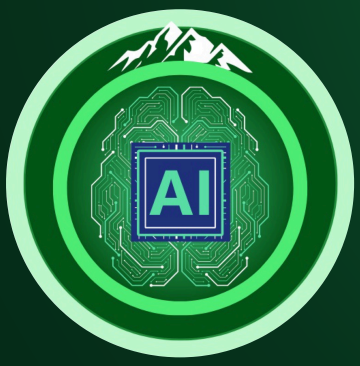


The Second Pair, the Carry & the Weekend

Continuation of The Streak, the Sample & What You Retire. When two tickets are one bet, what overnight interest actually costs, and why a Friday close is not the same market as Sunday.

FOLLOWS
Volume 04 · Streak & sample

LENGTH
14 pages

USE
Self-study

EDUCATION SERIES 05 · FOLLOWS VOLUME 04

Where this pack starts

Volume 04 scored a losing run in R and refused to rewrite the plan off a short sample. This pack stays on the market. It is about the second ticket, the interest you pay or earn for holding, and the gap that can open while the market is shut.

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WHEN YOU FINISH

- Name when two pairs are one view on the dollar.
- Read swap as interest, including the triple day.
- Treat a Friday hold as exposure to a closed market.
- Write a gap in pips, not as a story about the weekend.
- Split one idea's risk across tickets instead of repeating it.

STUDY NOTES

Education, not a recommendation to trade. Nothing here names a pair to buy. Leveraged FX can lose the account. Figures are teaching examples.

PREREQUISITE

If a pip, 1R, or a streak sum is fuzzy, finish Volumes 01 and 04 first. Carry and correlation sit on top of those, they do not replace them.

CHAPTER 01

Two tickets, one bet

A second pair is not automatically a second idea. If both tickets need the same currency to move the same way, the loss arrives twice. The journal counts the idea, not the number of tickets.

YOU ARE HOLDING	WHAT HAS TO HAPPEN	HOW MANY IDEAS
Long EUR/USD and long GBP/USD	The dollar weakens against both.	One view: short the dollar.
Long EUR/USD and short USD/JPY	The dollar falls in both quotes.	Still one view on the dollar.
Long EUR/USD and long USD/JPY	The dollar falls in one and rises in the other.	Two views. They can cancel.
Long EUR/GBP only	The euro strengthens against sterling. The dollar is not in the pair.	One cross. Not a dollar bet.

THE RISK ADDS

If each ticket risks 1R and they are the same idea, the open risk is about 2R. A halt at −2R can be reached by one move in the dollar, with both stops.

> Before the second ticket, write one sentence: “This loses if ___.”
> If the first ticket already uses that sentence, you are not diversifying.
> You are adding size to a view you have already taken.

OPEN RISK, SAME IDEA	WHAT YOU RECORD
Two tickets at 1R each	About 2R. The halt sees the sum, not the first ticket alone.
The dollar reverses once	Both stops can fill. That is one afternoon, not two bad ideas.

CHAPTER 01 · CONTINUED

The dollar on both sides

Read the quote before you call two trades independent. In EUR/USD the dollar is on the right. In USD/JPY the dollar is on the left. "Long" does not mean the same thing in both.

TICKET	YOU ARE LONG	YOU ARE SHORT
Buy EUR/USD	Euro	Dollar
Sell EUR/USD	Dollar	Euro
Buy USD/JPY	Dollar	Yen
Sell USD/JPY	Yen	Dollar

A day when the dollar is bid: EUR/USD tends to fall, USD/JPY tends to rise.
Long EUR/USD and short USD/JPY are the same side of that day.
Long EUR/USD and long USD/JPY are opposite sides. One can pay for the other, or neither will.

CROSSES ARE NOT A FREE SECOND BET

EUR/GBP can still move with a dollar story if both legs react to it. If the two tickets lose together, add the R before you add the ticket.

SAY THIS BEFORE THE SECOND CLICK	THEN
"Both lose if the dollar is bid."	One idea. Split the 1R, or skip the second ticket.
"One loses if the dollar is bid, the other loses if it is offered."	Two views. They can cancel. Size each on its own stop.
"I want another ticket because the first is quiet."	That is not a reason. Quiet is not a second idea.

CHAPTER 01 · CONTINUED

A worked pair of tickets

Teaching numbers only. Equity $8,000. The plan risks 0.5% per idea, so 1R is $40. Two tickets that are one idea do not each get a fresh $40.

