INVESTINGG.IN

A PRACTICAL GUIDE FOR INDIAN TRADERS

The Disciplined Trader's Playbook

Position sizing, risk management, the 15-minute reset, and a strategy you can test, refine and trust.

BY THE INVESTINGG.IN TEAM

Size every trade by the loss you can afford

Exit rules decided before you enter

Journal every day, improve every week

BEFORE YOU BEGIN

A letter from the investingg.in team

Dear reader,

Almost every trader has the same story. A few good trades, a confident month, and then one bad day that undoes all of it. When we looked back at those days, it was rarely because we lacked a clever indicator. It was because we broke our own rules at exactly the moment they mattered.

This book is our answer to that moment. It is not a book of tips, and it will not tell you what to buy. It is a set of tools: a way to size every trade, to decide your exits before you enter, to respond to a loss without making it bigger, to test a strategy before it costs you real money, and to keep a journal that tells you the truth.

Our thanks. This book exists because of the care of everyone on the investingg.in team who helped to research, write, design and check it, and because of you, for choosing to learn with us.

The next page sums up the whole idea in a few lines. Read it first, then go deeper, one chapter at a time. A few honest words before you start:

- **Read a chapter, then do its exercise.** Reading alone changes nothing.
- **Start small.** Your first month is about habits, not profit.
- **Treat every number here as an example.** Your own journal is the only evidence that counts.
- **Trading involves real risk of loss.** Never trade money you cannot afford to lose.

If a chapter helps you, or something is unclear, we would like to hear from you at info.investingg@gmail.com. Wishing you patient, disciplined trading.

The investingg.in team

KEY CONCEPTS

The whole idea on one page

> *Disciplined trading is not about predicting the market. It is about controlling what you can: your risk, your exits, your reactions and your records.*

1 Decide the loss first

Risk a small, fixed part of your capital on each trade, such as 1%. Shares = rupee risk ÷ (entry − stop).

CHAPTER 2

2 Exit before you enter

Write the stop-loss and target down in advance, for example 2% below and 2% above. Then leave the trade alone.

CHAPTER 3

3 Know the maths

A 1-to-1 exit needs a win rate above 50% once costs are counted. Small edges pay only through repetition.

CHAPTER 3

4 Set circuit breakers

Stop for the day at −2%, for the week at −5%, and halve your size at −10% from your peak.

CHAPTER 4

5 Reset after every loss

Fifteen minutes: stop, move, write, check. A loss is a cost of business; a revenge trade is a choice.

CHAPTER 5

6 Test before you trust

Write clear rules, test them on the past, paper trade, then trade small. Most ideas should fail cheaply.

CHAPTER 6

7 Change one thing at a time

Measure a handful of numbers, change one rule, measure again. Judge samples, not streaks.

CHAPTER 7

8 Write everything down

Journal every trade on the same day. What you record, you can understand, and what you understand, you can improve.

CHAPTERS 8 AND 9

IF YOU REMEMBER ONLY THREE THINGS

Size every trade by the loss you can afford. Decide your exit before you enter. Journal every day. No single trade is worth breaking a rule for.

The daily loop: **Plan → Execute → Manage → Review**

Important notice

Educational purposes only. Not investment advice. This book teaches risk management, position sizing and trade-journalling methods. It is not a research report, a recommendation to buy or sell any security, or personalised advice. It does not tell you which stocks to buy or sell, and no example in it should be treated as a recommendation.

Trading involves risk of loss. Buying and selling shares, futures and options can lead to the loss of some or all of your capital, and losses can exceed capital in leveraged products. SEBI's own studies of individual equity-derivatives traders in India have repeatedly found that a large majority of them make net losses. You should only trade money you can afford to lose.

Hypothetical examples. Every stock, chart, price, trade and account balance in this book is invented, or computed from simple arithmetic, purely to illustrate an idea. The stock "ABC Ltd" does not exist. Hypothetical and simulated results have inherent limitations: they do not reflect real market conditions, costs, slippage, or emotions, and no simulated result guarantees, or even suggests, that you will make money. Nothing here is a promise of profit.

