility

Pros size positions by how wild the stock is, not by gut feel. A volatile name gets a smaller position than a calm one. Same risk, different size. That is the whole secret.





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