The Trading Psychology Playbook

Learn The Psychology Secrets You Can Use To Hijack Your Mind To Skyrocket Your Profits

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The Invisible 'Trading Killer' No-One Ever Tells You About

There's something patiently waiting for you in the market whilst you read this.

Sitting…

Waiting…

Biding its time to destroy your trading account!

This silent 'trading killer' has hurt almost EVERY trader I know.

And there's nothing you can do to escape it.

Does this mean you're doomed to fail in the market?

Of course not.

But only if you know what it is, how to tackle it, and what you need to do about it.

Which is why I've put together this guide for you, and how you can banish the silent 'trading killer' no-one tells you about.

Read on for more.

The Cycle of Trading Doom

When you trade the market it's all indicators, strategies and platforms.

Find a system that works for you, you're told.

One that suits your trading personality, they say.

Test your way through an approach, manage your risk and protect your capital.

None of this is wrong, after all we preach this stuff at The Money Lab every day!

The thing is, it's only half the picture.

It's just not the full story.

No matter the course I've attended, the numerous traders I've spoken to, or even the pro's I've worked with, none of them ever raise this "silent killer" that I'm talking about.

Seeing as it takes down so many traders, you'd wonder why more traders don't mention it more often?

(Well the experienced, consistent and ultimately profitable traders do, which in itself tells you something)

So what exactly is this "silent trading killer"?

I'm talking about trading psychology.

It's the way you approach, think about, and more importantly how you feel about the market and your trades.

Your psychology affects your behavior in the market, which in turn affects your performance.

If you repeat the same trading behavior, it's natural to say your performance won't change.

And depending on how destructive that behavior is, things could go south pretty quickly…

Just ask any new trader tackling the market for the first time.

Apart from the technical stuff (entries, risk management etc), it's what REALLY matters in trading.

You could have the best system, one that suites you down to a T, but if you can't hold your nerves in the markets, or you let your emotions get the better of you, well then you're a goner.

If you honestly believe that you can't change your performance without changing your trading behavior, then you've been approaching the market all wrong.

However, if you understand that your trading behavior is the key to your success, and at the very core of what matters in your trading, then half of your battle is already won.

Most traders are held captive by their emotions.

I even call these the 7 deadly trading sins:

They chase bigger positions (Gluttony).

They revenge trade (Wrath).

They chase trades and profits (Greed).

They hold onto losses (Sloth).

They hide or ignore losses (Pride).

They overtrade (Lust).

And they even covet other people's trades (Envy).

There's a reason emotion in trading has often been called 'trading demons'.

Trading on emotion can be extremely dangerous and is more often than not advised against.

You end up making decisions you normally wouldn't have made in those specific situations (as I've shown above), ultimately meaning you end up gambling at the end of the day.

That's precisely where consistent traders differ from the ones that lose money.

Practically executed, disciplined trades far outperform emotion-based trades.

Emotional trading often leads to traders getting caught up in 'The Cycle of Doom'.

It's a three step process most traders don't even know they're in!

And it keeps traders from making money for months, even years.

I'll touch more on The Cycle of Doom further down in this report.

So if you know that your behavior, emotions and psychology affect the way you trade (irrespective of your strategy or system), surely there's something you can do about it all to positively affect your performance?

There is.

In fact, there are two specific things you can, and should do.

I like to call them…

The Two Golden Rules of Trading Psychology

These aren't complicated concepts at all.

I'd actually go as far to say that they're some of the simplest you'll come across.

Simple, but not easy.

I'm talking about patience and discipline.

No matter what type of trader you are though, professional or beginner, you will experience emotions.

Whether you like it or not they're there.

And to respond to them, the good traders actually develop an approach or even something referred to as a 'trading personality'.

They do this to overcome their emotions, or at least keep them in check so they don't cause too much damage.

Your trading personality is the determinant of how you approach the markets.

It goes to say that different personality types trade differently.

Not everyone is cut out to be a trader, and some will naturally do better than others.

This is down to their trading personality, their approach to the markets, and their appetite for risk.

Your trading personality defines who you are as a trader and how you trade the market.

