PROP DESK · BEGINNER CHEAT SHEET

Day trading terms: 25 words

Futures and prop firm terms in one plain sentence each. Contract values from CME Group, checked Nov 12, 2026.

Term	What it means
Contract	One unit of a futures market. You buy or sell whole contracts.
Tick	The smallest price move a contract can make. On MNQ and MES it is 0.25 index points.
Tick value	What one tick is worth per contract: $0.50 on MNQ, $1.25 on MES (CME Group).
Point	One full index point. On MNQ and MES a point is 4 ticks: $2 on MNQ, $5 on MES.
Micro contract	A contract one tenth the size of its full-size pair. 10 MES move like 1 ES.
E-mini	The full-size index contracts most traders mean by "the minis": ES, NQ, YM and RTY.
Margin	Money the broker holds while a trade is open. It is the minimum to open a trade, not what you can lose.
Long	You bought, and you make money if price goes up.
Short	You sold first, and you make money if price goes down.
Market order	Buy or sell now at the best price available. Fast, but the price can slip.
Limit order	Buy or sell only at your price or better. You may not get filled.
Stop order	An order that becomes a market order when price reaches your level. Used to cap a loss.
Bracket order	An entry sent with a stop loss and a profit target attached, so both are set at once.
Slippage	The gap between the price you wanted and the price you got. Worst around news.
Position size	How many contracts you trade, set from your stop and the dollars you are willing to lose.
R multiple	Your result divided by the risk you planned. Risk $40 and make $80: that is +2R.
Paper trading	Practice trading with fake money in a simulator. No real money at risk.
Evaluation	The paid test at a prop firm: hit a profit target in a simulated account without breaking the rules.
Profit target	The profit you need to pass an evaluation, often 6% to 10% of the account (about $3,000 on a 50K).
Drawdown	The most your account may fall before it is closed. A static drawdown never moves.
Trailing drawdown	A loss line that follows your balance up as you make money, including open profit during a trade.
End-of-day trailing drawdown	A trailing loss line that only moves once a day, from your closing balance.
Daily loss limit	The most you may lose in one day. Hit it and you are done until the next session.
Consistency rule	A cap on how much of your total profit can come from one day, for example 40% or 50%.
Payout	A withdrawal of your share of profit from a funded account, under the firm's minimums and schedule.