OPERATION NQ | STUDY NOTES 001

INDIAN MARKET vs FOREX vs FUTURES

A complete beginner-to-understanding guide

Market structure, costs, timings (IST), risk and how to choose your market

We Don't Predict, We Understand - Time x Price

Education only. Not investment advice.

How To Use These Notes

This document is built for a complete beginner who is confused between three different playgrounds: the Indian market (NSE/BSE), the global forex market, and US index futures. All three are real markets. All three can make or lose money. But they differ in access, cost, timing, leverage, regulation and skill requirement. Understand the difference first, then choose one and go deep.

Put simply: before you select a market, you must understand how each one actually works. Trading out of confusion is not trading.

- **Read in order.** Chapters 1-4 build the base. Chapter 5 is the master comparison table.
- **Do not memorise numbers.** Contract specs, lot sizes, taxes and regulations change. Learn the concept, then verify the current number on the official exchange or broker site.
- **Every chapter ends with a question.** Answer it in your own words in a notebook. If you cannot explain it simply, you have not understood it.
- **Chapter 10 is the 90-day roadmap.** Do not skip to it before reading the rest.

Contents

CHAPTER 1

What Is A Market, Really?

Before Nifty, before EUR/USD, before NQ - understand the machine.

A market is only a place where a buyer and a seller agree on a price at a moment in time. Price moves because one side is more aggressive than the other: when buyers consume the available sell orders price rises, and when sellers hit the resting buy orders price falls. That is the whole engine.

Price does not move because of news itself; it moves because of order flow. Which side is more aggressive is what actually sets the price.

1.1 The four things every market needs

Component	What it does	Example
Instrument	The thing being traded - a share, a currency pair, a contract.	Reliance share, EUR/USD, NQ futures
Venue	Where orders meet. An exchange (central) or OTC (dealer network).	NSE, CME, interbank FX
Participants	Retail traders, institutions, banks, funds, market makers.	You, FIIs, HFT firms
Regulator / clearing	Sets the rules and guarantees settlement.	SEBI, CFTC/NFA, CME Clearing

1.2 Exchange-traded vs OTC - the most important early distinction

On an **exchange** (NSE, BSE, CME) every order goes into one central order book. Prices and volumes are public and a clearing house sits between buyer and seller. Equities, Indian F&O and US futures all work this way.

In **OTC** (over the counter) markets there is no single exchange. Spot forex and CFDs work this way: your broker or a liquidity provider quotes you a price. There is no official volume and no official single price, and counterparty risk sits with the firm you signed up with. This is why a forex broker's regulator matters far more than its marketing.

Key idea

Exchange means one public order book with central clearing. OTC means many private quotes and counterparty risk. This single difference explains most of the cost and transparency gaps in Chapter 5.

1.3 Liquidity - the word you will hear forever

Liquidity is how easily you can buy or sell meaningful size without moving the price. High liquidity means tight spreads, instant fills and low slippage; low liquidity means wide spreads, poor fills and sudden gaps. Nifty and NQ futures are extremely liquid; a small-cap stock at mid-morning may not be.

Where liquidity is thin, you will not get the entry you planned. Slippage erodes an account quietly, one trade at a time.

1.4 Long and short, in one line each

- **Long:** you buy first, hoping to sell higher. You profit when price rises.
- **Short:** you sell first (borrowed or contract-based), hoping to buy back lower. You profit when price falls.
- In **futures and forex, shorting is symmetric** - no extra cost, no borrowing. In Indian cash equity, intraday shorting is allowed but a naked short cannot be carried overnight.

Self-check

Why can price move fast even when there is no news? If your answer does not mention orders, re-read this chapter.

CHAPTER 2

The Indian Market (NSE / BSE)

Your home market. Rupee-denominated, SEBI-regulated, IST timings.

India has two main exchanges - the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) - regulated by SEBI (Securities and Exchange Board of India). Commodities trade mainly on MCX. Everything settles in rupees, through a SEBI-registered broker, into a demat account linked to your PAN and bank.

