Trading Terms Trainer

A printable study guide for learning the language of orders, charts, risk, options, and portfolio basics.

Name _____ **Date** _____

HOW TO USE THIS GUIDE

[ ] Read one category at a time and mark unfamiliar terms.

[ ] Cover the meaning column and explain each definition out loud.

[ ] Use the quiz pages after each review pass.

[ ] Return to the web trainer for flashcards and random questions.

> **Mastery target:** When you can explain most terms without reading the definition, move to chart examples and order-ticket practice.

FAST MAP

CATEGORY	WHAT IT HELPS YOU UNDERSTAND
Market Basics	The live mechanics of price, quotes, volume, and tradability.
Orders	How instructions reach the market and how execution changes by order type.
Risk	How traders define loss, size positions, and compare possible outcomes.
Price Action	How traders describe movement, levels, trends, and range breaks.
Indicators	Tools used to summarize price, momentum, and intraday benchmarks.
Options	Contract vocabulary for rights, strikes, expirations, and time decay.
Portfolio	Account-level exposure, gains, borrowing, and diversification.
Strategies	How observations become testable rules for context, entry, invalidation, and management.
Market Regimes	How structure, overlap, direction, and volatility describe the current environment.
Market Structure	How shares, sessions, halts, shorting, and public market mechanics work.

MARKET BASICS

The live mechanics of price, quotes, volume, and tradability.

TERM	MEANING AND EXAMPLE	KNOW IT?
Ask Market Basics	The lowest price a seller is currently willing to accept. Example: If the ask is 50.10, buying at market may fill near 50.10.	[ ]
Bid Market Basics	The highest price a buyer is currently willing to pay. Example: If the bid is 49.95, a market sell may fill near 49.95.	[ ]
Spread Market Basics	The difference between the bid and ask prices. Example: A tight spread can mean lower transaction friction.	[ ]
Volume Market Basics	The number of shares, contracts, or units traded over a period. Example: A breakout with rising volume may show stronger participation.	[ ]
Liquidity Market Basics	How easily an asset can be bought or sold without moving price much. Example: Major index ETFs usually have high liquidity.	[ ]

RECALL DRILL

Write three terms from this category without looking.

1. _____
2. _____
3. _____

ORDERS

How instructions reach the market and how execution changes by order type.

TERM	MEANING AND EXAMPLE	KNOW IT?
Market Order Orders	An order to buy or sell immediately at the best available price. Example: Fast execution matters more than exact price.	[ ]
Limit Order Orders	An order to buy or sell only at a chosen price or better. Example: A buy limit at 20.00 will not fill above 20.00.	[ ]
Stop Order Orders	An order that becomes active after price reaches a trigger level. Example: A sell stop can help define an exit point below entry.	[ ]
Slippage Orders	The difference between the expected trade price and the actual fill price. Example: Fast markets and thin liquidity can increase slippage.	[ ]
Fill Orders	The completed execution of an order, either partially or fully. Example: A 500-share order may receive several partial fills.	[ ]
Day Order Orders	An order that expires at the end of the trading session if it does not fill. Example: A day limit order disappears after the session closes.	[ ]
GTC Orders	Good-til-canceled, an order instruction that remains open until filled, canceled, or expired by broker rules. Example: A GTC limit order can stay active beyond one session.	[ ]

RECALL DRILL

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RISK

How traders define loss, size positions, and compare possible outcomes.

TERM	MEANING AND EXAMPLE	KNOW IT?
Stop Loss Risk	A planned exit intended to limit loss if price moves against the trade. Example: A trader may risk 1 percent of account value on a setup.	[ ]
Position Size Risk	The amount of capital, shares, contracts, or units used in a trade. Example: Smaller size reduces the impact of a bad entry.	[ ]
Risk Reward Risk	The comparison between potential loss and potential gain. Example: Risking 1 dollar to target 3 dollars is a 1:3 setup.	[ ]
Drawdown Risk	A decline from an account or asset peak to a later low. Example: A 10 percent drawdown means value fell 10 percent from its high.	[ ]
Leverage Risk	Using borrowed money, derivatives, or position structure to control more exposure than cash alone. Example: Leverage can increase gains and losses at the same time.	[ ]
Volatility Risk	The degree of price movement over time. Example: High volatility means price may swing widely.	[ ]
Beta Risk	A measure of how much an asset tends to move compared with a benchmark. Example: A beta above 1 suggests larger moves than the benchmark, historically.	[ ]

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PRICE ACTION

How traders describe movement, levels, trends, and range breaks.