	EUR/USD LONG	GBP/USD LONG	TOGETHER
Stop	20 pips	25 pips	Same dollar view
If each is sized as its own 1R	$40	$40	$80 if both stop
If the idea is one	Share the $40	Share the $40	About $40 if both stop

One idea, two tickets: split the risk, do not double it.
Example split: $24 on EUR/USD and $16 on GBP/USD. Sum $40. That is still 1R.
A third ticket on AUD/USD, same afternoon, same “dollar down” view, is the same idea again.

THEY WILL NOT LOSE BY THE SAME PIP COUNT

Sterling can travel farther than the euro on the same dollar move. Add dollars of risk, not the number of tickets.

01 **WRITE THE SHARED SENTENCE**
“Both lose if the dollar rises.” That sentence owns the whole $40.

02 **SPLIT IT**
$24 and $16, or $20 and $20. The sum stays 1R. Each lot still comes from its own stop.

03 **STOP**
AUD/USD “dollar down” the same afternoon is not a new line. It joins the sum or it does not get opened.

CHAPTER 02

Carry is an interest gap

Hold a spot position past the rollover and you pay or earn the difference between the two currencies' interest rates, plus whatever your broker adds. That difference is carry. It is not a bonus for being right about direction.

YOU ARE LONG THE CURRENCY THAT	ALL ELSE EQUAL, OVERNIGHT
Pays more interest than the one you are short	You are paid the gap. The credit is carry.
Pays less than the one you are short	You pay the gap. The debit is also carry.
Looks "strong" on a chart but yields less	The chart does not cancel the debit. You can be right on price and still pay to hold.

THE RATE PATH IS THE POINT

Carry follows the interest rates the market is using, not a headline that one currency is "good." A pair is, among other things, a spread between two rates. Volume 01 named that. This page is the bill that shows up if you are still in the trade when the day rolls.

Brokers do not all use the same clock or the same markup. The sign of the swap can differ from the textbook gap. Read the figure on the ticket. Do not copy yesterday's swap onto today's lot.

CARRY IS	CARRY IS NOT
The interest gap between the two currencies, for as long as you hold.	A reason the price "should" go your way.
A debit or a credit that scales with the lot and the number of nights.	Small enough to ignore once the lot is large or the hold is long.

CHAPTER 02 · CONTINUED

Swap on one ticket

Swap is the cash line for one night. It scales with the lot. A plan that ignores it is a plan that has not priced the hold.

Teaching scale only. Long 1.00 lot. The platform shows a debit of $6.50 per night. Five nights, no triple day in this example: 5 × $6.50 = $32.50.
On the $8,000 account where 1R is $40, that hold has already used about 0.8R before the price has gone anywhere.

QUESTION BEFORE THE HOLD	IF YOU CANNOT ANSWER
Is tonight a credit or a debit for this side?	You do not yet know the cost of staying in.
What is the debit in dollars at this lot?	You cannot compare it with 1R.
How many nights is the plan actually for?	A “short swing” that becomes eight nights was not priced.

A CREDIT IS NOT A REASON TO STAY

Earning $4 a night does not repair a thesis that is wrong. Compare the swap with the target and with 1R. Do not hold because the interest line is green.

SAME $6.50 A NIGHT AT 1.00 LOT	AT 0.20 LOT	NEXT TO 1R OF $40
Five nights, about $32.50	about $6.50	The small lot is 0.16R. The full lot is 0.8R.
You double the lot because the credit looks good	the debit doubles too	A wrong-way hold gets more expensive, not safer.

CHAPTER 02 · CONTINUED

Wednesday counts three

Spot settles in two business days. To cover the weekend inside that settlement, many platforms book three days of swap on Wednesday. The figure is often about three times a normal night. It is not a penalty invented for that weekday. It is Saturday and Sunday folded into one roll.

NIGHT	WHAT IS USUALLY BOOKED	ON THE $6.50 EXAMPLE
Monday, Tuesday, Thursday	One night	about $6.50
Wednesday	Three nights, at many brokers	about $19.50
A week held through that Wednesday	Five business rolls, one of them triple	about $45.50

CONFIRM THE DAY ON YOUR TICKET

The triple roll is commonly Wednesday. It is not a law of the market, and some books use another day. If your plan holds through the middle of the week, read that night's swap before you leave the position on. A target of $30 does not survive a $19 roll you did not write down.

