CONVEXGATE

TRADE ONLY AFTER THE GATE OPENS

INTRADAY DERIVATIVES MARKET STRUCTURE VOLATILITY EDGE

THE CONVEXGATE FIELD GUIDE

The Setup Is Only the Start.

Market Structure, Execution & Risk

For trading peers. Built for a better process.

ILLUSTRATIVE CASES + PRACTICAL REVIEW TOOLS



Trade Only After the Gate Opens.

01 / HOW TO USE THIS GUIDE

A process you can compare.

Read the idea, test the conditions, and bring a concrete question to the conversation.

ConvexGate is a derivatives trading operation focused on intraday markets, trading systems, and precision execution. Its work includes market-structure analysis, systematic decision frameworks, volatility-aware planning, and risk management.

This guide is written for trading peers, researchers, and potential collaborators. Day traders, swing traders, and traders working within prop-program rules can compare the same core questions while keeping their own account and holding constraints explicit.

Choose your route

The gate, structure, entries and exits	03-06
Two liquidity traps: long and short	07-10
Instruments, payoff and separate loss examples	11-16
Trading horizons and account rules	17-18
Review, conversation and primary sources	19-20

Read the examples as illustrations.

Scenario concepts came from ConvexGate. Paths, levels and outcomes are synthetic, with no historical performance or expectancy established. Futures and options involve substantial risk. This is general information for peer discussion, not a trade recommendation.

Founded by an experienced derivatives trader based in Chicago. Publication: November 2026.

02 / THE OPERATING PHILOSOPHY

The gate is a decision.

Context, timing, and risk must align before capital is committed.

Not every market movement warrants participation.

A move can be visible without being ready to trade. The useful work is deciding which conditions support participation, which conditions call for waiting, and which changes require an exit.

CONTEXT

What supports the view?

Read the session, the reference levels, and the structure around the move.

TIMING

What makes it ready?

Separate the setup from the event that permits an entry or changes a hold.

RISK

What can change the plan?

Connect invalidation, size, execution and account constraints to the decision.

Three valid next actions

Participate	Wait	Exit
The stated entry conditions are present and the exposure fits the plan.	The idea is interesting, but the required evidence is missing.	The holding conditions or invalidation have changed.

The goal of a peer review is to make the reasoning visible. A clear decision can be reviewed even when the later market outcome is uncertain.

03 / THE READ

Read structure before direction.

Separate what price did from the meaning you assign to it.

Observation	Interpretation	Decision condition
A morning selloff begins to rebound.	A V-shaped recovery toward the prior price may be possible.	Define the entry trigger and what would end the recovery hold.
An advance has traveled a long way.	The move feels extended.	Require a stated reversal condition before treating extension as an entry.
A recovery breaks its higher low.	The reason to keep holding may be weakening.	Check the predefined break-and-failed-reclaim rule.

Name the reference before reviewing the outcome

A pivot, prior high, recovery higher low, or session reference is useful only when its meaning is specific enough to compare. State the observation window and the event that would confirm or invalidate the interpretation.

> ### A chart can show a level. An order location can remain an inference.
>
> The short-trap illustration marks a potential buy-stop zone above a high. That label is a hypothesis. Verifying actual stops, executions, or participant intent needs additional evidence.

Peer question: Which part of the view could another trader independently observe, and which part depends on your interpretation?

04 / THE COMMITMENT

Give the idea an entry condition.

A setup earns attention. A trigger defines the next decision.

Before entry	Make it explicit
Context	What session condition or structure supports the view?
Trigger	What observable event permits participation?
Invalidation	Where, or under what condition, does the trade thesis fail?
Exposure	How do size, execution uncertainty and account limits fit that boundary?

A constructive decision can be a pass.

In the short example, price looks extended but rising structure still holds. The reversal condition is absent. Recording a deliberate pass is a complete process decision; it does not need a later favorable outcome to justify it.