TERM	MEANING AND EXAMPLE	KNOW IT?
Support Price Action	A price area where buying has previously been strong enough to slow or reverse a decline. Example: Old lows can become watched support zones.	[ ]
Resistance Price Action	A price area where selling has previously been strong enough to slow or reverse a rally. Example: Repeated failed pushes above 80 may mark resistance.	[ ]
Trend Price Action	The general direction of price over time. Example: Higher highs and higher lows often describe an uptrend.	[ ]
Breakout Price Action	A move beyond a watched support, resistance, or range boundary. Example: A close above resistance may be called a breakout.	[ ]
Pullback Price Action	A temporary move against the larger trend. Example: In an uptrend, a dip toward prior support is a pullback.	[ ]
Candlestick Price Action	A chart mark showing open, high, low, and close for one period. Example: A daily candle summarizes one full trading day.	[ ]
Wick Price Action	The thin part of a candle showing price traded beyond the open-close body. Example: A long upper wick can show rejection near a higher price.	[ ]
Gap Price Action	A price jump between sessions where little or no trading occurred between the prior close and new open. Example: Earnings news can create a gap up or gap down.	[ ]
Range Price Action	A price zone where an asset moves between support and resistance instead of trending. Example: A stock may chop between 40 and 45 for weeks.	[ ]
Timeframe Price Action	The period represented by each chart bar or candle. Example: A 5-minute chart and weekly chart can show very different context.	[ ]
Bullish Engulfing Price Action	A two-candle pattern where a bullish real body covers the prior bearish real body, suggesting buyers took control of that period. Example: It carries more context after a decline or near support.	[ ]
Bearish Engulfing Price Action	A two-candle pattern where a bearish real body covers the prior bullish real body, suggesting sellers took control of that period. Example: It carries more context after a rise or near resistance.	[ ]

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PRICE ACTION - CONTINUED

How traders describe movement, levels, trends, and range breaks.

TERM	MEANING AND EXAMPLE	KNOW IT?
Hammer Price Action	A small-bodied candle with a long lower wick that records rejection of lower prices, often studied after a decline. Example: A later close above the hammer can add confirmation.	[ ]
Shooting Star Price Action	A small-bodied candle with a long upper wick that records rejection of higher prices, often studied after a rise. Example: A later close below the candle can add confirmation.	[ ]
Doji Price Action	A candle whose open and close are nearly equal, showing balance or indecision during that period. Example: Its location and the next candle provide the useful context.	[ ]
Morning Star Price Action	A three-candle bullish reversal sequence: bearish drive, small pause candle, then a strong bullish response. Example: The third candle shows buyers taking control after the pause.	[ ]
Evening Star Price Action	A three-candle bearish reversal sequence: bullish drive, small pause candle, then a strong bearish response. Example: The third candle shows sellers taking control after the pause.	[ ]
Inside Bar Price Action	A candle whose full range is contained inside the prior mother candle's range, showing compression or hesitation. Example: Watch the mother bar's high and low for a later break.	[ ]
Top-down Analysis Price Action	Reading broader timeframes first for structure and key levels, then moving to a smaller timeframe for a setup. Example: Begin with the big picture before inspecting the trigger candle.	[ ]
Confluence Price Action	Two or more independent pieces of evidence that support the same market interpretation. Example: A signal at prior support in an uptrend has more context than the signal alone.	[ ]
Supply Zone Price Action	An area where selling previously overwhelmed buying and price moved down sharply. Example: A return to prior supply may draw renewed seller attention.	[ ]
Demand Zone Price Action	An area where buying previously overwhelmed selling and price moved up sharply. Example: A return to prior demand may draw renewed buyer attention.	[ ]
False Breakout Price Action	A move beyond a watched boundary that fails to hold and returns inside the prior range. Example: Price may trade above resistance briefly, then close back below it.	[ ]

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INDICATORS

Tools used to summarize price, momentum, and intraday benchmarks.

