

DTR TRADER RESEARCH LIBRARY

# The DTR Risk-Before-Entry Worksheet

Make risk the first decision, not the cleanup after entry.

## PURPOSE

Traders who decide risk after they already want the trade.

## FORMAT

Research note, protocol, and field worksheet.

## USE

Print before the session. Mark up after execution.

## Why risk must come before entry

Once you want the trade, your brain starts negotiating. You justify size, stop distance, and urgency because the entry already feels real.

Risk-before-entry forces the trade to earn permission before emotion attaches to it.

## The four-part risk check

Define max trade risk. If the loss would make you reactive, reduce size.

Define stop logic. If the stop is random, the trade is not ready.

Define emotional cost. If the size makes you hesitate or revenge trade, the size is wrong.

Define next action. Plan what happens after a win and after a loss before entry.

## The calm-size rule

The correct size is not the largest size the account permits. It is the size you can execute without changing behavior.

A smaller calm trade is better than a larger trade you cannot manage honestly.

## Worked example

A trader wants three contracts because the setup looks clean. The worksheet shows a full loss would trigger revenge trading.

The right trade is one contract or no trade. The setup may be valid, but the size is not.

## Operating note

A brief only matters if it changes the next decision under pressure.

Keep this document close enough to use before the trade, not after the damage is already visible in the account.

The standard is simple: fewer explanations, cleaner rules, and written evidence that your behavior is becoming more repeatable.

## Field Notes

**My max risk on this trade is:**

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**If this loses, I can still trade calmly: yes or no because:**

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**The trade is invalid if:**

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**This size may change my behavior because:**

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**If this loses, my next action is:**

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## References behind this framework

- **Day trading survival math.** Barber, Lee, Liu, Odean, and Zhang find that aggregate day-trader performance is negative and estimate that 97% of day traders are likely to lose money in the future.  
[Learning Fast or Slow? SSRN](#)
- **Loss aversion under pressure.** Prospect theory explains why losses often change behavior more than equivalent gains. That is the psychological root of revenge trading, stop-moving, and payout fear.  
[Kahneman and Tversky, Prospect Theory](#)
- **Trader self-coaching.** Brett Steenbarger's work frames trading performance as a process of structured self-observation, concrete goals, and daily behavioral change.  
[Wiley, The Daily Trading Coach](#)
- **Mental-game execution.** Jared Tendler's trading psychology work treats tilt, fear, revenge, and confidence as repeatable performance leaks that need correction systems, not motivation.  
[Jared Tendler, The Mental Game of Trading](#)
- **Prop-firm benchmark reality.** Public prop-firm estimates vary widely. Some industry roundups cite 5-10% pass rates and about 7% receiving payouts; harsher payout-rate estimates are far lower. The honest move is to cite the benchmark used.  
[QuantVPS prop firm statistics](#)
- **DTF internal launch-to-date snapshot.** Production data checked May 17, 2026: DTF's launch-to-date approved-or-better payout account rate benchmarks roughly 3x above the low-end public prop-firm payout estimate. The useful proof is the rate, not raw volume.  
[DTF production data snapshot](#)