For a usable plan, a logical invalidation and the account loss allowance need to be considered together. The calculator later in this guide isolates the arithmetic. It does not discover a suitable market level for you. [3]

Write before committing: "I will consider this entry when the stated condition appears. If it does not appear, I will keep the idea uncommitted."

05 / THE HOLDING DECISION

The exit starts before entry.

A target, a loss invalidation, and a structural profit exit answer different questions.

Reference	Question it answers	Example role
Profit target	Where is the intended favorable destination?	The price before the morning selloff.
Loss invalidation	What ends the original trade thesis if it is wrong?	A defined protective boundary with execution assumptions.
Holding / profit exit	What changes the decision to remain in an open trade?	A recovery higher low breaks and cannot be reclaimed.

A target can remain untraded while the holding case changes. In the long review, the candidate structural exit is drawn above entry. That makes profit realization a defined response in the illustration, with no guarantee of the actual fill.

The execution instruction matters.

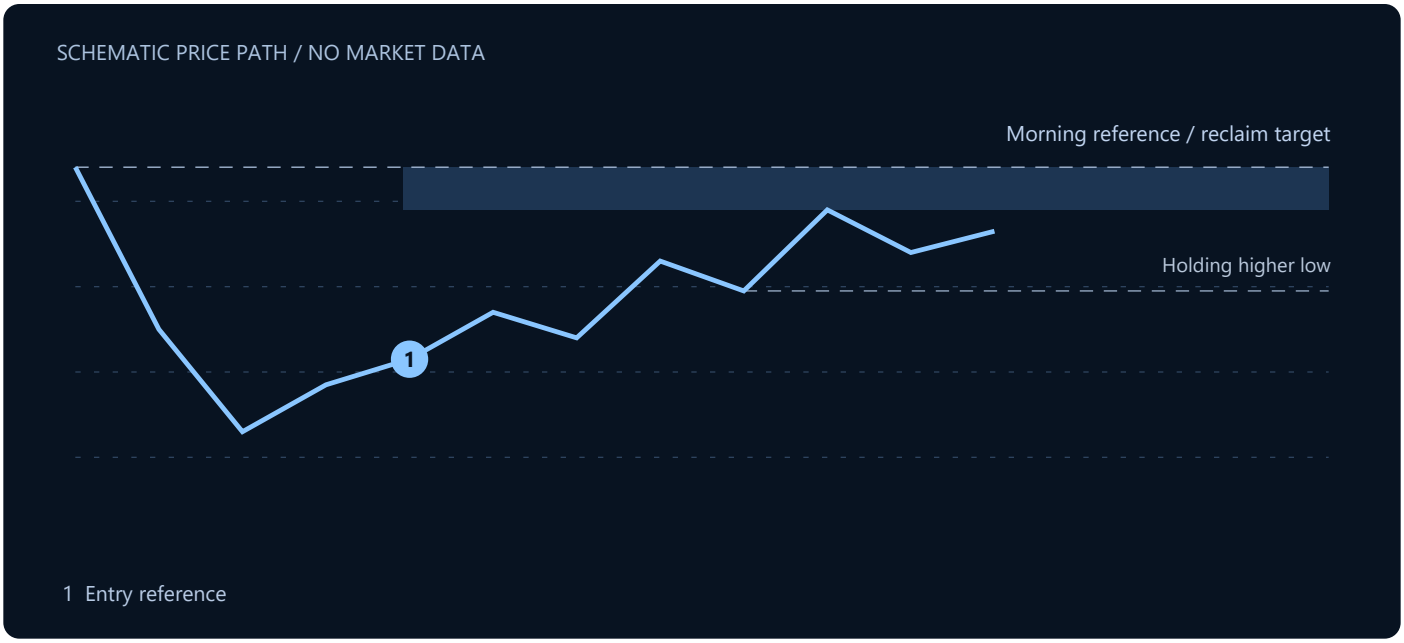
Translate the condition into an order and a contingency for a different fill. A limit constrains price but can remain unfilled. A stop-limit or stop-with-protection has its own execution conditions. The drawn reference is not a guaranteed transaction price. [1, 2]

With one futures contract, closing the remaining position means closing that contract in full. Scaling out requires more than one contract. [2]

06 / LONG TRAP - THE SETUP

The unfinished V-recovery.