TERM	MEANING AND EXAMPLE	KNOW IT?
Moving Average Indicators	An average of price over a chosen number of periods. Example: A 50-day moving average smooths roughly 50 sessions of price.	[ ]
RSI Indicators	Relative Strength Index, a momentum oscillator used to compare recent gains and losses. Example: RSI is often read on a scale from 0 to 100.	[ ]
VWAP Indicators	Volume-weighted average price, an intraday benchmark that weights price by traded volume. Example: Some traders compare entries with VWAP during the session.	[ ]
ATR Indicators	Average True Range, an indicator estimating typical price movement over a selected period. Example: A wider ATR can imply larger normal swings.	[ ]
MACD Indicators	Moving Average Convergence Divergence, a momentum indicator comparing moving averages. Example: Traders may watch MACD crosses for momentum shifts.	[ ]
Bollinger Bands Indicators	Bands plotted around a moving average to show relative price expansion or contraction. Example: Tight bands may show a period of low volatility.	[ ]
Fibonacci Retracement Indicators	A drawing tool that marks percentage retracement levels within a prior move, commonly including 50% and 61.8%. Example: Treat it as secondary context rather than a standalone signal.	[ ]
Lookback Period Indicators	The number of historical bars included in an indicator's calculation. Example: A 14-period RSI uses a rolling set of recent bars.	[ ]
Oscillator Indicators	An indicator plotted around a centerline or within a fixed range to describe momentum or another changing condition. Example: RSI is bounded from 0 to 100; MACD moves around zero.	[ ]
Lagging Indicator Indicators	A calculation that reacts to recorded data, often smoothing noise at the cost of delay. Example: A long moving average changes direction later than price.	[ ]
Signal Line Indicators	A smoothed version of another indicator series used for comparison. Example: MACD's signal line is commonly an EMA of the MACD line.	[ ]
Histogram Indicators	Columns that display the difference between two values around a baseline. Example: The MACD histogram equals MACD minus its signal line.	[ ]

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INDICATORS - CONTINUED

Tools used to summarize price, momentum, and intraday benchmarks.

TERM	MEANING AND EXAMPLE	KNOW IT?
Standard Deviation Indicators	A statistical measure of how dispersed values are around their average. Example: Bollinger Bands widen when recent dispersion increases.	[ ]
Typical Price Indicators	A bar-level price estimate commonly calculated as high plus low plus close, divided by three. Example: Session VWAP often weights typical price by volume.	[ ]

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OPTIONS

Contract vocabulary for rights, strikes, expirations, and time decay.

TERM	MEANING AND EXAMPLE	KNOW IT?
Call Option Options	A contract that gives the buyer the right, not obligation, to buy an underlying asset at a strike price. Example: Calls can gain value when the underlying rises, all else equal.	[ ]
Put Option Options	A contract that gives the buyer the right, not obligation, to sell an underlying asset at a strike price. Example: Puts can gain value when the underlying falls, all else equal.	[ ]
Strike Price Options	The price at which an option can be exercised. Example: A 100 call has a 100 strike price.	[ ]
Expiration Options	The date after which an option contract no longer exists. Example: Short-dated options usually react strongly to time decay.	[ ]
Theta Options	A Greek that estimates how much option value may change from time passing. Example: Long options often have negative theta.	[ ]
Delta Options	A Greek estimating how much an option price may change when the underlying moves by 1 dollar. Example: A 0.50 delta call may move about 50 cents for a 1 dollar stock move.	[ ]
Gamma Options	A Greek estimating how much delta may change as the underlying price changes. Example: High gamma can make an option's delta change quickly.	[ ]
Implied Volatility Options	The market's implied expectation of future movement embedded in option prices. Example: Implied volatility often rises before major events.	[ ]
Premium Options	The price paid or received for an option contract. Example: Buying an option requires paying its premium.	[ ]
Intrinsic Value Options	The in-the-money value an option would have if exercised immediately. Example: A 100 call has 5 dollars of intrinsic value if the stock is 105.	[ ]
Extrinsic Value Options	The part of an option price beyond intrinsic value, often tied to time and volatility. Example: Out-of-the-money options are entirely extrinsic value.	[ ]

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PORTFOLIO

Account-level exposure, gains, borrowing, and diversification.

