The commodity risk plan on one page

> **RISK PLAN**
>
> The one-page document that answers, before any trade: how much per trade, how far the stop, what size follows, what happens at scheduled events, and which positions share a budget. Its value is that every answer is written before the market supplies adrenaline - the plan is what thinking looks like when it is still cheap.

Eight lessons produced eight numbers and rules. One page holds them all, and the page is the deliverable.

The commodity risk plan

Risk per trade: a fixed fraction of the account, in money. Written once, renegotiated never - lesson 1.Stop distance: from the instrument's measured range, times a stated multiplier. Never from round numbers or spliced-chart levels - lesson 3.Size: budget divided by the stop's per-contract cost, floored. Zero is an accepted possible answer - lesson 2.Events: the fixture list for every held product, and the standing choice - flat through releases, or gap-sized through them, in writing - lessons 4 and 5.Leverage: effective ratio times daily range checked at entry; the ordinary day must not move a survival-relevant fraction of the account - lesson 6.Clusters: budgets assigned to energy, metals and grains as groups; correlated tickets share one allowance - lesson 7.The line never crossed: no position meets a margin call. If equity approaches the call level, the sizing was wrong and the position shrinks - lesson 8.

What is deliberately absent

Nothing on this page predicts a price. No view, no target, no conviction scale. Risk management is the part of trading that works identically whether the idea is brilliant or wrong - it is the machinery that keeps the account alive long enough for the ideas to matter. The FX and indices tracks each ended their risk modules on this same sentence, and it survives a third asset class unchanged.

Where the track goes next

Module 5 turns from defence to analysis - what commodity fundamentals actually consist of, now that every position they might suggest arrives pre-sized, pre-stopped and scheduled around the calendar. The plan on this page is the licence for everything that follows.

Check your understanding

1. What distinguishes the two commodity-specific lines in the risk plan from the FX and indices versions?

a. Higher risk percentages to match higher volatility

b. A standing written choice about scheduled events, and budgets assigned to physical clusters rather than tickets

c. Wider stops on every position

Answer: b. The report calendar and the physically-caused clusters are what commodities add: gaps with published timing, and correlation with plumbing. Both get standing answers, in writing, before any trade.

2. Why does the risk plan contain no price views?

a. Views change too often to write down

b. Risk management must work identically whether the idea is right or wrong - it is what keeps the account alive for the ideas to matter

c. Compliance rules forbid documented predictions

Answer: b. The plan is the machinery, not the opinion. Its whole value is that it was written when thinking was cheap and applies regardless of how any single idea turns out.