01 / RESEARCH

Professional Trader's Research Checklist

A repeatable pre-trade research process for stocks, forex, indices, commodities, fixed income and crypto. Use in a demo or research setting; tick only what you have verified.

Instrument / ticker	Market / venue	Date / time zone

Research horizon	Data source / timestamp

01 Define the hypothesis

- [ ] Identify the instrument, contract or share class and relevant trading session; distinguish spot, futures, CFDs and other structures.
- [ ] Write a specific hypothesis, its expected time horizon and the evidence that would contradict it.
- [ ] Compare a plausible alternative explanation. Note what is already priced in or uncertain.

02 Check fundamentals and catalysts

- [ ] Verify relevant economic releases, central-bank decisions, company filings or supply-and-demand data using primary sources.
- [ ] Identify the next material events, consensus expectations where available, and possible surprise scenarios.
- [ ] Check the release date, data vintage, units, currency and whether figures are preliminary or revised.

03 Assess sentiment and price context

- [ ] Review positioning, liquidity, volatility and relevant cross-market relationships. Distinguish measured data from interpretation.
- [ ] Assess the trend, key price areas and invalidation conditions on consistent timeframes using verified market data.
- [ ] Check whether your hypothesis remains credible under an adverse or neutral scenario; avoid treating an indicator as a guarantee.

04 Verify the evidence

- [ ] Record reliable sources, data timestamps and assumptions. Identify missing or conflicting information before proceeding.
- [ ] Separate observed facts, estimates and hypothetical scenarios; check calculations and avoid hindsight bias.

Educational use only. Not investment advice. Trading involves risk of loss.

02 / RISK & REVIEW

Turn research into a testable plan

Complete this page before a simulated trade. If any critical input is unknown, stop and investigate; an untested hypothesis is not an instruction to trade.

05 Model risk and execution

- [ ] Specify a hypothetical entry, invalidation level and exit conditions. Check spread, fees, slippage, financing and contract multiplier.
- [ ] Estimate position size from a predetermined loss budget and loss per unit. Include existing exposures and correlated risks.
- [ ] Stress-test gaps, liquidity shocks and adverse price moves. Check margin, leverage and venue-specific restrictions; losses may exceed modelled stop losses.

ILLUSTRATIVE POSITION-SIZING CHECK

Hypothetical loss budget £100; entry £50; stop £48; estimated round-trip cost £0.10 per share. Modelled loss per share = £2.10; £100 ÷ £2.10 = 47 whole shares (rounded down). Modelled loss £98.70. A gap or worse execution could cause a larger loss.

06 Document, test and review

- [ ] Record the thesis, assumptions, planned conditions and reasons to avoid the scenario. Practise in a simulated environment.
- [ ] Define a review date and compare the outcome with your original hypothesis, including costs and execution quality.
- [ ] Record mistakes and lessons independently of profit or loss. Do not adjust historical rules to fit the result.

Hypothetical entry / invalidation

Modelled loss budget

Review date / event

Decision: research / simulate / skip

Evidence that would change my thesis

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