2.1 The segments

Segment	What you trade	Typical beginner relevance
Cash / Equity	Shares of listed companies. Delivery (own it) or intraday (square off same day).	Best starting point. No expiry, no leverage pressure.
Equity F&O	Futures and options on indices (Nifty, Bank Nifty, etc.) and on individual stocks. Contracts expire.	Powerful but leveraged. Most beginner losses happen here, especially in options.
Currency derivatives	Exchange-traded futures/options on USD-INR, EUR-INR, GBP-INR, JPY-INR.	This is the legal, exchange-traded way an Indian resident accesses currency trading.
Commodity (MCX)	Gold, silver, crude oil, natural gas, base metals.	Trades late into the night, follows global markets.

2.2 Timings (IST)

Session	Time (IST)	Notes
Pre-open	09:00 - 09:15	Order collection and equilibrium price discovery for equities.
Normal market	09:15 - 15:30	The main session for equity and equity F&O.
Post-close	15:40 - 16:00	Closing price orders.
Currency derivatives	09:00 - 17:00	Longer than the equity session.
Commodity (MCX)	09:00 - 23:30 / 23:55	Evening session tracks US markets; exact close depends on US daylight saving.

2.3 Indices you must know

- **Nifty 50** - 50 large companies across sectors. The benchmark of the Indian market.
- **Bank Nifty** - the banking heavyweights. More volatile than Nifty, so beginners get attracted and get hurt.
- **Fin Nifty, Midcap Nifty, Nifty Next 50, Sensex (BSE, 30 stocks)** - other commonly traded benchmarks.

2.4 Contracts and expiry

An index future is a contract to buy or sell the index at a future date. You do not buy one unit - you buy one **lot** (a fixed quantity fixed by the exchange). Lot size multiplied by index level gives the **contract value**, and your margin is a percentage of that. Index futures and options have weekly and monthly expiries; on expiry the contract is settled in cash and disappears.

Verify before you trade

SEBI and the exchanges have revised lot sizes, weekly expiry days and index eligibility several times in recent years. Never take a lot size, expiry day or margin figure from any PDF - including this one - as current. Open the NSE contract specification page or your broker's margin calculator and check today's number.

2.5 What it actually costs

Indian trading costs are not just brokerage. The full stack is: brokerage + STT (Securities Transaction Tax) + exchange transaction charges + SEBI turnover fee + stamp duty + GST on (brokerage + charges). For intraday and F&O these charges are small per trade but very large across hundreds of trades. Profits are taxed as business income or capital gains depending on how you trade - a CA's input is worth the fee.

Assuming the charges are negligible is a beginner's mistake. Their true weight only becomes visible after a few hundred trades.

2.6 Honest strengths and weaknesses

Strengths	Weaknesses
Rupee in, rupee out - no currency conversion, no LRS complication.	Only about 6 hours 15 minutes of trading a day, which does not suit everyone's job.
Fully SEBI-regulated, investor grievance mechanism exists.	Weekly options have created a fast-money culture; regulator data has repeatedly shown the large majority of retail F&O traders lose money.
Deep learning material in Tamil, Hindi and English; brokers are cheap and reliable.	Frequent rule changes (lot size, expiry day, margins) force you to keep re-checking.
You can start with delivery investing at very small capital.	Individual stocks can gap on news overnight with no way to exit.

Self-check

Name the four charges apart from brokerage that you pay on an Indian F&O trade. Then open your broker's charge calculator and see the real number for a 1-lot trade.

CHAPTER 3

The Forex Market

The biggest market on earth - and the one with the most noise around it.

Forex (FX) is the exchange of one currency for another. It is an OTC market running roughly 24 hours a day, five days a week, dominated by banks, corporates and funds. Retail traders access it through brokers who either pass orders to liquidity providers or take the other side themselves.