A morning selloff rebounds. The intended full reclaim remains open.



V-gap, as used here: the unfinished part of a potential V-shaped recovery toward the price before the morning selloff. That chosen price is the setup's fair-value reclaim reference. A return to it remains a hypothesis.

Why the long attracts attention

The rebound reclaims an initial local pivot. In the illustration, that event supports considering the long while a separate loss invalidation is defined.

What starts to change

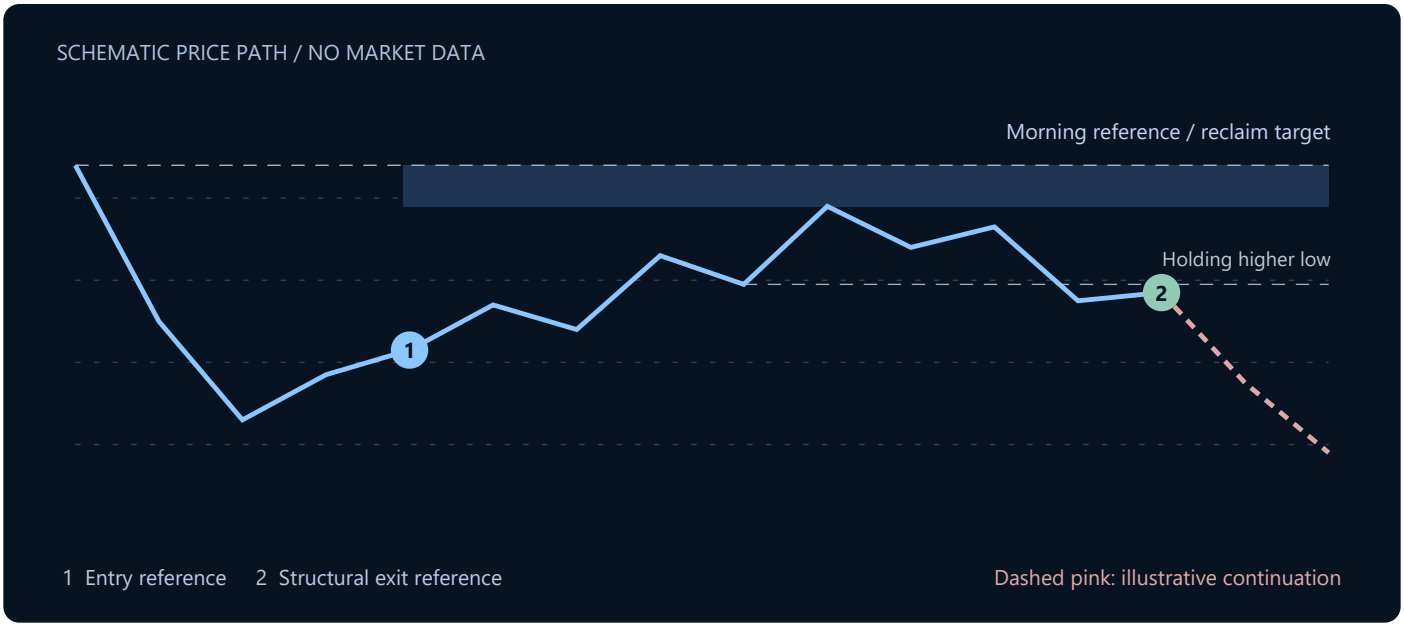
The recovery stalls below the morning reference and forms a lower high. Open profit appears, but the full reclaim has not traded.

The chart is schematic. No instrument, position size, market timestamp or dollar return is assigned to this path.

07 / LONG TRAP - THE RESPONSE

When holding stops making sense.

The reference target stays open. The recovery structure fails.