And that's precisely why the two most important aspects of your personality, no matter who you are, are patience and discipline.

They ultimately give you the ability to handle the numerous things the market throws at you, not to mention some of the most difficult aspects of trading (such as waiting for trades to line up).

How To Play The Trading Waiting Game

A time when most traders experience a ton of emotion (fear for example), is when they're losing money.

It gets worse when they're waiting to put on a new trade as well.

I find new traders experience this quite heavily.

They get anxious, upset, angry, impatient, you name it!

They run the emotion gauntlet, and very few emerge from the other side in the long run.

This causes traders to place positions they normally wouldn't get into, just to try make their money back.

It's something called revenge trading.

And let's be honest, does that sound like an emotion-less practice?

Not quite.

Revenge trading causes you to ignore your system, discard your strategy, and you end up gambling your money against the market at the end of it all.

Let me tell you, when you gamble in the market, the house almost always wins.

Which is why you need to do one simple, little thing…

The Key To Accepting Your Trading Demons

Despite what you might think, it's not about removing your emotions.

Remember what I said earlier, they're always going to be there.

You can't surgically remove them.

Ha! If only it worked like that.

Instead, you need to develop your trading personality in a way that lets you control the way you respond to your emotions.

That's far easier to do, and you also wouldn't be fighting a losing battle.

Even when your heart is thumping a million miles a minute, or if that bead of sweat is running down your neck, if you can develop traits that counteract your emotions you'll end up making logical trading decisions.

You need to actively implement a sense of patience and discipline in your trading behavior.

Patience allows you to sit comfortably waiting for your next trade, irrespective of your account balance or whatever kind of streak you're on.

Discipline means sticking to your system, or only putting on positions that result from your strategy or your systems rules.

Being patient and disciplined allows you to trade what you see, and not what you think.

Which is why you need to cultivate both.

Now that sounds all good and well, but how do you do this?

How A Pink 'My Little Pony' Diary Can Make You More Money In The Market

Ok, so maybe it doesn't have to be pink.

Or a My Little Pony diary.

(Well, depending on what you're into).

But it does have to be a diary of sorts, a trading log if you will.

Some of the best traders I've ever met or encountered keep a detailed history of every trade they put on.

And let me tell you it's a fantastic method when it comes to your trading.

At the end of each month, week or even day they then review their trading performance and their trades.

They then compare their performance to their previous trades (from their system or strategy).

The point of doing this is to pick up anomalies or even just slight differences, and what caused them.

This in turn shows them what they need to avoid next time their emotions start to rear their ugly head.

Another way to become more disciplined and patient is to have confidence in your strategy or approach.

It sounds a little wishy-washy but I promise you it isn't.

Confidence comes from back testing, analyzing and putting your strategy to the rigors of what the live market will do to it.

Once you know your trading performance will have certain outputs you become confident in the fact that you'll continue that, irrespective of what gets thrown at you.

Simply knowing your system will make you money over the long term can even be enough to curb those trading emotions, even when you experience a losing trade or <shudder> a losing streak.

And that's why I can't stress enough how important it is to test your technique or strategy THOROUGHLY!

If you do this over the right amount of time, and it becomes consistently profitable, there's simply no reason to question it when you're in the markets.

Become A More Profitable Trader Today By Kicking This Silent Killer To The Curb

Trading psychology is something you'll very rarely hear about, and only from the best or most experienced traders.

Your psychology affects your behavior in the market, which in turn affects your performance.

Which is why you need to stick to the two golden rules of trading psychology.

You need to exercise patience and discipline.

Create a trading diary or a trading log and track your performance.

The more you do this the more you learn about yourself and how you react to the market.

And by comparing this to previous trades you get a sense and even a numerical advantage over the market.

Alternatively, you can analyze and back test the hell out of your system until you have a certain set of parameters that gives you confidence in your system.

Once you know that, you can approach the market calmly, and in a more disciplined fashion.

Doing so will help you trade what you see, and not what you think, which at the end of the day will make you a more consistent, more profitable trader.

You can't remove your emotions, but you can keep them in check.

5 Things I Wish I'd Known Before I Started Trading

You've finally found it!