TERM	MEANING AND EXAMPLE	KNOW IT?
Diversification Portfolio	Spreading exposure across assets, sectors, or strategies to reduce single-position dependence. Example: Owning only one stock is less diversified than owning a broad fund.	[ ]
Correlation Portfolio	How closely two assets tend to move together. Example: Assets with low correlation may behave differently during stress.	[ ]
Realized Gain Portfolio	Profit that exists after a position has been sold or closed. Example: A gain is realized when the winning position is closed.	[ ]
Unrealized Gain Portfolio	Profit shown on an open position before it is sold or closed. Example: Paper profit can change until the position is closed.	[ ]
Margin Portfolio	Borrowed funds or collateral used to increase buying power. Example: Margin can amplify both gains and losses.	[ ]
ETF Portfolio	Exchange-traded fund, a basket of assets that trades like a stock. Example: An S&P 500 ETF gives exposure to many companies in one ticker.	[ ]
Index Portfolio	A benchmark that tracks a group of securities. Example: The S&P 500 is an index of large U.S. companies.	[ ]
Asset Allocation Portfolio	How a portfolio is divided among asset types or strategies. Example: A portfolio may split between stocks, bonds, and cash.	[ ]

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STRATEGIES

How observations become testable rules for context, entry, invalidation, and management.

TERM	MEANING AND EXAMPLE	KNOW IT?
Trade Thesis Strategies	A concise, testable explanation of why a setup may work and what evidence would prove the idea wrong. Example: Name context, expected behavior, and invalidation before entry.	[ ]
Setup Strategies	The market conditions and price behavior that must develop before an entry is considered. Example: A pullback into support is a setup, not automatically an entry.	[ ]
Entry Trigger Strategies	A predefined observable event that activates a planned trade. Example: A close above a smaller swing high can be used as a trigger.	[ ]
Invalidation Strategies	The price action or structural event that disproves the original trade thesis. Example: A close below the swing that must hold can invalidate a bullish idea.	[ ]
Profit Target Strategies	A planned price area or rule for reducing or closing a profitable position. Example: A prior high is a decision area, not a guaranteed destination.	[ ]
Trend Pullback Strategies	A continuation playbook that waits for a temporary move against an established trend and evidence that the trend is resuming. Example: In an uptrend, price may retrace to prior support before buyers respond.	[ ]
Breakout Retest Strategies	A continuation playbook that studies whether a broken boundary changes role when price returns to it. Example: Old resistance may act as support after an upside breakout.	[ ]
Range Rejection Strategies	A mean-reversion playbook based on price failing at a range boundary and moving back inward. Example: A rejection at range support has clearer context than one in the middle.	[ ]
Trade Management Strategies	Rules for handling an open position, including exits, scaling, trailing, time limits, and responses to new evidence. Example: Management rules should be decided before emotion rises.	[ ]

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MARKET REGIMES

How structure, overlap, direction, and volatility describe the current environment.

