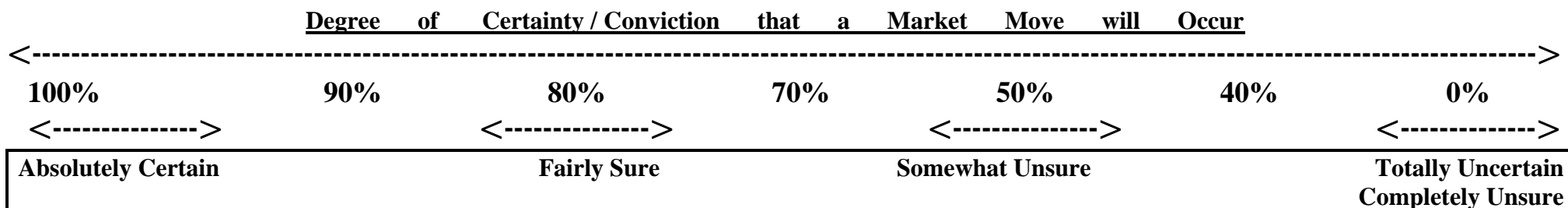


# ‘CERTAINTY’ vs. POSITION SIZE FOR DISCRETIONARY TRADERS

(By Jeff Gordon)

**NOTE:** Strength of feelings/conviction Re: Possible market move is a continuum. These descriptions are NOT discreet categories. Position size/risk could be a continuum also – from 0.5% to 5% Risk!



<p style="text-align: center;"><b>0 or Maximum Size Position (2.5%-5% Risk)</b></p> <p><b>0 Size Position</b> if ‘absolute certainty’ has occurred. Because you have waited so long to put the position on after considering it. Tons of confirming info./indicators are present and this is why you feel certain now.</p> <p>Key: Are you angry or remorseful about missing move? If so, take 0 position, (THE MOVE IS OVER)</p> <hr style="border-top: 1px dashed black;"/> <p><b>Maximum Size Position (2.5%-5% Risk)</b> if an absolute certainty feeling is produced by recognition of price deviation from value, you ‘understand’ that a market has priced ‘incorrectly’ and why the market will ‘correct’ itself to eventually value ‘correctly’-OR- your subconscious/conscious recognizes a market trading pattern with absolute clarity. And you have great confidence both in your recognition of the pattern and what the pattern means for imminent future market price movement..</p>	<p style="text-align: center;"><b>Take ‘NORMAL’ or some what Larger Position Size/Risk (0.5% - 2.5% of Risk)</b></p>	<p style="text-align: center;"><b>Natural State (0.5% - 1% of Risk)</b></p> <p>May want to take small or P/Lot position. If you have a ‘hunch’ but you do not know why you have the hunch,. Hunch must be prompted from exposure to market related information.</p> <p>EX: Looking at Charts, Reading info Re:Market, Etc</p>	<p style="text-align: center;"><b>0% Size Position (Take a vacation, focus on system and business)</b></p> <p>No Position-Completely Unsure. No Clue Re: Future Market Direction of Trading Type</p>
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