If you've ever found yourself drifting off, thinking about what it would like to be a trader…

Well, I have some good news for you.

This list.

The one I'm about to show you.

Be glad you found it before you ever pressed that "buy" button.

I've learnt some harsh lessons from the market.

And lost quite a bit of cash along the way!

And that's why I want to show you the 5 specific things I wish I'd known before I ever threw that money into the market abyss.

If you're looking to start trading, you need to read this.

Five Things You Should Know Before You Place Your First Trade

Trading Lesson #1: The Time It Takes To Become A Profitable Trader

Trading isn't that get-rich-quick scheme you see plastered all over the internet!

But it's also not something that takes endless years and years to get consistent at.

Either way it does take a bit of time to become a consistently profitable trader.

You should expect around 6 months to a year to be enough time to hone your skills, and to test a strategy that you can become confident enough in to trade in most conditions.

The problem most newbie traders have is that they jump straight into the market.

And I don't know about you but those were some of the worst times I've experienced in the markets.

Some trades would win, others would tank, I'd make a little money, I'd lose a lot…

But worst of all I didn't understand why.

Traders who are new to the market should spend a few solid months (at the very least) practicing a strategy in a demo account environment.

These traders simply don't understand how a strategy works.

How do I know this?

I was one of them!

They need to learn how to adapt to the different market conditions, and how a strategy works.

The problem is they enter something I like to call “The Cycle of Doom”.

Because things don’t work out they tend to abandon the strategy.

In search of the mystical holy grail of trading.

They find something new, and eventually repeat this process over and over.

This happens until they either get it right, or they quit altogether.

If this sounds a little familiar, I guarantee you its why the markets haven’t met your expectations.

If you choose this path, you won’t be a successful trader.

Rather commit to spending the next 6 months at the very least, and practice a certain way of trading, or a specific strategy.

If you do this, you stand a good chance of becoming the trader you’ve always dreamt of.

Trading Lesson #2: The Right Amount of Money You Need To Trade

Different instruments and markets require different amounts to start with.

I never knew this when I first started out.

It’s not like there’s an all-inclusive manual out there is it?

Stocks are probably the most popular, but also require the most money.

It depends on where you go between brokers, but depending on the type of brokerage you look at you could get quoted very different capital deposit amounts.

Some require R100,000 as a minimum, others happily accept R5,000.

I’ve noticed they usually do this because of the type of client they’re trying to attract, and not what’s best for the trader at hand.

As a general rule of thumb I’d say anywhere over R20,000 should be a good starting place.

Anything smaller and you’d risk paying away a lot of your money to fees and commissions.

Forex on the other hand is a little different.

You can start with as little as R500, up to R5,000.

Still, I wouldn’t go for anything under R5,000 if you want to grow your account properly.

Some Forex brokers tend to charge less in commissions and fees, so it is possible to start with a lower amount, but just because you can doesn’t mean you should.

What I’ve found a lot of newbie Forex traders do is start with a tiny amount, get frustrated at the lack of growth and then enter that dreaded “cycle of doom”.

They start breaking all sorts of rules, trade positions far bigger than they should, gear themselves to the hilt and eventually blow their accounts.

Don't do this.

If you're looking to trade Forex, start with at least R5,000 (less is really not recommended).

Derivatives is its own ball game entirely.

Most brokers look for R10,000 as a minimum deposit amount, but the same applies as above.

Fees on these types of accounts can destroy your account if you're not careful or vigilant.

Don't feed your broker's wallet at your accounts expense.

Trading Lesson #3: Expectations

This was one of the biggest lessons I learnt.

Hollywood paints this super unrealistic portrayal of what trading the market is really all about.

Fast cars…

Fast drugs…

And even faster woman.

That's what Hollywood wants you to believe anyway.

Just take a look at some of these movies to see what I'm talking about!

What I expected to make and what actually happened were two different things entirely!

I didn't understand the mechanics of trading, and my expectations suffered because of it.

Most traders chase huge profits and bet big in order to get them.

However, new traders should only risk 1% or 2% of their account on a trade.

That means that if you lose a number of trades you only lose a small portion of your portfolio.

And trust me when I say it's going to happen more than you think.