TERM	MEANING AND EXAMPLE	KNOW IT?
Market Regime Market Regimes	A working description of the market's current structure, direction, overlap, and volatility. Example: A regime label must update when the visible evidence changes.	[ ]
Uptrend Market Regimes	A directional regime commonly described by higher swing highs and higher swing lows. Example: A pullback can remain part of an uptrend while the important higher low holds.	[ ]
Downtrend Market Regimes	A directional regime commonly described by lower swing highs and lower swing lows. Example: A rally can remain a pullback until meaningful bearish structure breaks.	[ ]
Consolidation Market Regimes	A period of overlapping price action in which movement is contained rather than persistently directional. Example: A horizontal range is one common form of consolidation.	[ ]
Compression Market Regimes	A condition in which price swings, ranges, or volatility contract over time. Example: Narrowing swings can precede expansion without specifying its direction.	[ ]
Expansion Market Regimes	A condition in which price range, volatility, or directional movement increases. Example: A breakout from a quiet range may begin expansion.	[ ]

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MARKET STRUCTURE

How shares, sessions, halts, shorting, and public market mechanics work.

TERM	MEANING AND EXAMPLE	KNOW IT?
Short Selling Market Structure	Selling borrowed shares with the goal of buying them back later. Example: A short seller can lose if price rises instead of falls.	[ ]
Float Market Structure	The shares available for public trading. Example: Low-float stocks can move sharply when demand spikes.	[ ]
Market Cap Market Structure	A company's share price multiplied by its shares outstanding. Example: A 50 dollar stock with 1 billion shares has a 50 billion dollar market cap.	[ ]
Halt Market Structure	A temporary pause in trading for a security. Example: Trading can halt around volatility or pending news.	[ ]
Pre-market Market Structure	Trading activity before the regular market session opens. Example: Pre-market prices can be thinner and more volatile.	[ ]
After-hours Market Structure	Trading activity after the regular market session closes. Example: Earnings reactions often begin after-hours.	[ ]

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CONTEXT BEFORE CANDLE

The supplied candlestick study method works from broad structure toward a specific price-action trigger.

STEP	QUESTION TO ANSWER
1. Structure	On a broader timeframe, is price trending up, trending down, ranging, or unclear?
2. Location	Where are the obvious swing-based support, resistance, supply, demand, or clean trendline areas?
3. Signal	At that location, is price showing rejection, engulfing, a star sequence, or inside-bar compression?
4. Confirmation	Did price close, break, retest, or follow through in a way that supports the signal's buyer/seller story?
5. Risk	Is invalidation beyond structure clear, is position size controlled, and is the next level sensible relative to risk?

FOUR PLAYBOOKS

Trend pullback: wait for a retracement into prior or dynamic structure, then use the candle as confirmation.

Range boundary: study signals near support and resistance, not in the noisy middle.

Breakout and retest: watch whether the old barrier changes role before trusting continuation.

False break: wait for price to fail beyond a boundary and close back inside rather than predicting failure early.

> **Confluence is evidence, not certainty.** Structure + location + signal + confirmation can create a clearer hypothesis, but risk control remains necessary.

HOW TO EXPLAIN A STRATEGY

A strategy is a complete decision process. A pattern or indicator is only one possible input.

PART	QUESTION THE RULES MUST ANSWER
1. Regime	Is the market trending, ranging, breaking out, highly volatile, or unclear?
2. Location	At what prior swing, range edge, retest zone, or marked level does the playbook apply?
3. Setup	What must develop before an entry is even considered?
4. Trigger	What exact, observable event activates the planned entry?
5. Invalidation	What price action disproves the thesis, and how does that determine position size?
6. Management	How are targets, trailing, scaling, time limits, and new evidence handled?

FIVE PLAYBOOKS TO COMPARE

Trend pullback: established trend + retracement to structure + evidence of resumption.

Range rejection: mature range + failed push at an outer edge + return inward.

Breakout retest: accepted boundary break + return to the old barrier + role change holds.