No guarantee. No trading method, including the frameworks in this book, is guaranteed to work. Costs such as brokerage, taxes, exchange charges and slippage vary by broker, product and time, and reduce your results. A stop-loss order does not guarantee an exit at your stop price, particularly when a stock gaps or trading is halted.

Do your own homework. Before acting on anything you read, consider your own finances and risk tolerance and, where appropriate, consult a SEBI-registered investment adviser. Rules and tax treatment change; check current rules with your broker and a qualified professional.

Third-party tools. References to investingg.in and monminds.in are to tools built by the publisher. They are aids for organising your own research and records; they do not replace your judgement and are not a source of trade recommendations.

Contents

How to use this book

You do not need to read this book in one sitting, and you should not try to apply all of it in one week. It is built as a system, and each chapter adds one part:

The loop this book teaches. Plan before the open, execute only inside the plan, manage with the stop and target, review the same day, and feed what you learn into tomorrow's plan.

- **Chapters 1 to 4** give you the safety system: how much to risk, where to exit, and the rules that stop one bad day becoming a bad month.
- **Chapter 5** is about the moment after a loss, which is where most accounts are actually damaged.
- **Chapters 6 and 7** show you how to build, test and refine a strategy of your own, instead of borrowing someone else's.
- **Chapters 8 and 9** turn all of it into a daily routine and a journal.
- **Chapter 10** is a 30-day plan, and the **Toolkit** at the back has printable checklists and templates.

> **A PROMISE THIS BOOK WILL NOT MAKE**
>
> It will not give you a "guaranteed" strategy or a list of stocks to buy. Anyone who sells you either is selling hope. What it will give you is a way to stay in the game long enough, and learn fast enough, to find out whether you have an edge.

The colour code

KEY IDEA

The point to remember from the section.

WORKED EXAMPLE

Numbers you can follow with a calculator.

TRY THIS

A small exercise. Do it, do not just read it.

SAY IT OUT LOUD

A script for the difficult moments.

WATCH OUT

A common and expensive mistake.

CHAPTER 1 OF 10

Why Traders Lose, and Why It Is Fixable

> *Most losses are not about missing information. They are about breaking rules under pressure.*

Most people start trading with a simple belief: if I could just find the right stock, or the right indicator, or the right tip, I would make money. So they read more, watch more, follow more people, and their accounts still shrink. This chapter explains why, and it gives you the good news: the thing that is actually broken is fixable, and it is far cheaper to fix than a lack of information.

The uncomfortable pattern

SEBI's own studies of individual traders in equity derivatives have repeatedly found that a large majority of them lose money over time. Nobody can tell you from a statistic why *you* would lose. But if you listen to how traders describe their worst days, you hear the same four stories again and again.

1. The revenge trade

A loss arrives, and within minutes another trade follows, bigger and less thought through, to "get it back". The market did not take your money. The rush to recover it did.

2. The FOMO entry

A stock is already up 5%, everyone is talking about it, and you buy near the top because you cannot bear to watch. The plan never said to buy here. Your fear did.

3. The oversized position

The setup was fine. The size was not. One position so large that a normal loss becomes a wound, and a normal drawdown becomes a reason to quit.

4. The trade with no record

No notes, no review, no numbers. So next month contains the same mistakes as last month, and you cannot even prove it.

Most trading losses come from execution, not from information.

The trader had a plan, and then broke it under emotion.

Strategy is only half the job

A strategy tells you what to do: when to enter, where to exit, how much to buy. It says nothing about whether you will actually do it when a trade is going against you, when you have just lost three in a row, or when a friend messages you about a stock that is "about to fly".

That gap between the plan and the action is called **discipline**, and it has a practical consequence you may not have considered. You can only judge a strategy using trades that followed its rules. If you break the rules half the time, your results are a blend of the strategy and your mood, and you cannot tell which one produced the outcome. Undisciplined trading does not just lose money. It makes it impossible to learn.

KEY IDEA
Discipline is not willpower. Willpower runs out. Discipline is a set of rules written in advance, plus small routines that make the right action the easy action. This whole book is about building those rules and routines.