Think about it like this…

Risking 1% per trade, traders could make between 10% and 30% a month.

Don't get me wrong though.

There'll be losing months as well, and some months that could even topple 30%.

But I'd say if you're averaging out at 20% a month, you can consider yourself a fantastic trader!

Depending on how much you have funded in your account, that should give you an idea of how much money you can make trading the market.

One thing new traders don't take into account, is that the more capital you have, typically the lower the percentage return.

It's easier to make high percentage returns on small amounts of capital than it is to make the same return on large amounts of capital.

You need to remember that these figures are based on hours of back testing, hard work, and time spent on a solid methodology or strategy.

It'll more than likely take months to even a year or two (if you're serious) to get anywhere near as good as what I've mentioned above.

Trading Lesson #4: The Trading Obstacles No-one Tells You About

There are tons of obstacles when you start trading.

Most of them are knowledge-based though.

That is, you don't know what you don't know...

And a lot of them you only find out when it's too late.

There are a lot of things the market can, and will, throw at you.

And I learnt this the hard way.

Each trading day is different.

And you need a method or approach that works in nearly all market conditions.

Does that mean you're going to bank winner's day after day?

Of course not.

Expectations remember?

With a great strategy or system, you may still have a few losing days every month (once you've got comfortable with your strategy), but overall you'll find yourself in the positive.

You need a strategy that adapts to the various conditions the market will throw at you.

Typically, this means you'll want to avoid overly complex systems, which contain or rely on tons of indicators, or those that require constant streams of research.

One of the obstacles most traders are completely oblivious to, or are simply just not aware of, are the psychological ones!

Trading is about mastering yourself, more than it is about mastering the market.

You can't master the market, the quicker you come to realize this the better.

(Check out Trading Truth #2 in this piece)

There are no guaranteed profits in trading.

And this tends to mess with a trader's head & mind.

New traders are extremely susceptible to this and end up doing things they normally wouldn't do.

This can be a vicious cycle, which leads to more trading mistakes and ultimately money being thrown down the drain.

Trading Lesson #5: Ignore The Software And Gimmicks

If I had a buck for every magic system, or holy indicator out there I wouldn't need to trade at all.

I'd be a millionaire!

There are so many gimmicks and flashy traps out there it's little wonder so many people lose money in the markets.

Software…

Tools…

Gimmicks…

They're everywhere!

And all they do is part you with your money.

Not to mention waste your time.

The get-rich-quick products that pop up every time you open an internet browser, to the software and gimmicky products out there, all have a typically tiny life span.

Some might even work for a little while…

But when they crash and burn, so will you and your portfolio.

The only way to avoid this is to make adjustments to the actual software itself (like you would any strategy or trading system).

But that's not really an option is it?

And the people selling this nonsense know that.

Rather than getting suckered into this stuff, you're far better off spending time and money into the one thing that can actually make a difference.

YOU.

Invest in yourself instead.

Read books & products on the market.

Speak to other traders.

Find a mentor.

Follow what some traders have to say on Twitter.

Brush up your knowledge with articles.

There are so many ways to do it, that not doing it is actually irresponsible!

Invest in your own trading education, not the gimmicky stuff you see online.

From the start invest in yourself, that way no matter what happens, you'll have the skills to get the job done!

Skip The Steep Learning Curve In 5 Simple Steps

Trading is some of the most fun you'll have with your clothes on.

But it does take time and effort when you start out.

There are some things I learnt the hard way when I started out, and that's why I've shown them to you today.

So you don't have to make the same mistakes!

Remember:

- It takes time to become a profitable trader
- Trade with the right amount of money when you start
- Manage your expectations
- Avoid the trading obstacles no-one tells you about
- Ignore the software and gimmicks, invest in yourself

Avoid these 5 newbie mistakes and you'll accelerate your trading potential!

Trading is simple, but not easy.

There are so many little things that can go wrong that when you first start out.

And it's easy to make these mistakes.

Mistakes you aren't even aware that you're making!

There's nothing worse than thinking everything you've done is perfect, only to look again and see your account in the red.

That's why I've decided to cover the 7 deadly trading sins.