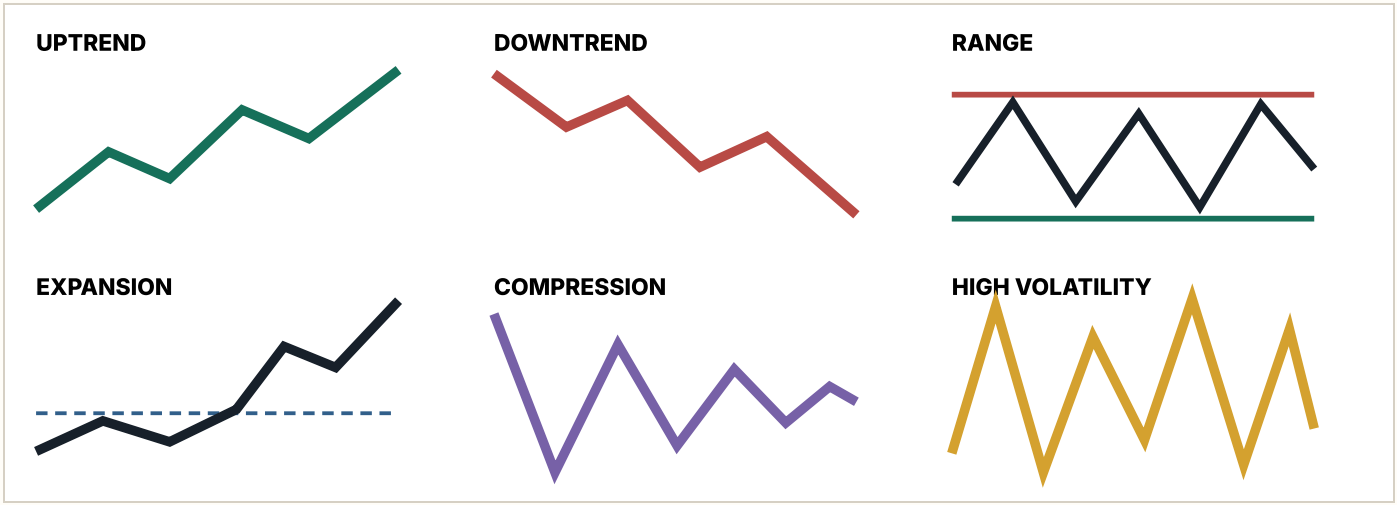
False break: excursion beyond a boundary + failure to hold + close back inside.

Reversal: extended move at major structure + failed continuation + swing-structure change.

> **Study rule:** Write the invalidation before the entry. If the idea cannot be proved wrong by an observable event, it is not yet a testable strategy.

MARKET REGIME MAP

Describe the visible environment before selecting a strategy. Update the label when structure changes.



ASK	EVIDENCE TO DESCRIBE
Direction	Are meaningful swing highs and lows progressing upward, downward, or neither?
Overlap	Do candles and swings repeatedly cover the same territory, or does price persist?
Volatility	Are ranges expanding, contracting, or stable relative to recent movement?
Transition	What observable event would force the current regime label to change?

CHART REPLAY WORKSHEET

Freeze a historical or simulated chart. Do not reveal the next candles until the decision section is complete.

STEP	WRITE BEFORE REVEALING MORE INFORMATION
1. Freeze	Visible timeframe and final candle number: _____
2. Describe	Regime, swing structure, overlap, and volatility: _____ _____
3. Locate	Important level or area, marked before the reveal: _____ _____
4. Decide	[ ] Wait [ ] Consider setup [ ] Skip Why? _____ _____
5. Define	Trigger: _____ Invalidation: _____ Reason to skip: _____
6. Reveal	What new evidence appeared? _____ _____
7. Review	Was the process disciplined, regardless of outcome? _____ What rule should be kept or revised? _____

Scoring rule: Grade whether the decision used only visible evidence, included invalidation, and allowed “wait” or “skip.” Do not award extra credit merely because price later moved in the chosen direction.

HOW TO EXPLAIN AN INDICATOR

An indicator is a data recipe. Separate its calculation from the market interpretation.

QUESTION	WHAT A CLEAR EXPLANATION INCLUDES
1. Input	Name the exact data: open, high, low, close, volume, time, and the selected lookback.
2. Formula	Explain whether the recipe averages, weights, compares, smooths, normalizes, or measures dispersion.
3. Output	Name the units and chart form: overlay, oscillator, line, bands, or histogram.
4. Observation	Say what the result supports observing without turning it into a guaranteed prediction.
5. Limitation	Name lag, noise, setting sensitivity, anchor choice, and the market conditions where it can mislead.