3.1 Pairs, pips and lots

Term	Meaning	Example
Pair	Base currency vs quote currency. Buying EUR/USD = buying euro, selling dollar.	EUR/USD, GBP/USD, USD/JPY
Majors	Pairs involving USD and a major economy. Tightest spreads, deepest liquidity.	EUR/USD, USD/JPY, GBP/USD, USD/CHF
Crosses	No USD leg. Wider spreads, different behaviour.	EUR/GBP, AUD/JPY
Pip	The standard smallest price step - 0.0001 for most pairs, 0.01 for JPY pairs.	1.0850 to 1.0851 = 1 pip
Lot	Position size. Standard = 100,000 units, mini = 10,000, micro = 1,000.	1 standard lot EUR/USD ~ $10 per pip
Spread	Buy price minus sell price. Your instant, built-in cost on every trade.	0.1 - 1.5 pips on majors
Swap / rollover	Interest credited or debited for holding overnight.	Can be positive or negative

3.2 The 24-hour clock, in IST

Forex is a relay race between financial centres. Volatility is not evenly spread - the overlaps matter most. Times below shift by one hour when Europe or the US changes daylight saving, so re-check twice a year.

Session	Approx IST window	Character
Sydney / Asia open	03:30 - 06:30	Thin, ranging. Beginners should avoid.
Tokyo	05:30 - 14:30	JPY and AUD pairs get active.
London	12:30 - 21:30	The largest volume session. Big moves start here.
London-New York overlap	18:30 - 21:30	Highest liquidity and volatility of the day.
New York	18:30 - 02:30	US data releases; the afternoon drifts.

For someone trading from India, the London-New York overlap is the practical window: roughly 18:30 to 21:30 IST is where the real activity sits.

3.3 Regulation - the part most YouTube videos skip

In forex, your broker is your counterparty risk. A broker regulated by a strong authority (for example the FCA in the UK, ASIC in Australia, or the CFTC/NFA in the US) operates under client-money segregation and leverage caps. An unregulated offshore broker offering 1:1000 leverage and instant bonuses has no such obligation - and no realistic way for you to recover funds.

For Indian residents - important legal note

Under Indian law (FEMA and RBI rules), currency trading by a resident is permitted on recognised Indian exchanges in permitted currency pairs, through SEBI-registered brokers. Trading spot forex or CFDs with offshore/overseas online forex platforms, and remitting money abroad for that purpose, is not permitted - the RBI has repeatedly published cautionary lists of unauthorised electronic trading platforms. These rules do change. Before you send a single rupee anywhere, check the current RBI and SEBI position and, if there is any doubt, consult a qualified professional. This document is education, not legal or investment advice.

3.4 Honest strengths and weaknesses

Strengths	Weaknesses
Open 24 hours, 5 days - fits around a job or college.	OTC: no central volume data, price can differ slightly between brokers.
Enormous liquidity in majors; spreads on EUR/USD are among the tightest anywhere.	Heavily marketed to beginners with extreme leverage, bonuses and signal groups.
Tiny minimum size (micro lots) lets you risk very small amounts while learning.	Broker quality varies wildly; withdrawal problems are common with unregulated firms.
Clean macro logic - interest rates, inflation, central banks.	For an Indian resident, the legal route is exchange-traded currency derivatives, not offshore spot FX.

Self-check

What is a pip, and what does 1 pip cost you on a 0.01 lot EUR/USD position? Work it out before moving on.

CHAPTER 4

US Index Futures

Exchange-traded, transparent, and the market Operation NQ focuses on.

A futures contract is a standardised, exchange-traded agreement to buy or sell something at a set price on a set date. Index futures track a stock index. The world's most traded index futures live on the CME (Chicago Mercantile Exchange) and are cleared by CME Clearing, which stands between every buyer and seller.

4.1 The contracts a beginner should know

Contract	Tracks	Tick size	Tick value	Point value
ES (E-mini S&P 500)	S&P 500 index	0.25 pt	$12.50	$50
MES (Micro E-mini S&P)	S&P 500 index	0.25 pt	$1.25	$5
NQ (E-mini Nasdaq-100)	Nasdaq-100 index	0.25 pt	$5.00	$20
MNQ (Micro E-mini Nasdaq)	Nasdaq-100 index	0.25 pt	$0.50	$2
YM / MYM (Dow)	Dow Jones 30	1 pt	$5.00 / $0.50	$5 / $0.50
RTY / M2K (Russell)	Russell 2000	0.10 pt	$5.00 / $0.50	$50 / $5

The micro contracts (MNQ, MES) are one-tenth the size of the minis. That single fact is why futures became realistic for small accounts: on MNQ a 10-point move is $20, not $200.