If you can make sure you aren't committing these deadly sins, your trading has a far stronger chance of turning the corner.

If you want to tip the trading odds in your favor, simply read on and make sure to avoid these 7 trading sins at ALL costs!

The 7 Deadly Trading Sins And How To Atone

Trading Sin #1: Gluttony

Being a gluttonous trader is dangerous.

Trading **bigger positions** comes with all sorts of risks.

If you haven't collected the right data, or evaluated it properly, then increasing your position size will result in disaster!

The other side of that coin is risk.

By trading bigger positions you're increasing your risk by exposing more of your portfolio to the market in fewer swings.

What I mean by that is If your positions are 10% of your portfolio, what happens when you hit a drawdown or losing streak?

You could kiss most if not all of your portfolio away in a matter of days or weeks depending on how you trade.

Is that a risk you need to take?

Play it safe and manage your risk accordingly.

Your adherence to your risk management rules will ultimately make or break you as a trader.

Don't trade big because "it feels right" or you WANT to.

Stick to your system and avoid trading gluttony.

Trading Sin #2: Wrath

Trading wrath, or **revenge trading**, is a recipe for an early bath.

Any trading based on emotions is for that matter.

Revenge trading is when you make a loss, and you're determined to make that loss back again so you try trade it back. In a nutshell it's trying to recover your losses.

Whilst it might sound like nothing, the problem is far bigger than you realize.

Revenge trading makes you break your own rules.

Sometimes without even realizing!

You end up taking trades that don't fit your criteria…

You trade positions you normally wouldn't trade…

You ignore entries, just to get in…

See where I'm starting to go with this?

When you trade on emotions you effectively ignore your strategy.

You know, that little thing you've been perfecting for months and years?

You become no better than a first-time trader.

And you know what happens to those.

Trading wrath is dangerous, and easy to avoid.

Trading Sin #3: Greed

Trading greed is pretty much everywhere.

I've seen it in professional trading desks, retail traders complaining about it, heck I've even experienced it.

It's one of those things that can creep up on you.

Chasing trades is silly.

The only difference between revenge trading and chasing trades it the motivation and emotion behind it.

Revenge trading is often based out of fear, whilst chasing trades can be motivated out of greed.

Either way you end up ignoring a set system with parameters (that's YOUR system) in order to take trades.

Convincing yourself there's a trade setup is just plain gambling.

If your entry criteria is not met, don't trade.

If you're chasing a trade because you WANT to trade you might as well go down to the casino and play the slots, because there's no difference.

Remember, your goal is to trade well, not to trade often.

Trading Sin #4: Sloth

Trading sloth is a big reason most traders don't actually make any money.

How can you when you're **holding onto losses**?

A lot of traders I know set stop losses levels and then think that they're done with a trade.

If only it was that easy.

Sure, a stop loss is there to limit your losses…

But it's not the full picture!

If you're ignoring everything that's happening between your entry and your stop loss then you're holding onto losses unnecessarily.

> "You might be missing out on signals"

Sometimes you need to exit your trades early.

And yes, that means BEFORE your trades hit their stops.

You might be thinking, "Well I've set a stop, and it's there for a reason".

And sure, you might be right.

But remember, this is the stock market we're talking about.

It's not exactly predictable, and things change quickly.

Sticking to the "this is my stop" mentality can be dangerous.

You see, the problem with this mentality is that you might be missing out on signals that tell you to exit your trade early.

And believe me, you'll come across them.

Whether you uncover them <u>and</u> act on them is a totally different story altogether.

Think of it like this…

If you let your losers run, and you keep cutting your winners short, how are you ever going to tip the odds in your favor?

Another way I've seen traders hold onto losses is by ignoring their stops completely.

And in some odd instances by not setting them at all.

Don't flush your money down the market drain, set your stops and monitor your trades for early exit signals should it go the other way.

Just because you have a system or strategy it doesn't mean it does ALL the work for you.

Trading Sin #5: Pride

Ooooh yes, pride is a special kind of trading sin.

Ignoring your losses or even trying to hide them is pretty silly.

Let me tell you I've NEVER come across a perfect system, and neither will you.

There is no "Holy Trading Grail".