The $6.50 figure is an illustration, not a quote. Yen pairs, exotics, and a different lot will not match it. Price the night, then the triple night, in dollars, next to 1R.

01 **READ TONIGHT'S FIGURE**
Not last month's. The lot on the ticket now, credit or debit.

02 **IF THE PLAN HOLDS THROUGH MID-WEEK**
Find the triple night before you leave the position on. Write that dollar amount.

03 **COMPARE**
If the roll is a large slice of the target, the target is too close for a hold. Flatten, or accept a smaller size.

CHAPTER 03

Friday is a different close

The spot market in the majors winds down on Friday and reopens on Sunday evening, UTC. Between those two prints there is no continuous price. A stop you can see on Friday is not a stop that can fill while the book is shut.

WHILE THE MARKET IS OPEN	WHILE IT IS SHUT
A stop can be triggered by traded prices.	There is no traded price to trigger it.
The spread is the cost of getting out now.	The cost of having stayed is whatever the first quotes do on Sunday.
You can flatten because the plan was a day plan.	You cannot flatten. The decision was Friday's.

A DAY PLAN ENDS WITH THE DAY

If the written plan is intraday, Friday is not a chance to give it the weekend. The position is flat, or the plan was never a day plan. This is the longest shut of the week.

Major spot dealing pauses on Friday and resumes Sunday evening, UTC.
The exact minute depends on the centre and the season. The fact does not.
Between the last Friday quote and the first Sunday quote, your stop is an instruction with no market to fill it.

FRIDAY AFTERNOON	A DAY PLAN	A HOLD YOU ALREADY PRICED
Ticket still open	Flatten before the dealing pause.	Only if the gap, in R, was written down at this lot.
You are unsure which plan it is	It is a day plan. Flat.	Uncertainty is not a hold.

LEVERAGED TRADING CAN RESULT IN THE LOSS OF ALL CAPITAL

CHAPTER 03 · CONTINUED

The weekend gap

A gap is the difference between Friday's last price and Sunday's first tradable price. It is not a missing candle you are owed. It is the market repricing while you could not trade.

Teaching example. EUR/USD last on Friday: 1.0850. First quotes on Sunday: 1.0802. The gap is 48 pips against a long. A stop that sat at 1.0830 did not trade at 1.0830. The fill, if the position was still open, is at the Sunday price the book will deal — often through the stop.

WHAT PEOPLE SAY	WHAT THE PRICES SAY
"My stop was at 1.0830."	The stop can only fill when there is a market. Sunday opened beyond it.
"That should have been −1R."	48 pips on a 20-pip 1R is about −2.4R, before the wider Sunday spread.
"The gap will fill, so I will hold."	Sometimes price returns. Sometimes it does not. The open loss is already real.

WRITE THE GAP IN R

The journal uses the fill, not the stop you wished for. A planned −1R that becomes −2.4R is −2.4R. It counts in the streak. You do not round it back because the market was closed.

20-PIP STOP, 1R	SUNDAY THROUGH THE STOP	R YOU WRITE
Long from 1.0850, stop 1.0830	Open 1.0802, about 48 pips	about −2.4R, not −1R

A gap the other way, to 1.0898, is the same 48 pips in your favour. You could not choose the side after Friday. A lucky open is not a method.

CHAPTER 03 · CONTINUED

What a day plan does not hold

Some positions are built to be held: a carry view, with the swap priced and the size small enough for a gap. A day plan is not one of them. The list below is the Friday check, on paper, before the session ends.

01 **NAME THE PLAN**
Intraday, or a hold with the nights written down. If you cannot say which, it is intraday, and it is flat by the close.

02 **PRICE THE SHUT MARKET**
If it stays open, Sunday's first price is your risk, not Friday's stop. Say what a 50-pip gap does to this lot, in R.

03 **ONE IDEA STILL**
Two pairs held into the weekend on the same dollar view gap together. The R you add is the sum.

NEWS DOES NOT WAIT FOR THE OPEN

A headline can land on Saturday. Sunday's first quote is where it meets a market. You do not trade that headline at Friday's price.

THE PLAN SAYS	FRIDAY, TICKET STILL OPEN
Intraday	Flat. The shut market is not part of the plan.
A hold, swap priced, size small enough for a gap	You can stay. You already wrote what a 50-pip Sunday does, in R.
"I will decide on Sunday"	You cannot decide while it is shut. The decision was Friday's.