For a beginner, MNQ is the correct starting contract. On NQ, a small mistake produces ten times the damage for the same error.

4.2 Timings in IST

Session	US Eastern	IST (US daylight saving, Mar-Nov)	IST (US winter, Nov-Mar)
Globex open (Sunday)	18:00 ET	03:30 IST Mon	04:30 IST Mon
Asia / Europe hours	20:00 - 03:00 ET	05:30 - 12:30	06:30 - 13:30
London session	03:00 - 08:00 ET	12:30 - 17:30	13:30 - 18:30
NY cash open	09:30 ET	19:00 IST	20:00 IST
NY cash close	16:00 ET	01:30 IST	02:30 IST
Daily maintenance halt	17:00 - 18:00 ET	02:30 - 03:30	03:30 - 04:30

Why this matters for an Indian trader

The highest-quality futures move of the day - the New York open - lands at about 7:00 PM IST. That is after the Indian market has closed and after most people finish work. For a trader with a day job, this is the single biggest practical advantage of US futures over Indian equities.

4.3 Margin, leverage and the number that ruins accounts

- **Initial margin** - what the exchange requires to open one contract overnight. Set by the exchange and changed when volatility changes.
- **Maintenance margin** - the level your account must stay above, or you get a margin call.

- **Day-trading margin** - a much smaller number offered by brokers for intraday-only positions. This is broker policy, not exchange policy, and it is where over-leverage begins.
- **The real lesson:** margin tells you what you are *allowed* to trade. Risk management tells you what you *should* trade. They are not the same number, and the gap between them is where most accounts die.

4.4 Contract months and rollover

Index futures expire quarterly - March (H), June (M), September (U) and December (Z). So MNQU26 means the Micro Nasdaq September 2026 contract. About a week before expiry, volume shifts to the next contract; this is the **roll**. If you are still charting the old contract after the roll, you are looking at a dying, illiquid market. Always trade the front month with the highest volume.

4.5 Prop firms - understand what you are buying

Funded-account or prop-firm programs let you pay a fee, pass an evaluation with rules (profit target, maximum drawdown, daily loss limit), and then trade a simulated or live account for a profit split. They are a real route to trading larger size without large capital. They are also a business that earns from evaluation fees, so most participants fail. Read the drawdown rules with more care than the marketing, and treat the fee as tuition, not as investment.

Cross-border reminder

Trading foreign markets from India involves RBI's Liberalised Remittance Scheme and its restrictions on remittances for margin and derivative trading abroad. Permissions and interpretations have changed over time. Verify the current position with your bank, the RBI's circulars, and a qualified professional before funding any overseas trading account.

Self-check

If MNQ moves from 21,000 to 21,050 and you are long 2 contracts, what is your profit in dollars? (Point value $2.)

CHAPTER 5

The Master Comparison

One table. Print this page and stick it on your wall.