You will lose money.

And you'll continue to lose money for as long as you trade.

You just need to make sure that the money you make far outweighs the money you lose.

Drawdowns are inevitable.

Losses are inevitable.

Losing money is inevitable.

The only thing you can do about it is limit your risk thereby making sure you lose less.

So whether you lose or not isn't important (Because you WILL).

What's important is how much you lose and how consistently you lose it.

So if you hear those traders that gloat about how they never lose, let them.

I guarantee you they won't be around for very long.

Trading Sin #6: Lust

Trading lust is not as saucy as it sounds.

And it's one of the big reasons I find most new-to-market traders blow their accounts.

Overtrading as I've touched on above is unnecessary and asking for trouble.

And overtrading is far more common than you think!

Remember, and I've said it before, your goal is not to trade often but to trade well.

It took me years to realize that, don't commit this sin!

Your broker might LOVE you for that, but your bank balance won't.

There's a Warren Buffett quote that I love, and I think it fits perfectly here: "The stock market is a no-called-strike game. You don't have to swing at everything – You can wait for your pitch".

Overtrading has no place in your strategy, keep the lust for other things…

Trading Sin #7: Envy

Trading envy is probably one of the more subdued sins.

But that doesn't mean you won't encounter it at one or more points in time.

And I think it's an easy one to commit too.

Heck, it's human nature to see something nicer than what you have and want it.

But in the stock market it's all about perception if you ask me.

Coveting other people's trades and strategies usually results in one thing.

(And I'm sure I don't have to say what that is).

There is no perfect system.

And traders who hop from one system to the next tend to never learn this.

Think about it.

Do you want to have one year's experience in 10 systems, or 10 years' experience with one system?

Take a guess which scenario will leave you to trade another day?

Build, adopt, and create a system that suites you - Then perfect it.

The problem is that most traders don't want to put in the time and effort to do this.

They come across fancy gimmick'y advertising online and think there's some magic formula that'll make them rich.

Ha! Yeah right.

Focus on a system that suites your personality and fits in with your lifestyle and goals.

Coveting and envying someone else's will only lead you down the empty wallet path.

How To Save Yourself From Trading Purgatory

Remember, trading is simple but not easy.

But if you avoid these 7 deadly trading sins, I promise you your chances of making money from the markets in a more consistent way is a lot higher.

Avoid the 7 deadly trading sins, and don't:

- Trade bigger positions
- Revenge trade
- Chase trades
- Hold onto losses
- Ignore your losses
- Overtrade
- Covet and envy other people's trades and systems

Stick to these rules, avoid these sins and your trading will flourish a lot sooner than you think.

How ‘The Cycle of Doom’ Kills 95% of New Traders

It’s said that 95% of traders who enter the market will lose all their money.

And there are a lot of things that obliterate new traders…

But if there’s one thing I’ve noticed it’s that a single, specific process is destroying newbie traders at a rate of knots.

In fact, I believe it’s the sole reason why almost every trader who enters the market loses money.

It’s called The Cycle of Doom.

And you might even be stuck in it as you read this!

That’s why I want to show you what it is, how you can avoid it, and how you can start becoming a profitable trader today.

The 3 Steps To Trading Oblivion – And How To Avoid Them!

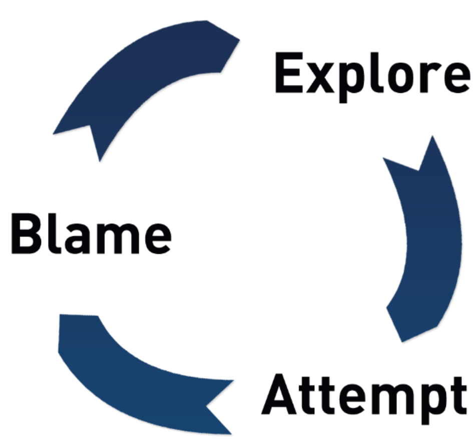
The Cycle of Doom is a simple 3 step process.

And it’s one most traders aren’t even aware of, let alone can pinpoint where they’re making these mistakes.

