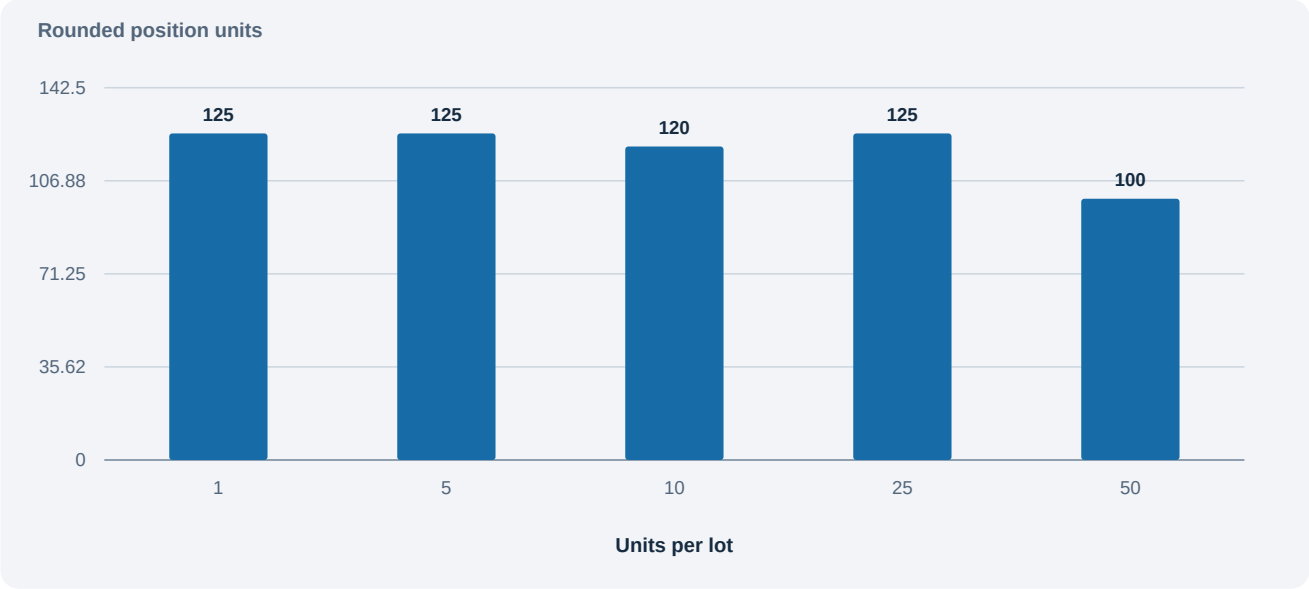
Lot rounding and unused budget

Risk and sizing | Original synthetic example | Edition 2026-11-26

A valid quantity may need to be a whole number of lots. Rounding to the next smaller lot protects the intended budget but can leave part of it unused.

FORMULA Lots = floor(budget / (lot size x loss per unit))

SCENARIO 01: Budget 250; loss per unit 2



WORKED EXAMPLE

With 10 units per lot, the position is 120 units and planned loss is 240.

COMMON MISTAKE

Rounding a fractional lot up can breach the planned loss budget.

BEFORE YOU USE THE CALCULATION

1. Read the applicable lot size.
2. Calculate risk per whole lot.
3. Report unallocated budget explicitly.

COMPARE TWO MORE INPUT SETS

Scenario 05: Budget 1000; loss per unit 4. With 10 units per lot, the position is 250 units and planned loss is 1000.

Scenario 10: Budget 5000; loss per unit 6.5. With 10 units per lot, the position is 760 units and planned loss is 4940.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.