Parameter	Indian Market (NSE/BSE)	Forex (spot / OTC)	US Index Futures (CME)
Structure	Exchange-traded, central order book	OTC, decentralised dealer network	Exchange-traded, central order book
Regulator	SEBI (India)	Depends on broker: FCA, ASIC, CFTC/NFA, or none	CFTC / NFA, cleared by CME Clearing
Hours (IST)	09:15 - 15:30 equity; longer for currency and MCX	Roughly 24x5, Mon early morning to Sat early morning	Nearly 23 hours a day, 5 days; NY open ~19:00 IST
Currency	INR	USD / quote currency	USD
Main instruments	Shares, index and stock F&O, currency derivatives, MCX commodities	Currency pairs; brokers may add CFDs on indices and metals	ES, NQ, YM, RTY and their micros; also energy, metals, ags
Smallest practical size	1 share (cash); 1 lot in F&O	0.01 lot (micro) - very small risk possible	1 micro contract (MNQ / MES)
Volume data	Real and centralised	No true central volume; broker feed only	Real and centralised - a genuine edge for order-flow study
Typical cost	Brokerage + STT + exchange + SEBI fee + stamp duty + GST	Spread, sometimes commission, plus overnight swap	Per-contract commission and exchange fees; no STT-type tax
Leverage	Regulated margins; intraday leverage capped by SEBI rules	Varies hugely; offshore firms advertise extreme leverage	High but standardised; exchange sets initial margin
Short selling	Intraday in cash; free in F&O	Fully symmetric	Fully symmetric
Expiry	Weekly and monthly in F&O; none in cash equity	None in spot FX	Quarterly (Mar, Jun, Sep, Dec) with rollover
Gap risk	High - overnight and weekend gaps on stocks	Weekend gaps on Monday open	Small intraday gaps; maintenance break each day
Best suited for	Investors and Indian-hours intraday traders	Night traders, macro-driven traders	Structured intraday traders who can trade evenings
Legal access from India	Direct and straightforward	Exchange-traded INR pairs are permitted; offshore spot FX is not	Requires overseas broker and compliance with RBI/LRS rules - verify first
Learning curve	Moderate	Moderate to hard (broker selection is half the battle)	Hard at first (contract specs, risk), then very clean
Biggest beginner trap	Weekly options lottery tickets	Unregulated broker plus 1:500 leverage	Trading NQ instead of MNQ with a small account

Note: every cost, margin and rule above is a structural description, not a live quote. Verify current numbers with the exchange and your broker.

CHAPTER 6

Cost, Capital And Leverage

What it realistically takes to start - and what each tick is worth.

6.1 What one point of movement costs you

This is the single most useful table in the whole document. Before you trade anything, you must be able to answer instantly: if this moves against me by X, how much money do I lose?

Instrument	One unit of movement	Money per unit	A 20-unit adverse move costs
MNQ (micro Nasdaq)	1 index point	$2	$40 (about Rs. 3,400)
NQ (mini Nasdaq)	1 index point	$20	$400 (about Rs. 34,000)
MES (micro S&P)	1 index point	$5	$100
ES (mini S&P)	1 index point	$50	$1,000
EUR/USD, 0.01 lot	1 pip	about $0.10	$2
EUR/USD, 1.00 lot	1 pip	about $10	$200
Nifty future, 1 lot	1 index point	Rs. 1 x lot size	20 x lot size in rupees

Rupee conversion above uses a rough rate for illustration only. Use the live rate when you size a real position.

6.2 Realistic starting capital

Path	Workable starting capital	Why
Indian delivery investing	Rs. 5,000 and upwards	No leverage, no expiry, no time pressure. The safest place to learn what a chart is.
Indian index F&O	Enough for the exchange margin plus a buffer of several times your maximum planned loss	Margin is the entry ticket, not the risk. Trading at bare margin is how accounts blow up.
Micro US futures (MNQ/MES)	Commonly $500 - $2,000 for a live micro account	One micro point is $2, so a 25-point stop risks $50. Sustainable only with a buffer.
Prop firm evaluation	The evaluation fee, treated as tuition	Cheap access to size, but the drawdown rules are strict and most attempts fail.

6.3 Leverage, explained without hype

Leverage does not increase your edge. It only increases the speed at which your edge or your mistake shows up in your account. A trader with a genuine edge and low leverage survives a losing streak. The same trader at high leverage does not survive it, and therefore never gets to collect on the edge.

Leverage does not make the profit bigger. It only compresses the time in which the outcome arrives - in both directions.

The only leverage rule you need as a beginner

Decide your loss in rupees or dollars FIRST. Then work backwards to the position size that produces that loss at your stop. Never start from 'how many lots can I afford?'

CHAPTER 7

Risk Management Basics

The only chapter that decides whether you are still here next year.

7.1 The 1% rule

Risk no more than 1% of your account on a single trade. At 1%, ten losses in a row costs you roughly 10% of capital - painful but fully recoverable. At 10% per trade, the same ten losses end your account. Nothing about your strategy changed; only the sizing did.