LEVERAGED TRADING CAN RESULT IN THE LOSS OF ALL CAPITAL

CHAPTER 04

A week that mixed all three

Teaching scorecard, not a track record. The point is which costs were hiding inside a week that looked like three separate trades.

WHAT WAS ON	WHAT IT ACTUALLY WAS
Monday: long EUR/USD, 1R = $40, stopped −1.0R	One dollar-down idea, closed. The loss is $40.
Monday later: long GBP/USD, sized as another full 1R	The same idea again. Together the dollar move could have been about 2R.
Wednesday night: a leftover 0.50 lot, debit about $9.75	The triple roll. Small next to $40, and unwritten. It still comes off the week.
Friday: the GBP ticket left open, stop 20 pips away	Sunday gaps 45 pips through the stop. The fill is about −2.3R on that ticket, not −1R.

THE WEEK IN ONE LINE

One idea was doubled, one night was not priced, and a Friday hold became a gap. The next week does not get a larger lot to repair it.

> Sunday note, in R, not in adjectives.
> EUR stop −1.0R. GBP left open, filled about −2.3R on the gap. Wednesday roll about $10.
> Same dollar view on both tickets: say so. The sample keeps the rows.

DO NOT WRITE	WRITE
“Unlucky weekend.”	The fill in pips and in R, from Friday’s last price.
“The two trades were unrelated.”	Whether they lost on the same currency move.
“Swap was nothing.”	The dollar amount, including the triple night if you were in it.

CHAPTER 05

Mistakes after the sample

By the time the journal has twenty tickets, these errors dress up as sophistication. They are still one bet counted as two, or a closed market treated as an open one.

- **A second pair as diversification.** Long EUR/USD and long GBP/USD into the same dollar story. The afternoon is one idea with two stops.
- **Equal lots called equal risk.** Sterling's pip and the euro's pip are not the same dollars, and the stops are not the same width.
- **Swap ignored because it is small.** Five nights plus a triple Wednesday on a large lot is no longer small next to 1R.
- **A credit used as a thesis.** The position stays because the interest line is green, after the price has already invalidated the idea.
- **Friday left to Sunday.** The stop is treated as a fill that can happen in a market that is not dealing.

THE TELL

If the second ticket exists because the first "needs company," it is the same bet. If the Friday position is still on because you do not want the loss, the weekend is not a plan.

YOU NOTICE	NAME IT
Two dollar pairs, two full stops	One idea, counted twice.
The interest line is the reason you stayed	A credit used as a thesis.
The stop was "in place" over Saturday	An instruction with no market. The gap is the result.

CHAPTER 06

Drill, glossary, next

Answer on paper, then check below. Two wrong: reread the dollar on both sides, the triple night, and the gap.

1. Long EUR/USD and long GBP/USD, each sized to lose $40 at its stop. If both stop on one dollar rally, what is the loss, and how many ideas was it?
2. You buy USD/JPY and you buy EUR/USD. Are you long or short the dollar in each?
3. A debit of $6.50 a night, held Wednesday when that book charges triple. What is that night, roughly, and what is it not?
4. Friday close 1.0850, Sunday open 1.0802, long. Where did a stop at 1.0830 not fill, and about how many pips is the gap?
5. The plan is intraday. It is Friday, the ticket is still open, and you “like the idea.” What is the position supposed to be by the close?

ANSWERS

1) About $80, one idea. The 1R should have been shared. 2) Long the dollar in USD/JPY, short the dollar in EUR/USD. 3) About $19.50. The weekend folded into one roll, not a fine. 4) It could not fill while the market was shut. The gap is 48 pips. 5) Flat. A day plan does not become a weekend plan at the close.

WORDS FROM THIS PACK

WORD	IN THIS PACK IT MEANS
One idea	Tickets that lose together if one currency does one thing. Count the risk in dollars.
Carry / swap	The interest gap for holding past the roll. Price it in dollars, next to 1R.
Gap	Friday’s last price to Sunday’s first price. A stop does not fill in between.

Disclaimer. Series 05 continues Volume 04. Study material only — not advice or a signal. Leveraged FX can lose all capital. The swap and the gap are illustrations, not quotes. Next: add the R before a second pair, price the night, and do not leave a day plan to a closed market.