SIX INDICATOR RECIPES

Moving average: averages price. Longer lookbacks smooth more and react later.

RSI: compares smoothed gains and losses, then maps the ratio to 0-100. A high reading does not require reversal.

ATR: smooths true range, including gaps. It measures movement size, not direction.

MACD: fast average minus slow average; signal line smooths MACD; histogram shows their difference.

Bollinger Bands: moving average plus and minus a multiple of standard deviation. Band touches are relative-price observations, not automatic signals.

VWAP: cumulative price times volume divided by cumulative volume. The reset or anchor changes the benchmark.

> **Language test:** Prefer “this measures” and “this supports observing” over “this predicts” or “this means price must.”

SELF QUIZ

Answer from memory. Check the answer key on the last page.

1. What is the difference between bid and ask called?

2. Which order buys or sells immediately at the best available price?

3. What term describes how easily an asset can be traded without moving price much?

4. What do traders call a temporary move against the larger trend?

5. Which risk term compares possible loss with possible gain?

6. What is the right to buy an underlying asset at a strike price?

7. What option Greek estimates time decay?

8. What term describes a decline from an account peak to a later low?

9. What term describes spreading exposure across assets or strategies?

10. What benchmark weights intraday price by volume?

SELF QUIZ - CONTINUED

Answer from memory. Check the answer key on the last page.

11. What area has previously slowed or reversed a rally?

12. What is profit on an open position before it is closed?

13. Which indicator measures movement magnitude but not direction?

14. What determines how many historical bars enter an indicator?

15. What statistic makes Bollinger Bands expand and contract?

16. What does the MACD histogram subtract from the MACD line?

17. What event activates a planned trade after the setup forms?

18. What term describes the evidence that disproves a trade thesis?

19. What continuation playbook studies whether a broken boundary changes role?

20. What rules govern exits, scaling, trailing, and responses to new evidence?

SELF QUIZ - CONTINUED

Answer from memory. Check the answer key on the last page.

21. What working description combines current structure, direction, overlap, and volatility?

22. What regime commonly forms higher swing highs and higher swing lows?

23. What term describes swings or volatility contracting over time?

24. What term describes price range, volatility, or directional movement increasing?

FLASHCARD CUT SHEET

Fold or cover the right side. Say the meaning before checking it.

FRONT	BACK
Ask Market Basics	The lowest price a seller is currently willing to accept.
Bid Market Basics	The highest price a buyer is currently willing to pay.
Spread Market Basics	The difference between the bid and ask prices.
Volume Market Basics	The number of shares, contracts, or units traded over a period.
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Morning Star Price Action	A three-candle bullish reversal sequence: bearish drive, small pause candle, then a strong bullish response.
Evening Star Price Action	A three-candle bearish reversal sequence: bullish drive, small pause candle, then a strong bearish response.
Inside Bar Price Action	A candle whose full range is contained inside the prior mother candle's range, showing compression or hesitation.
Top-down Analysis Price Action	Reading broader timeframes first for structure and key levels, then moving to a smaller timeframe for a setup.
Confluence Price Action	Two or more independent pieces of evidence that support the same market interpretation.
Supply Zone Price Action	An area where selling previously overwhelmed buying and price moved down sharply.

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Fold or cover the right side. Say the meaning before checking it.

FRONT	BACK
Demand Zone Price Action	An area where buying previously overwhelmed selling and price moved up sharply.
False Breakout Price Action	A move beyond a watched boundary that fails to hold and returns inside the prior range.
ATR Indicators	Average True Range, an indicator estimating typical price movement over a selected period.
MACD Indicators	Moving Average Convergence Divergence, a momentum indicator comparing moving averages.
Bollinger Bands Indicators	Bands plotted around a moving average to show relative price expansion or contraction.
Fibonacci Retracement Indicators	A drawing tool that marks percentage retracement levels within a prior move, commonly including 50% and 61.8%.
Lookback Period Indicators	The number of historical bars included in an indicator's calculation.
Oscillator Indicators	An indicator plotted around a centerline or within a fixed range to describe momentum or another changing condition.
Lagging Indicator Indicators	A calculation that reacts to recorded data, often smoothing noise at the cost of delay.
Signal Line Indicators	A smoothed version of another indicator series used for comparison.