Evidence at the decision	Candidate process response
The recovery higher low breaks. The next attempt fails to reclaim it. The drawn exit reference remains above the assumed entry.	Close the remaining long at an executable price under the predefined rule. Treat the actual fill as uncertain.

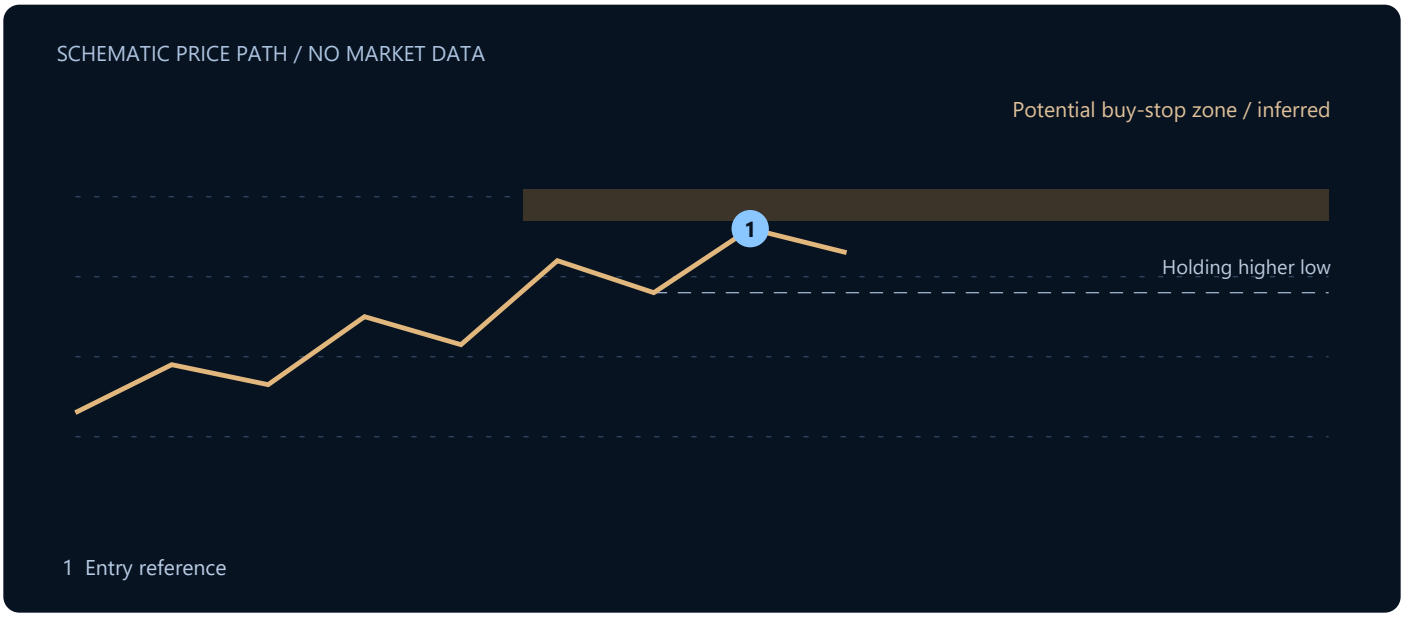
Process followed: the structural condition changes the action while the trade still shows open profit in the drawing. **Process missing:** the trader keeps waiting for the full V-recovery after the reason to hold has failed.

Dashed continuation: a synthetic lower expansion, shown for discussion. It is not evidence that this exit rule has positive expectancy. The loss examples on pages 14-16 are separate models.

08 / SHORT TRAP - THE SETUP

It looked extended. The structure was still rising.

Distance already traveled became the entry reason.



The illustrative short is entered near the highs without a completed reversal condition. The pullback then holds above the last higher low. The structure has not supplied the break-and-failed-reclaim event that the review asks for.

The constructive alternative is to wait.