It consists of three parts:

- Explore
- Attempt
- Blame

It looks a little something like this:



As you can see it's a continuous loop, so not knowing you're stuck in this dangerous pattern will lead to the inevitable.

And o-one wants that.

Here's how The Cycle of Doom works:

Cycle of Doom Step 1: Explore

This is where new traders are in search of a system.

A trading strategy that can bank them Benjamin's far beyond their wildest dreams.

Websites, forums, webinars, free reports, events, friend-of-a-friend, books…

You name it, they're looking there.

Anything to get their hands on the holy grail of trading systems.

And once they do, they generally don't ask many questions, do much testing, or consider any consequences.

"I mean its work for other traders right, why wouldn't it work for me? It's a no-brainer…"

This leads them two step 2 of The Cycle of Doom.

Cycle of Doom Step 2: Attempt

There's no better feeling than holding a winning lottery ticket right?

You can feel it between your fingers, you're almost spending the money before the numbers are even drawn.

What a rush.

The newbie trader then begins to put positions on.

The profits are piling in…

Things are going according to plan…

Until…

SHABAM!

A drawdown.

And a bad one too.

They keep trading a little more. And they keep losing a little more.

All those precious profits, gone.

"Well, I'll just wait for the market to come right. I'll time it".

Yeah, good luck with that.

Until a certain point (usually when the balance is looking rather unhealthy and teetering close to 0) these traders decide this 'holy grail' system wasn't what it seemed.

Other traders must've got lucky, yes that must've been it, because this system is not very 'holy' is it?
They lose faith in the system, and then move onto Cycle of Doom Step 3.

Cycle of Doom Step 3: Blame

Emotions run high at this point.
The system didn't work; it must be a shoddy system right?
Newbie traders find every excuse in the book at this stage.
It's all the system's fault.
Frustration kicks in.
And that can only mean one thing!
Back to step 1 in search of a new system.
Because if the system was to blame, the logical step is to find a new system right?
And so they go back to the explore phase and perpetuate their experiences and losses.

Ditch The Doom And Join The Period of Profit

The problem here is that things like drawdowns, corrections and crashes are a normal part of trading.
Whether you like it or not you will lose money.
Shock, horror I know.
But the thing is it's up to you how much you lose.
And the level of work you put in dictates your losses.
Jumping from system to system is not the answer.
And that's exactly what The Cycle of Doom is all about.
It perpetuates losses because of this.
You see, building a strategy requires a lot of time and effort.
Stop loss & take profit levels, trade management, optimizing entries, holding periods and psychological or emotional triggers are all things your system needs to be able to answer.
To do this means you have to dedicate time and effort into tracking information and data, analyzing it, and a decent amount of trial and error.
Look, Rome wasn't traded in a day…
And from experience, most traders I know hate this sort of stuff.

Which is a real pity, because this is what weeds out the part-time losers from the consistent winners.

You need to collect and interpret new data before you can figure out if what you're doing should stay or be binned.

And this is a never ending process, it's also precisely why it takes so long and requires so much effort, and why most traders won't go this route.

It's far easier to continually pin your hopes on that winning lottery ticket of a system than to put in the hard graft building a strategy that suites you and your personality.

Avoid The Cycle of Doom, put in the efforts, and slowly but surely your trades will start to fall in place.

Trading psychology is so crucial to trading, it’s little wonder 95% of traders fail in the markets!

Taming your emotions, and putting yourself on the right path takes time.

But the psychology of mastering yourself is something you can learn.

As I’ve shown you in this report, arming yourself with the right knowledge, techniques and methods is half the battle, and a great step in the right direction.

The rest is up to you.

You can’t remove your emotions, or trading demons as I like to call them.

That’s the trick.

They’ll always be there.

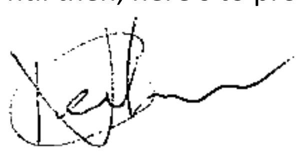
It’s about mastering them.

That’s why the psychology of trading success lies with mastering yourself, and not mastering the market.

It’s about “mind over me”, not “mind over market”.

The sooner you can keep your emotions under control, the sooner you’ll start seeing the type of trading performance and profits you crave.

Until then, here's to profitable trading.



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