What "fixable" means

The reason this is good news is that all four failures above respond to structure, not to talent:

- The oversized position is fixed by a **position-sizing rule** (Chapter 2).
- The "hope" trade that never exits is fixed by a **predetermined exit** (Chapter 3).
- One bad day turning into a bad month is fixed by **circuit breakers** (Chapter 4).
- The revenge trade is fixed by a **timed reset** after every loss (Chapter 5).
- The guessing is fixed by **testing a written strategy** and **refining it with data** (Chapters 6 and 7).
- The repeating mistakes are fixed by a **daily journal** (Chapter 9).

Losing is part of the business

Here is a fact that surprises many beginners. Even a good strategy loses often. Suppose you win half of your trades. That sounds comfortable, but over a run of 100 trades the chance of having at least one streak of six losses in a row is 54.6%. With a 40% win rate, the chance of that same streak rises to 87.3%.

Chance of at least one losing streak within 100 trades

Streak	40% win rate	50% win rate	60% win rate
4 in a row	99.9%	97.3%	80.1%
5 in a row	97.6%	81.0%	45.9%
6 in a row	87.3%	54.6%	21.2%
7 in a row	68.9%	31.8%	8.9%
8 in a row	49.0%	17.0%	3.6%

10 in a row	20.5%	4.4%	0.6%

WATCH OUT

If you do not know that streaks like these are normal, the fifth loss in a row will feel like proof that "the strategy stopped working". It usually is not. It is arithmetic. The defence is to size your trades so that a long streak hurts but does not end you.

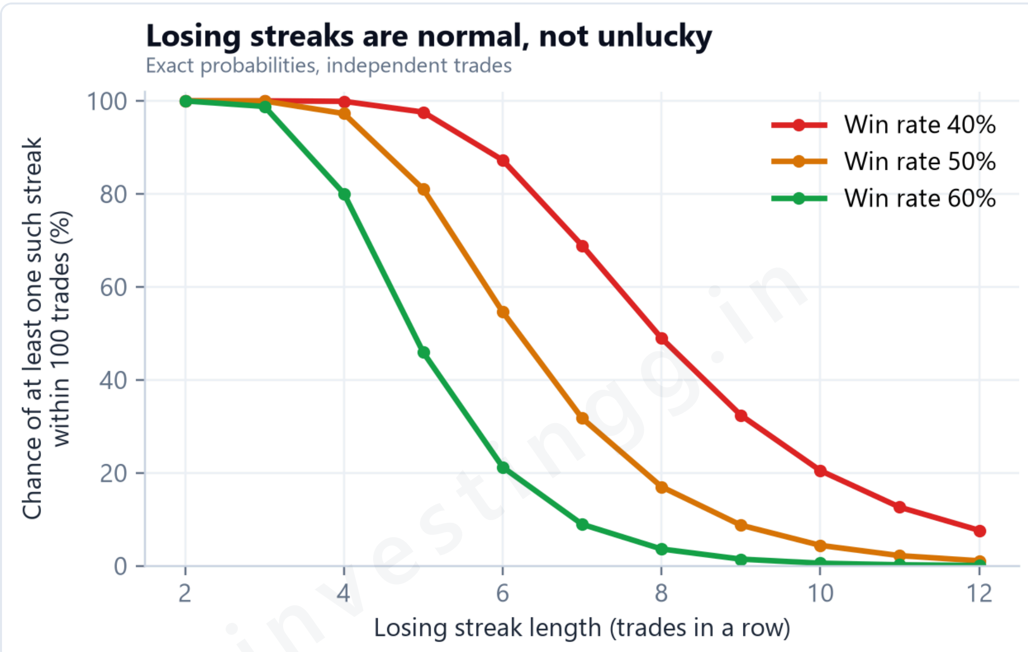

Figure 1. The chance of at least one losing streak of a given length within 100 trades, at three win rates. These are exact probabilities for independent trades, not a forecast for any real strategy.

What this book will not do

It will not tell you which stocks to buy. There is a plain reason for that. Anyone who could reliably hand you a list of winners would not need to sell it. There is also a legal one: recommending securities to the public is regulated in India, and this book is educational. What it will do, in Chapter 8, is teach you *how to choose what to trade* and how to research a stock yourself. That skill lasts for as long as you trade. A list of tickers expires by next Thursday.