7.2 Position sizing formula

Formula

Position size = (Account x Risk %) / (Stop distance x Value per unit)

Worked example - MNQ. Account $2,000. Risk 1% = $20. Your setup needs a 30-point stop. MNQ point value is $2, so one contract risks 30 x $2 = $60. $20 / $60 = 0.33 contracts. You cannot trade a third of a contract - so the honest answer is: **this trade is too big for this account**. Either find a setup with a 12-point stop (12 x $2 = $24, close to your limit), or wait until the account is larger. This is the calculation beginners skip, and it is exactly the one that matters.

Worked example - forex. Account $2,000. Risk 1% = $20. Stop is 25 pips on EUR/USD. At 0.01 lot, 1 pip is about $0.10, so 25 pips is $2.50 per micro lot. $20 / $2.50 = 8 micro lots (0.08). Clean, and it fits.

7.3 Risk-to-reward and win rate together

Risk : Reward	Break-even win rate	Comfortable win rate
1 : 1	50%	Above 55%
1 : 2	33%	Above 40%
1 : 3	25%	Above 33%
1 : 5	17%	Above 25%

A 1:3 system that wins 4 times out of 10 is strongly profitable. A 1:1 system that wins 5 times out of 10 makes nothing after costs. Win rate alone means nothing - always read it together with R:R.

A high win rate does not by itself make a profitable trader. Always read it together with the risk-to-reward ratio.

7.4 The rules that cost nothing to follow

1. A stop loss goes in the moment the trade is opened. Not after. Not mentally.
2. Fix a daily loss limit - for example 2R. Hit it, platform closed, day over.
3. Maximum two or three quality setups per session. Boredom trading is not a strategy.
4. Journal every trade: screenshot, reason for entry, stop, target, outcome, and one line on whether you followed your plan. The outcome matters less than the discipline score.
5. Backtest and forward-test on a simulator until your process is boring, then go live small.
6. Never add to a losing position to 'average'. In leveraged products that is how a bad day becomes a final day.

Self-check

Your account is Rs. 50,000, you risk 1%, and your stop is 40 points on an instrument worth Rs. 25 per point. How many units can you trade?

CHAPTER 8

Which One Should A Beginner Choose?

A framework, so you decide - not a recommendation.

There is no universally best market. There is only the market that fits your capital, your available hours, your legal situation and your temperament. Work through these four filters honestly.

Filter 1 - Your available hours (IST)

If you are free...	Natural fit
09:15 - 15:30 on weekdays	Indian equity and index F&O
Evenings, 18:30 - 23:00	US index futures (NY open ~19:00 IST) or the London-NY FX overlap
Late night	MCX commodities, or the US afternoon session
Only weekends	No live trading. Study, backtest and journal instead.

Filter 2 - Your capital

- Under Rs. 25,000 - Indian delivery equity or simulator practice. Leveraged intraday at this size is a fee-generating machine, not a business.
- Rs. 25,000 - 1,00,000 - Indian index F&O with strict sizing, or micro futures on a simulator while you build the process.
- Above Rs. 1,00,000 - more options open up, but the sizing rules in Chapter 7 do not change.

Filter 3 - Legal and practical access

The Indian market is simply available to you. US futures require an overseas broker and compliance with RBI remittance rules. Offshore spot forex is not a permitted route for Indian residents. Sort this out before strategy, not after - a good edge on an inaccessible market is worth nothing.

Filter 4 - Your temperament

If this sounds like you...	Then...
You want to own businesses and think in years	Indian delivery investing. Do not force yourself into intraday.
You enjoy structure, repeatable session timing and clean data	US index futures. One instrument, one session, one playbook.
You are drawn to macro, central banks and 24-hour access	FX - via exchange-traded currency derivatives if you are an Indian resident.
You feel excitement when you see a 10x option screenshot	Stop. That feeling is the reason most beginners lose. Fix the mindset before the market.

The honest answer

Pick ONE market and ONE instrument for the next 12 months. Depth beats variety. A trader who knows one instrument's personality - how it opens, where it sweeps, how it behaves at news - will out-perform someone watching six markets badly.

CHAPTER 9

The Operation NQ Angle

Why we focus on the Nasdaq, and what we study.