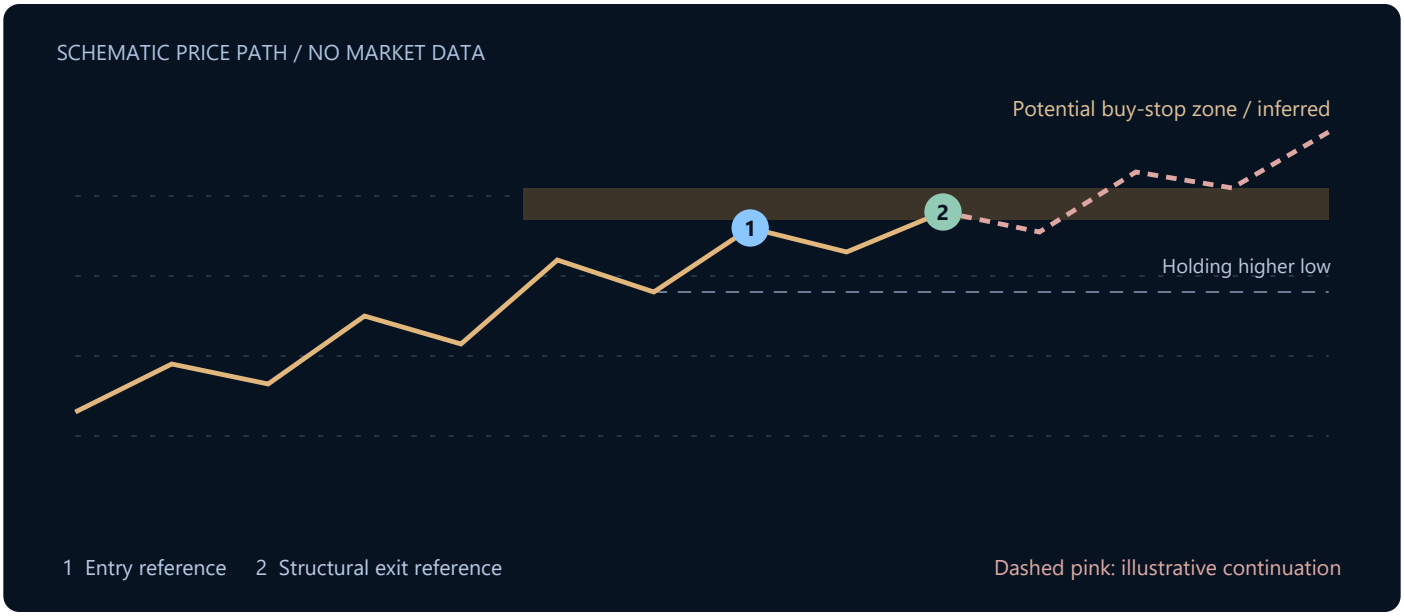
Define what would establish the reversal condition. While that evidence is absent, the idea can remain untraded. A deliberate pass can be judged against the plan without knowing the next price movement.

The potential stop zone is an inference. The chart does not reveal actual stop orders or prove why a market participant acted.

09 / SHORT TRAP - THE RESPONSE

Define invalidation before pressure.

If entered at all, the short needs an explicit boundary and an executable response.



In the example, a new high trades through the nearby invalidation above the prior high. The candidate process calls for covering the short rather than repeatedly moving the exit farther away.

Nearby needs a reason

Choose a structural thesis boundary and fit size to its distance. An arbitrary close stop can be crossed by ordinary movement. The fill can differ. [1, 3]

Stop flow is a hypothesis

Triggered short-covering buy instructions may add buying against available offers, depending on order type and conditions. The path alone does not verify that flow. [1]

Dashed continuation: a schematic further advance. Neither actual stop locations nor a guaranteed small loss is established.

10 / THE OPERATING FOCUS - 2 + 2

Related exposure. Different mechanics.

ConvexGate focuses on NQ and ES futures, and QQQ and SPY 0DTE options.

Family	Futures lens	ETF-options lens
Nasdaq-100	NQ: $20 per index point per contract.	QQQ: options on the Nasdaq-100-tracking ETF.
S&P 500	ES: $50 per index point per contract.	SPY: options on the S&P 500-tracking ETF.

