Data, platforms and the standing overheads

> **STANDING OVERHEADS**
>
> The costs that accrue by the month rather than the trade: live exchange data licensed per exchange, platform rent, and any add-on feeds. Small lines individually, they are a fixed hurdle the account's expectancy must clear before any trade contributes - and their weight, like every flat cost, is set entirely by what stands under them.

The per-trade stack was lesson 1. Above it sits the monthly layer - the costs of simply being connected - and its arithmetic is short but worth doing once, honestly.

The monthly lines

Exchange data: real-time feeds license per exchange, per month - a multi-exchange watchlist multiplies the line, and delayed data is free for reading but unusable for execution.Platform rent: professional futures platforms charge monthly, often waived against commission volume - a structure that quietly prices activity into the overhead.The add-ons: depth-of-book upgrades, news feeds, charting tiers - each small, each monthly, each accumulating toward a fixed number the account pays before its first trade of the month.

The hurdle arithmetic

Sum the monthly lines and the number is the account's standing hurdle: expectancy per trade times trades per month must clear it before anything compounds. The weight is all in the denominator - a hurdle that is noise to an active, adequately-sized account is a material tax on a small or occasional one, the platform's flat-cost regressivity in its purest form. The honest response is matching the subscription stack to the actual trading: paying for depth, speed and exchanges the plan does not use is expectancy donated to vendors.

The one-line placement

In the track's cost structure: the stack per trade, the spread per crossing, the roll per expiry, capital per period - and the overheads per month, upstream of them all. Module 6's tests charge the per-trade lines; the overheads belong in the account-level verdict instead - lesson 9 assembles both layers, and module 7's review reads the monthly line against what the month actually traded.

Check your understanding

1. Why do the standing overheads belong in the account-level verdict rather than the per-trade test?

a. They are too small to matter

b. They accrue by the month regardless of trading: a fixed hurdle expectancy-times-frequency must clear - account arithmetic, not trade arithmetic

c. Backtests cannot model subscriptions

Answer: b. Per-trade costs charge each simulated trade; the monthly layer charges the account for existing. Both are real; they live in different ledgers - and both get reviewed.

2. What is the honest response to the overheads' regressivity?

a. Trading more to amortise them

b. Matching the subscription stack to the plan: unused exchanges, depth and speed are expectancy donated to vendors

c. Using delayed data for execution

Answer: b. The hurdle is set by what is subscribed, not what is used. Trimming the stack to the actual plan is the one cost cut with no trading consequence at all.