Operation NQ teaches futures trading, built on an ICT (Inner Circle Trader) framework. Our focus instrument is the Nasdaq-100 future (NQ, and MNQ for smaller accounts). Here is the reasoning, so you can judge it rather than just accept it.

9.1 Why NQ

- **Timing fits Indian life.** The New York open lands around 7:00 PM IST - after work, after the Indian close.
- **Genuine volume data.** Exchange-traded, centrally cleared, one order book. What you see is what everyone sees.
- **Consistent personality.** NQ has repeatable behaviour around session opens and liquidity levels, which makes a rules-based playbook possible.
- **A partner instrument.** ES tracks the same economy with a different weighting, so comparing the two gives a correlation signal you cannot get from a single chart.
- **Micro sizing exists.** MNQ lets a student trade the real market at $2 a point while learning.

9.2 The core concepts we study

Concept	In one line
PO3 / AMD	Accumulation, Manipulation, Distribution - the three-phase shape a session often prints.
Liquidity	Clusters of stop orders above highs and below lows. Price is drawn toward them.
Sweep / stop run	Price briefly trades through a key high or low to trigger those stops, then reverses. Retail exits there; a prepared trader is watching for it.
CISD	Change in state of delivery - price closing back through the level that started the move, used as confirmation that intent has flipped.
FVG / IFVG	Fair value gap - an inefficient three-candle imbalance that price often revisits.
SMT divergence	NQ and ES disagreeing at an extreme (one makes a new high, the other does not) - a correlation warning.
Killzone	A specific time window where the highest-quality setups historically appear, rather than trading all day.
DOL	Draw on liquidity - the level price is most likely being delivered toward. Your target, not a guess.

9.3 The killzones in IST

Window (US Eastern)	IST (US daylight saving)	What we look for
09:30 - 10:00 ET	19:00 - 19:30	The cash open - manipulation and the first real displacement of the session.
10:00 - 11:00 ET	19:30 - 20:30	Continuation toward the draw on liquidity, or the reversal if the open failed.

There is no need to trade all day. One clean window and one clean setup is enough.

A necessary caution

No framework - ICT included - predicts the future. These are models for reading structure and managing risk, and they fail regularly. Anybody promising certainty, guaranteed returns, or a 90% win rate is selling you something. Our own tagline says it: we don't predict, we understand.

CHAPTER 10

Your 90-Day Study Roadmap

No live money for the first 60 days. That is the whole point.

Phase	Focus	Daily work	Checkpoint
Days 1-15 Foundation	Market mechanics, candlesticks, order types, reading a chart.	45 minutes theory + mark up one chart by hand.	Explain bid, ask, spread, market order and limit order to a friend without notes.
Days 16-30 Choose your market	Work through Chapter 8's four filters. Pick ONE instrument.	Watch your chosen instrument live for one hour at the same time every day.	Write one page on why you chose it - hours, capital, legality, temperament.
Days 31-45 Structure	Highs and lows, trend, support and resistance, liquidity, session opens.	Mark 3 charts a day. Screenshot everything.	You can identify the day's high, low and the levels price reacted to, before the move.
Days 46-60 Build a plan	One setup. Written entry, stop, target, session and size rule.	Backtest 20 historical examples of that one setup.	A one-page trading plan that a stranger could follow exactly.
Days 61-75 Simulator	Execute the plan on a demo or replay. No deviation.	3-5 trades per session, journaled with screenshots.	Discipline score above 90% - not profit. Following the plan is the metric.
Days 76-90 Go small	Smallest possible live size (1 micro / 0.01 lot / 1 lot minimum).	Maximum 2 trades per session. Journal daily.	Survived 15 sessions without breaking the daily loss limit.

What to do after day 90

- Review 90 days of journal. Find your three most common mistakes. Turn each into a written rule.
- Only increase size after 20 sessions of following your plan - never after a good week.
- Add a second setup only when the first one is boring and automatic.
- Get your taxation and compliance set up properly with a qualified professional before the amounts get serious.