What the relationship does not solve

Related market exposure does not make the instruments interchangeable. Contract multiplier, premium, expiry, liquidity, and lifecycle mechanics change how a view becomes a position.

Compare the decision and the vehicle.

A structure thesis can be discussed separately from the contract used to express it. Then examine how that vehicle changes the exit assumptions, time sensitivity, and dollar exposure.

Contract and ETF-option mechanics: CME and OCC. [4, 5] These instruments are not added into a combined portfolio in the guide's numerical examples.

11 / FUTURES

Points move. Dollars follow.

For one contract, price-based P/L equals points moved x dollars per point, before costs. [4]



Blue solid: long. Amber dashed: short. Vertical scale: profit/loss in dollars. Horizontal scale: points moved from entry.

Example move	Long result	Short result	Minimum outright tick
NQ: +20 points	+$400	-$400	0.25 point / $5
ES: +10 points	+$500	-$500	0.25 point / $12.50

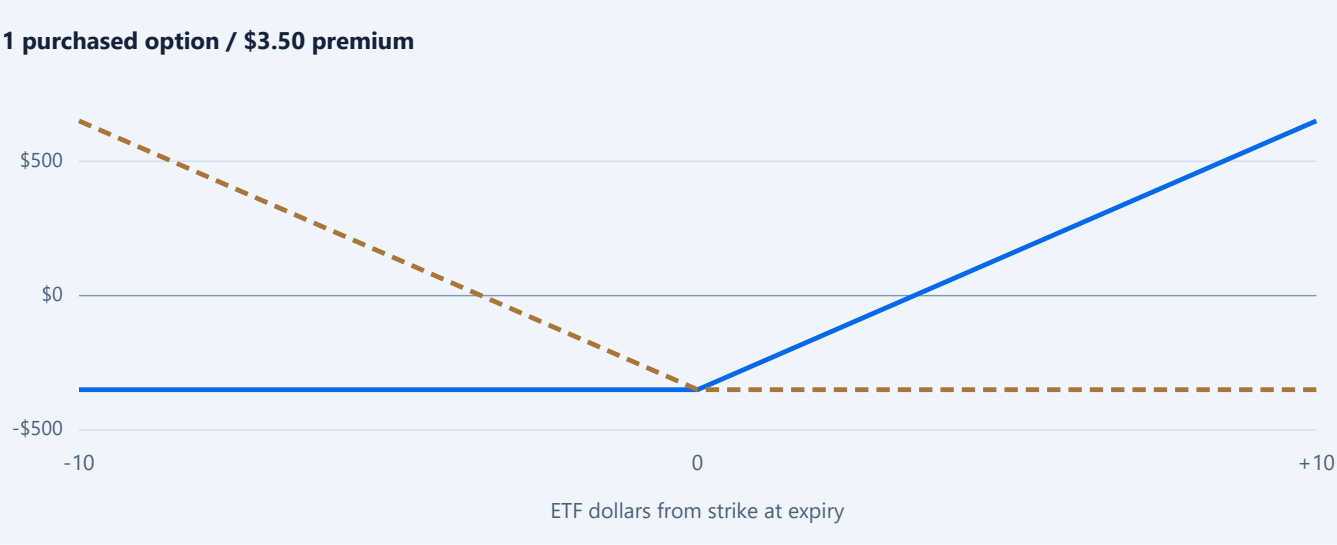
A rise helps the long side; a fall helps the short side. Size multiplies the result. Margin supports the position and does not establish a maximum loss. The plotted range is a display choice, not a risk cap.

The diagrams are selected-exit price-loss models. Fees, spread, slippage, financing and margin cash-flow effects are excluded. Contract sources: CME. [4]

12 / QQQ & SPY 0DTE

Direction is only part of it.

A standard ETF option represents 100 shares. A $3.50 premium costs $350 per contract before fees. [5]



Purchased call: right to buy. Purchased put: right to sell. Blue: call; amber dashed: put. Vertical: profit/loss ($); horizontal: ETF dollars from strike. Expiry model, not an intraday premium forecast.

