



# Trading Psychology 101: Why is it Important

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# Overview

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- What is Trading Psychology
- Simulator Trading
- Transition to Live Trading
- Comfort Zone
- Common Psychological Issues
- Trading Psychology Journey
- Why Trading Psychology



# What Is Trading Psychology

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- Psychology around Trading
- Evolves everything you do from the time you get to the time you go to bed
- A lot of the psychology you don't even think about it
- Why should you care?



# Simulator Trading

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# Transition to Live Trading

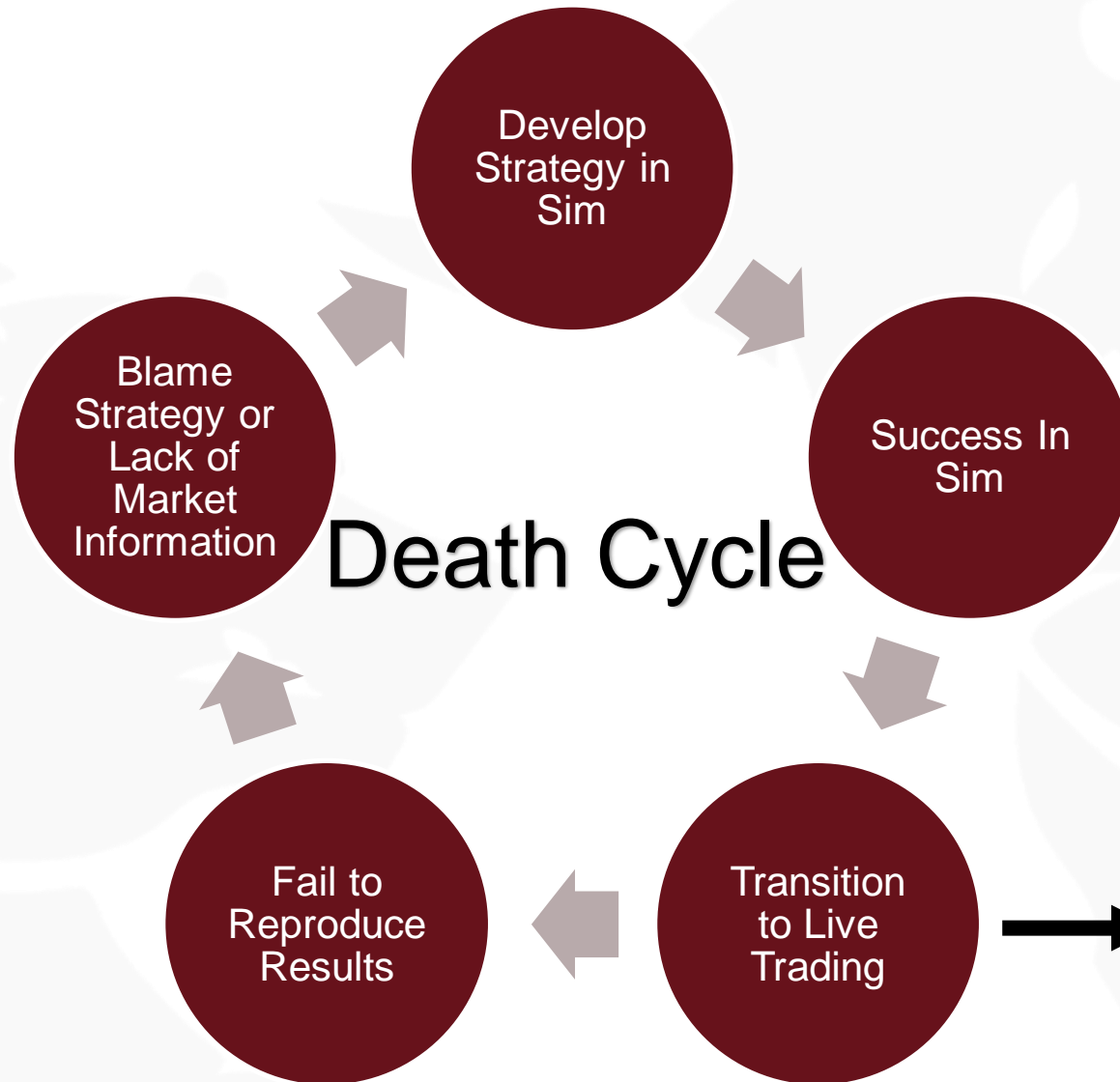
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- 0 - ????
- Here is where things get difficult
- Some traders have early success
- Others struggle
- While some neither have huge success or a lot of failure
- Regardless of which path you found yourself in doubt seeps in when you don't meet your goals.

# Transition to Live Trading

Interrupt  
the  
Cycle



Trading  
Psychology

# Transition to Live Trading

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- Majority of the time there is something you must face inside of you around a value you hold
  - Money
  - Family
  - Success
  - Etc.
- Tough part – what works for someone doesn't work for someone else
- Confidence in your strategy



# Comfort Zone

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- What is the comfort zone for a trader
- You are making enough to meet your goals
- Don't want to push outside of comfort zone because you are happy and content
- Brings it own unique psychology problems
- Increasing risk becomes more difficult, justifying why to risk more if you are meeting what you want



# Comfort Zone

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## 18 WAYS TO PUSH YOURSELF OUT OF YOUR COMFORT ZONE

**FACE YOUR  
FEARS**

**TAKE A  
RISK**

**BELIEVE IN  
YOURSELF**

**CHALLENGE  
YOURSELF**

**NEVER  
GIVE UP**

**BE  
CONFIDENT**

**BE POSITIVE**



**EXPLORE  
NEW THINGS**

**BE  
RESILIENT**

**DON'T BE  
AFRAID**

**KEEP  
LEARNING**

**STRIVE FOR  
IMPROVEMENT**

**TRY NEW  
THINGS**

**ENJOY WHAT  
YOU DO**

**SAY YES  
MORE OFTEN**

# Common Psychological Issues



# Trading Psychology Journey

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## Next Six Months



  
**10 LESSONS**  
IN TRADING PSYCHOLOGY

1. Develop your confidence
2. Know your strengths
3. Be open to change
4. Know your weaknesses
5. Develop your self-awareness
6. Learn to manage stress
7. Know when to take a break
8. Develop a routine
9. Learn to identify your emotions
10. Control your environment

# Why is Trading Psychology



*Technology*

"I can do this..."



Learning  
20%

TRADING

*Strategy*

"A little more..."



Learning  
70%

PRICE ACTION

*TradeBook Edge*

"Almost there..."



Learning  
99%

RISK MANAGEMENT

"FML!"

Trading  
Psychology

LEVEL 2



SYSTEM BUILDING

In the beginning trading psychology is a second thought; however, the longer you stay in the game the more you realize that trading is about how **YOU** interact with the market versus your trading strategy.

