Risk per trade, when nothing forces your hand

> **SELF-ENFORCED RISK**
>
> The equity ownership problem in one line: no expiry, no roll, no margin call on a cash position - nothing external ever closes a losing trade. Every prior track's instruments eventually forced a decision; owned shares never do. The freedom is real, the hazard is the freedom, and the risk budget is the only mechanism left.

Three tracks taught risk against instruments with teeth: expiries that arrived, margins that called, rolls that charged. Cash equity has none of them - and this module's framing follows from that single fact: nothing forces your hand, which is the hazard.

What ownership removes

No expiry: the position never presents a decision date. A commodity trader must act by the calendar; a shareholder can simply not look.No margin call on cash: a position bought outright cannot be force-closed, however far it falls - the broker's risk machinery, the other tracks' backstop of last resort, never engages.No meter: module 3's zero holding cost means even the cost pressure that erodes bad CFD positions is absent. An owned loser is free to hold - which is exactly how it gets held.

The pathology this enables

The it-will-come-back hold: a losing position, unsized and unstopped, kept because keeping it costs nothing today and selling it makes the loss real. Every mechanism that would have interrupted this in prior tracks is missing here - and module 1 added the sharpest edge: a single name can halve overnight or go to zero, so the position being nursed can be the one that never comes back. The freedom to hold forever is the freedom to hold the wrong thing forever.

What replaces the teeth

Discipline, written down before it is needed: the fixed risk budget per trade - one or two percent, constant, the three-track standard; the written exit that lesson 3 places by the instrument's range; and the review cadence module 7 will build, which is the self-imposed calendar ownership lacks. The rest of this module is those mechanisms, sized for the one asset class where the market supplies none of its own - and where, uniquely, the honest answer to a busted thesis is available every single day: sell, for the cost of a spread.

Check your understanding

1. Why does cash equity ownership need stricter self-discipline than any prior track's instrument?

a. Equities are more volatile than commodities

b. Every external forcing mechanism is absent - no expiry, no margin call, no holding cost - so nothing but the trader's own rules ever closes a loser

c. Equity brokers offer fewer risk tools

Answer: b. Prior instruments had teeth that eventually forced decisions. Owned shares can be ignored indefinitely at zero cost - which is precisely how unsized losers become permanent residents.

2. What makes the it-will-come-back hold specifically dangerous in single names?

a. Recovery takes longer for shares

b. A single name can halve overnight or go to zero - the nursed position can be the one that never comes back, and no mechanism interrupts the nursing

c. Dividends stop on losing positions

Answer: b. Module 1's residual-claim lesson: indices replace their failures, single companies are their failures. Holding forever is only safe for things that cannot die - and shares can.