At expiry, $5 above strike gives a call $500 of intrinsic value: subtract the $350 premium for +$150 before costs. At $5 below strike, the put has the same illustrated result. At the strike, either purchased option loses the $350 premium in this model.

Sensitivity	Plain-language question
Delta / Gamma	How does the underlying move affect value, and how does that sensitivity change?
Theta / Vega	What changes as time passes or implied volatility changes?

0DTE expires that trading day. Pre-expiry results also depend on time and volatility. Purchased options can lose their premium; exercise can create a share position with further funding and market exposure. Exercise/assignment are excluded from the curve. [5, 6, 7]

13 / THE LOSS PLAN

One trade. Its own loss plan.

Every row below independently starts with $100,000 of equity and a $2,500 / 2.5% planned loss before costs.

Independent example	Size	Planned price-loss arithmetic
NQ future	1 contract	125 adverse points x $20 = $2,500
ES future	1 contract	50 adverse points x $50 = $2,500
QQQ purchased option	10 contracts	($3.50 entry - $1.00 planned exit) x 100 x 10 = $2,500
SPY purchased option	10 contracts	Same illustrative premium-loss calculation, in its own separate example.

Four examples. Never added together.

Long/short or call/put are separate alternatives. These are selected price-loss illustrations, not a combined basket, a suitable allocation, or a guaranteed maximum loss.

The table solves a budget-derived distance to show the arithmetic. An actual plan also needs a market-based invalidation and sizing that fits both that distance and the available account loss room. [3]

The $100,000 is standalone equity. It is not a prop-program account label or its rule-defined loss allowance. Fees and other costs can increase the net loss beyond the amounts shown.

14 / TWO INDEPENDENT FUTURES EXAMPLES

From plan to delayed fill.

One contract per example. Entries are assumed exact; targets are not reached. All exits and outcomes are modeled, before costs.

NQ / 125 planned adverse points

Separate direction	Entry	Planned loss exit	Profit target	Modeled closing fill	Modeled loss
Long	28,790.25	28,665.25	29,040.25	28,415.25	$7,500
Short	28,790.25	28,915.25	28,540.25	29,165.25	$7,500

ES / 50 planned adverse points

Separate direction	Entry	Planned loss exit	Profit target	Modeled closing fill	Modeled loss
Long	7,647.50	7,597.50	7,747.50	7,497.50	$7,500
Short	7,647.50	7,697.50	7,547.50	7,797.50	$7,500

$7,500 loss. $92,500 equity remaining.

Each independent futures example loses 7.5% of starting equity at the default 3x exit distance: $5,000 beyond its $2,500 plan. These rows are alternatives.

Cause in this fictional loss case: the protective exit stayed in notes, no working order was submitted, and the closing decision was delayed. A submitted order would not guarantee the planned fill. These numbers are separate from the structure diagrams. [1]

15 / TWO INDEPENDENT OPTIONS EXAMPLES

The premium left at risk.

For each separate QQQ or SPY alternative: 10 purchased 0DTE contracts, $3.50 entry premium, $1.00 intended exit, and $8.50 target not reached.

Separate alternative	Strike	Assumed ETF price at expiry	Final outcome	Exit status
QQQ call	700	690	Expired OTM, unexercised	$0 value; no closing sale
QQQ put	700	710	Expired OTM, unexercised	$0 value; no closing sale
SPY call	760	750	Expired OTM, unexercised	$0 value; no closing sale
SPY put	760	770	Expired OTM, unexercised	$0 value; no closing sale

One example, one reconciliation

Planned loss: ($3.50 - $1.00) x 100 x 10 = **$2,500**.
Full premium paid and lost: $3.50 x 100 x 10 = **$3,500**.
Equity remaining: $100,000 - $3,500 = **$96,500**.

Waiting changed the outcome.

