The watchlist at working depth

> **WORKING WATCHLIST**
>
> The set of names known at working depth: business model understood, guiding style tracked, sector calendar mapped, structure familiar. Every lesson in this module is per-name work that compounds with familiarity - which makes depth on few names worth more than glances at many, and the watchlist a discipline of subtraction.

Thousands of names trade. This module's methods - the audit, the guidance game, the read-across, the decomposition - are all per-name work. The arithmetic of that collision is this lesson.

Why depth compounds and breadth does not

The second year of following a name is worth more than the first: the guiding style is on record, the seasonal rhythm known, the normal earnings gap calibrated, the structure familiar - every quarter adds context the newcomer to the name lacks. Fifty shallow names never compound; each glance starts from zero. The market rewards the differentiated view, lesson 1 of every analysis module has said - and differentiation on a name comes from knowing it better than the marginal trader in it, which is a depth property, not a breadth one.

The subtraction discipline

Entry standards: a name earns its place with a mechanism-bearing reason to watch - a business inflecting, a sector force building - not a moving chart; module 2's relative-strength scan may nominate, but the audit admits.Exit standards, the harder half: the thesis resolved or refuted, the inflection passed, the calendar gone quiet - names leave when their reason does, and the seed of module 7's rule is here: a watchlist that only grows is a museum, not a tool.The capacity constraint is honest: the calendar lesson priced each name at four results dates, ex-dates and a sector season - working depth on more than a dozen names is a full-time claim, and pretending otherwise is how depth quietly becomes glancing.

What the short list buys

Everything downstream: module 6 tests rules on universes but trades them on knowable names; module 7 journals by name and needs the context depth provides; and the read the next lesson builds assumes the working knowledge this list maintains. The watchlist is the analysis module's standing capital - a dozen names known cold, curated by subtraction, compounding quarterly. It is also the cheapest edge on the platform: patience and familiarity, priced at zero.

Check your understanding

1. Why does a year of following one name beat first glances at fifty?

a. Older data is more predictive

b. Per-name knowledge compounds: guiding style, seasonal rhythm, normal gaps and structure accumulate context the marginal trader lacks - differentiation is a depth property

c. Watchlist size is capped by brokers

Answer: b. Every quarter on the list adds calibration a newcomer cannot have. Fifty glances start from zero fifty times - breadth never compounds, and edge lives in the compounding.

2. What is the harder half of watchlist discipline, and why?

a. Finding names to add

b. Removing them: names must leave when their reason does, or the list becomes a museum too large for working depth

c. Sorting names by sector

Answer: b. Adding feels like progress; subtracting feels like loss. But the capacity constraint is real - four dates per name per year - and a list that only grows quietly converts depth back into glancing.