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FRONT	BACK
Histogram Indicators	Columns that display the difference between two values around a baseline.
Standard Deviation Indicators	A statistical measure of how dispersed values are around their average.
Typical Price Indicators	A bar-level price estimate commonly calculated as high plus low plus close, divided by three.
Trade Thesis Strategies	A concise, testable explanation of why a setup may work and what evidence would prove the idea wrong.
Setup Strategies	The market conditions and price behavior that must develop before an entry is considered.
Entry Trigger Strategies	A predefined observable event that activates a planned trade.
Invalidation Strategies	The price action or structural event that disproves the original trade thesis.
Profit Target Strategies	A planned price area or rule for reducing or closing a profitable position.
Trend Pullback Strategies	A continuation playbook that waits for a temporary move against an established trend and evidence that the trend is resuming.
Breakout Retest Strategies	A continuation playbook that studies whether a broken boundary changes role when price returns to it.

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FRONT	BACK
Range Rejection Strategies	A mean-reversion playbook based on price failing at a range boundary and moving back inward.
Trade Management Strategies	Rules for handling an open position, including exits, scaling, trailing, time limits, and responses to new evidence.
Market Regime Market Regimes	A working description of the market's current structure, direction, overlap, and volatility.
Uptrend Market Regimes	A directional regime commonly described by higher swing highs and higher swing lows.
Downtrend Market Regimes	A directional regime commonly described by lower swing highs and lower swing lows.
Consolidation Market Regimes	A period of overlapping price action in which movement is contained rather than persistently directional.
Compression Market Regimes	A condition in which price swings, ranges, or volatility contract over time.
Expansion Market Regimes	A condition in which price range, volatility, or directional movement increases.
Delta Options	A Greek estimating how much an option price may change when the underlying moves by 1 dollar.
Gamma Options	A Greek estimating how much delta may change as the underlying price changes.

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FRONT	BACK
Implied Volatility Options	The market's implied expectation of future movement embedded in option prices.
Premium Options	The price paid or received for an option contract.
Intrinsic Value Options	The in-the-money value an option would have if exercised immediately.
Extrinsic Value Options	The part of an option price beyond intrinsic value, often tied to time and volatility.
Leverage Risk	Using borrowed money, derivatives, or position structure to control more exposure than cash alone.
Volatility Risk	The degree of price movement over time.
Beta Risk	A measure of how much an asset tends to move compared with a benchmark.
Short Selling Market Structure	Selling borrowed shares with the goal of buying them back later.
Float Market Structure	The shares available for public trading.
Market Cap Market Structure	A company's share price multiplied by its shares outstanding.

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FRONT	BACK
Halt Market Structure	A temporary pause in trading for a security.
Pre-market Market Structure	Trading activity before the regular market session opens.
After-hours Market Structure	Trading activity after the regular market session closes.
ETF Portfolio	Exchange-traded fund, a basket of assets that trades like a stock.
Index Portfolio	A benchmark that tracks a group of securities.
Asset Allocation Portfolio	How a portfolio is divided among asset types or strategies.

ANSWER KEY

QUESTION	ANSWER
1	**Spread**
2	**Market Order**
3	**Liquidity**
4	**Pullback**
5	**Risk Reward**
6	**Call Option**
7	**Theta**
8	**Drawdown**
9	**Diversification**
10	**VWAP**
11	**Resistance**
12	**Unrealized Gain**
13	**ATR**
14	**Lookback Period**
15	**Standard Deviation**
16	**Signal Line**
17	**Entry Trigger**
18	**Invalidation**
19	**Breakout Retest**
20	**Trade Management**
21	**Market Regime**
22	**Uptrend**
23	**Compression**
24	**Expansion**

NEXT REVIEW

[ ] Review only the terms you missed.

[ ] Say one real market example for each missed term.

[ ] Retake the quiz tomorrow.