The stop, in points and on the grid

> **THE FUTURES STOP**
>
> The range-based stop, denominated in points and executed on the grid: distance from the instrument's measured range, converted through the multiplier into per-contract risk, and - when triggered - filled at whole-tick prices through whatever depth the moment holds. Nothing new in the law; everything sharpened by the units.

The range-stop law has survived four asset classes unchanged. The futures application sharpens its units - points, ticks, multipliers - and adds the session honesty the tides demand.

The law, in futures units

Distance from the range: the ATR in points, times the chosen multiple - measured per contract family, per module 2's session-separated statistics, because an overnight range and a session range are different populations and a stop sized on the blend is sized on neither.Converted through the spec: points times multiplier is the per-contract risk that lesson 2's division consumes - the two-line arithmetic, again.Placed with grid sense: a stop between rungs triggers at the rung - and module 2's fat-queue lesson says the obvious round-number rungs hold crowds; the range-based distance with a grid-aware placement is the honest marriage, as it was in equities.

What the daily-settled book changes

Two sharpenings. The stop's distance is also a variation estimate: a stop 40 points away on a £10 contract is a £400-per-contract flow the account will actually experience if the day goes there - lesson 4's headroom arithmetic and the stop's placement are the same numbers viewed twice. And the overnight question is its own decision - lesson 5 - because a stop resting through the thin corridors executes on thin-corridor terms, per module 2's tides: the stop that protects the session does not automatically protect the night, and pretending otherwise is the gap lesson every track has taught.

The unchanged core

The stop is where the idea is wrong, at a distance the instrument's own movement sets, sized by the budget through the division - never a round number, never a comfort distance, never moved to make a size fit. Five asset classes, one law. The futures contribution is precision: every input on the spec, every output in money, and the machinery settling the truth of it nightly.

Check your understanding

1. Why must futures stop distances come from session-separated range statistics?

a. Exchanges publish only session data

b. The tides make overnight and session ranges different populations - a stop sized on their blend is inside one regime's noise and outside the other's

c. Overnight stops are prohibited

Answer: b. Module 2's separation rule, applied to risk: the instrument's 'range' is per session. The blend sizes a stop for a market that does not exist.

2. In what sense is a stop distance 'a variation estimate viewed twice'?

a. Stops trigger variation margin

b. The same points-times-multiplier that prices the stop's risk prices the cash flow the account experiences if the day goes there - risk placement and headroom budgeting share their arithmetic

c. Variation margin moves stops

Answer: b. The daily mark makes adverse distance a literal cash number. Lesson 4 budgets the same figure the stop placement computed - one arithmetic, two disciplines.