THE ASH COLE TRADING SERIES

BOOK 6 — COMPANION 3

Multi-Market Risk Budget Template

Volatility-normalized sizing across forex, metals, and crypto

How to Use This Template

This is the companion worksheet to Chapter 6. Fill in the top block with your account inputs, then copy the formulas in the sizing block for each instrument you trade. The numbers shown are a worked example on a $20,000 account at 1% risk per trade. Replace them with your own.

Step 1 — Account Inputs

Input	Value	Notes
Account equity (USD)	$20,000	Total trading capital
Risk per trade (%)	1.0%	Per-trade ceiling, Chapter 6
Risk per trade ($)	$200	Equity × risk %
Daily loss cap (%)	3.0%	Ch9 breaker — crypto runs 2%
Daily loss cap ($)	$600	Equity × daily cap
Max simultaneous positions	3	One per market
Correlation bucket ceiling (%)	2.0%	Short-dollar, long-dollar, etc.

Step 2 — ATR Inputs (daily, 14-period)

Read these off your chart platform on the D1 timeframe. Update weekly or whenever market volatility changes meaningfully.

Instrument	D1 ATR	Units	Stop (from ATR)
EUR/USD	70	pips	7 pips
GBP/USD	85	pips	8.5 pips
XAUUSD	~400	pips (0.10/oz)	150 pips
BTCUSDT	3.0	% of price	0.30%
ETHUSDT	4.0	% of price	0.40%

Step 3 — Position Size Calculator

Formula: position size = risk per trade ($) ÷ (stop distance × value per unit move). For forex and gold this gives you lot size directly. For crypto, multiply risk ÷ stop percentage to get notional dollar exposure.

Instrument	Risk ($)	Stop	Value per unit	Size
EUR/USD	$200	7 pips	$10/pip/lot	2.86 std lots
GBP/USD	$200	8.5 pips	$10/pip/lot	2.35 std lots
XAUUSD	$200	150 pips	$10/pip/lot	~0.13 std lots
BTCUSDT	$200	0.30%	—	$66,667 notional
ETHUSDT	$200	0.40%	—	$50,000 notional

Step 4 — Correlation Bucket Tracker

Update this block whenever you open or close a position. If any bucket exceeds its ceiling, you are no longer diversified — cut one side of the bucket before opening anything new.

Bucket	Instruments	Current risk	Ceiling	Status
Short-dollar	EUR/USD long, XAUUSD long	2.0%	2.0%	AMBER
Long-dollar	(none)	0.0%	2.0%	GREEN
Risk-on	BTCUSDT, ETHUSDT (none open)	0.0%	2.0%	GREEN
Risk-off	XAUUSD, JPY crosses	1.0%	2.0%	GREEN

Step 5 — Daily P&L Cap Tracker

Metric	Value	Cap	Remaining
Day P&L (realized)	-$180	-$600	-$420
Day P&L (open)	+$40	—	—
Total	-$140	-$600	-$460
Trades taken today	2	—	—
Status	TRADING	—	—

Status Key

Status	Condition	Action

TRADING	Day P&L above −2%	Trade normally
CAUTION	Day P&L between −2% and −3%	Reduce size by 50%, no new setups
STOP	Day P&L at or below the daily cap (−3%; −2% on crypto)	Close all positions, no new entries today

Notes

This Word-format template is the printable reference version. Cross-reference Chapter 6 for the derivation of every number in the sizing block, Chapter 9 for the daily loss cap and circuit breaker, and Chapter 11 for the bucket and correlation discipline.