Final word

Markets pay for patience and process, not for effort or intelligence. The trader who takes 2 clean setups a week and sizes them correctly will finish ahead of the one who takes 40 trades a week chasing every move. Slow is the shortcut.

Glossary

One line each. Come back to this page whenever a term trips you up.

Term	Meaning
Ask	The price at which you can buy right now.
Bid	The price at which you can sell right now.
Spread	Ask minus bid. Your instant cost of entry.
Slippage	The difference between the price you expected and the price you got.
Liquidity	How much size the market can absorb without moving price.
Volatility	How much price moves in a given period.
Lot	A standardised quantity. Fixed by the exchange (F&O, futures) or by convention (FX).
Tick	The smallest price increment an instrument can move.
Pip	The standard FX increment - 0.0001 for most pairs, 0.01 for JPY pairs.
Margin	Collateral required to hold a leveraged position.
Leverage	Controlling a large position with small capital. Amplifies both directions.
Long / Short	Buy first hoping to sell higher / sell first hoping to buy back lower.
Stop loss	A pre-set exit that caps your loss on a trade.
Take profit	A pre-set exit that books your gain.
R	One unit of risk. A 1:3 trade returns 3R.
Drawdown	The fall from a peak in your account equity.
Expiry	The date a derivative contract ceases to exist.
Rollover (futures)	Moving your position from the expiring contract to the next month.
Swap (FX)	Interest paid or received for holding a position overnight.
Contract value	Price multiplied by contract multiplier or lot size.
Front month	The nearest expiry contract, usually the most liquid.
OTC	Over the counter - traded through dealers, not a central exchange.
Clearing house	The entity that guarantees both sides of an exchange trade.
STT	Securities Transaction Tax, levied on Indian securities transactions.
SEBI	India's securities market regulator.
FEMA / LRS	Indian law and RBI scheme governing foreign exchange and outward remittance.
CME	Chicago Mercantile Exchange - home of ES, NQ and their micros.
Globex	CME's electronic trading platform, running nearly 24 hours.
RTH / ETH	Regular trading hours (US cash session) / extended hours.
Gap	A price jump between one session's close and the next session's open.
Order book / DOM	The live ladder of resting buy and sell orders.
Volume profile	Volume traded at each price level, rather than at each time.
PO3 / AMD	Accumulation, manipulation, distribution - a three-phase session model.
Sweep	A move through a high or low that triggers resting stop orders.

Term	Meaning
FVG	Fair value gap - a three-candle price imbalance.
CISD	Change in state of delivery - a close back through the level that began the move.
SMT divergence	Two correlated instruments disagreeing at a high or low.
DOL	Draw on liquidity - the level price is likely being delivered toward.
Killzone	A defined time window where high-quality setups cluster.
Backtest	Testing a rule set on historical data.
Forward test	Testing the same rules live on a simulator, in real time.
Prop firm	A company that funds traders who pass a rules-based evaluation.

Risk Disclaimer & Sources

This document is educational material produced by Operation NQ. It is not investment, legal, tax or financial advice, and it is not a recommendation to buy or sell any instrument.

- **Trading involves risk of loss.** Leveraged products such as futures, options and margin FX can produce losses that exceed your initial deposit. Regulatory studies in India have repeatedly found that a large majority of individual derivative traders lose money.
- **Numbers change.** Contract specifications, lot sizes, expiry schedules, margins, taxes and trading hours are set by exchanges and regulators and are revised periodically. Verify every figure in this document against the current official source before acting on it.
- **Cross-border rules matter.** Indian residents are subject to FEMA, RBI and SEBI rules on currency trading, overseas remittance and access to foreign markets. Check the current position and take qualified professional advice before funding any overseas account.
- **No guarantees.** No method described here predicts future prices. Past performance and historical patterns do not guarantee future results.
- **Do your own verification.** Primary sources worth bookmarking: nseindia.com, bseindia.com, sebi.gov.in, rbi.org.in, cmegroup.com, and your own broker's contract and charges pages.

OPERATION NQ

We Don't Predict, We Understand - Time x Price

YouTube: @OFX Futures | X: @fxopszone | Instagram: @operation.nq