The intended exit was crossed and closing was deferred. Unexercised expiry loses the full premium: $1,000 beyond plan, before costs. Size is unchanged.

OTM means out of the money. Equal call/put premiums simplify the comparison. No exercise is assumed; actual ETF-option exercise can create share exposure. [5]

16 / YOUR HOLDING HORIZON

Different horizons. Familiar decisions.

ConvexGate's operating focus is intraday. Day and swing traders can compare process questions while keeping different holding assumptions.

WITHIN THE SESSION

Day traders

Readiness

What makes the entry ready now, rather than merely interesting?

Participation

When does a useful sequence turn into repeated attempts without new evidence?

Execution

How will an intended exit become an order as conditions change?

ACROSS SESSIONS

Swing traders

Thesis

What evidence would change the view while the position needs more time?

Events and carry

What can change during an event or while the position is held overnight?

Holding conditions

How do the longer horizon and contract lifecycle change the exit assumptions?

Compare the same decision, not identical assumptions.

Observation, trigger, invalidation and execution can be discussed across horizons. The holding window, event exposure and account constraints still need to be named separately.

17 / PROP EVALUATION & FUNDED-ACCOUNT TRADERS

After a setback. Before the next trade.

A blown account or lost evaluation can make the next attempt feel urgent. Review the sequence before the final loss.

Review the pressure	Ask before the next decision
The target took over.	Did the account goal begin driving participation or size?
The loss room was smaller.	How is remaining headroom measured for this exact program and stage?
One more trade felt necessary.	What condition calls for pausing or reassessing?
The rules were assumed.	What do current terms say about resets, floating P/L, holding and news?

The account label is not the loss room.

Hypothetical example: a program displays a $100,000 account label but leaves $1,500 of usable loss headroom. A $2,500 planned loss would exceed that room even before fees. The equity examples in this guide do not establish a prop-account allowance.

Provider rules and account stages differ. Review the current rulebook for your exact account, including what is measured and when the measurement changes. [8]

The $1,500 is hypothetical headroom, not a quoted program limit. Provider references on page 20 are examples for further reading and do not imply affiliation.

18 / A PRACTICAL TAKEAWAY

Make the next review useful.

Start from an example, then edit the reasoning into your own observation and question.

1 / IDEA + CONTEXT

Example: a morning selloff begins to rebound toward the pre-selloff reference. The potential reclaim is a hypothesis.

2 / THE INTENDED TRADE

Example: define the entry trigger, target, loss invalidation and the condition that changes the holding decision. Name size and execution assumptions separately.

3 / WHAT CHANGED

Example: the recovery forms a lower high, breaks its holding reference and fails to reclaim it. Separate that evidence from the later continuation.

4 / THE NEXT ASSUMPTION TO TEST

Example: was the structural exit condition stated before the event? How would it be executed, and what if the fill differed?

Use the editable online review.

Choose the long trap, short trap, or selected dollar example. Edit, copy, download, print, or place it in a message when you choose. Loading a starter does not send an email.

Open the review at convexgate.com/process.html

19 / CONTINUE THE CONVERSATION

Bring a question. Compare the process.

A market-structure question, execution assumption, or research idea is a useful place to start.

Share your market or holding horizon, the observation, the decision you are examining, and the assumption you want to test. A clear disagreement about definitions or evidence can make the next review more useful.

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Primary sources and further reading

[1] CME - Futures order types

[2] CME - Closing a position

[3] CME - Position sizing

[4] CME - Equity-index multipliers and price

[5] OCC - Standard ETF-option contract mechanics

[6] OIC - Options basics and model sensitivities

[7] Cboe - 0DTE resources

[8] Program rules - Topstep maximum-loss example

Also: [4] NQ specifications | [6] OIC Greek definitions | [8] FTMO objectives. Sources reviewed November 2026; specifications and program terms can change.

The guide combines ConvexGate-supplied concepts with synthetic illustrations and general mechanics. It supplies no validated expectancy, historical performance, suitability assessment or guaranteed fills. Review current contract, broker and account terms.