**Roadmap to Master Stock Market Risk Management (Beginner to Advanced)**

**💡 Beginner Level: Understanding Basics of Risk**

**1. What is Risk in Stock Market?**

* Definition of risk
* Why risk exists in investing
* Difference between risk and uncertainty

**2. Types of Risk**

* Systematic Risk (market risk)
* Unsystematic Risk (company-specific)
* Inflation Risk
* Interest Rate Risk
* Liquidity Risk
* Credit Risk

**3. Risk vs Reward**

* Basic risk-reward tradeoff
* Real-life examples of high risk-high reward vs low risk-low reward

**4. Volatility and Risk**

* Understanding volatility
* Why volatility is not always bad

**5. Introduction to Diversification**

* What is diversification
* Benefits of spreading investments
* Example of diversified vs non-diversified portfolios

**6. Basic Ratios to Measure Risk**

* Beta
* Standard Deviation
* Sharpe Ratio (basic intro)

**🔢 Intermediate Level: Managing and Reducing Risk**

**7. Risk Profiling and Investor Psychology**

* Assessing your risk appetite
* Emotional aspects of investing (fear, greed)
* Time horizon and risk

**8. Portfolio Diversification in Detail**

* Diversification across sectors, industries, asset classes
* International diversification
* Correlation between assets

**9. Asset Allocation Strategies**

* Strategic vs Tactical allocation
* Aggressive vs Conservative models
* Rebalancing portfolio

**10. Position Sizing**

* How much to invest per stock
* Fixed vs variable position sizing
* Risk per trade concept

**11. Stop Loss and Risk Control Tools**

* What is stop loss
* How to set stop losses effectively
* Trailing stop loss

**12. Risk-Adjusted Return Metrics**

* Sharpe Ratio
* Sortino Ratio
* Treynor Ratio

**🔬 Advanced Level: Professional Risk Management Techniques**

**13. Hedging Techniques**

* What is hedging
* Using derivatives (options/futures) for hedging
* Short selling as a hedge

**14. Understanding Market Cycles and Macro Risk**

* Business cycle phases
* Impact of macro indicators (GDP, inflation, interest rates)
* Market timing and risk

**15. Tail Risk and Black Swan Events**

* What is tail risk
* Black Swan theory
* Preparing for extreme market crashes

**16. Value at Risk (VaR) & Stress Testing**

* Introduction to VaR (conceptual)
* Basic stress testing for portfolio

**17. Risk Management for Traders vs Investors**

* Difference in approach
* Daily risk control for traders
* Long-term planning for investors

**18. Building a Risk Management System**

* Setting investment rules
* Journaling and performance tracking
* Continuous learning and monitoring

**🔄 Bonus: Tools and Resources**

* Risk calculators and simulators (online tools)
* Books: "Against the Gods", "The Black Swan", "Thinking Fast and Slow"
* Software: Excel, TradingView, Zerodha Console