



Trading Psychology 101:

Analyzing Your Psychology Journal

PRESENTED BY:

Mike B.

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Mike Baehr

- History Prior to Trading:
 - 23 Years in United State Marine Corps
 - Curriculum Developer
 - BA in Accounting
 - MS in Forensic Accounting
- Trading History:
 - Started Trading in 2008
 - Began Day Trading in 2018
 - Join Bear Bull Traders in 2020
- Trading Strategies:
 - Break High of Day
 - Failed High of Day Break
- Hobbies:
 - Volunteer in the Local Community
 - Cooking
 - Running (Soccer Referee)



Overview

- Transforming Words to Numbers
- Creating & Analyzing Trackers
- Identifying trends
- Focus on Improvements



Transforming Words into Numbers

Self-Awareness Review

Physically:

Hours of Sleep: 7 Hours
PT Yesterday: None
Beers: 6
Food: Shrimp, Poppers, Meat Sauce, Salad
Calories: More than 1900
Weight:

Mentally:

Alertness: I am a little tired but overall feel ready
Focus Rating: I am focused on what I want to accomplish and how to accomplish it, I just was a little off this morning.
Physical Rating: My back hurts a little bit but overall, I feel alright to be trading.
Emotional Capital: I more confident in my trading strategy and my trading plan. I am confident that it works and will produce a positive sloping equity curve. I need to stick to it and not get overly emotional
Awareness: I understand that I am at a crossroads right now with the strategy but I know that if I wait and trade in the zone that I can trade well

Point Value A	Grade Rating	Word Rating	Point Value B
5	A	Great	2
4	B	Good	1
3	C	Alright	0
2	D	Bad	-1
1	F	Terrible	-2

Transforming Words into Numbers

Alertness

Great	Good	Alright	Bad	Terrible
8 + hours of sleep	7 – 8 hours of sleep	6 – 7 hours of sleep	4-6 hours of sleep	Less than 4 hours of sleep

Focus Rating

Great	Good	Alright	Bad	Terrible
No issue Mental Recall Mind Wondered less than 2 times	1-2 issues Mental Recall Mind wondered 2-4 times	3-5 Issues mental recall Mind Wondered 4-6 times	More than 5 issues mental recall Mind wondered more than 6	Did not do mental recall Did not do slides Issue remembering routine

Physical Rating

Great	Good	Alright	Bad	Terrible
Exercised the previous day	Sore from exercise the previous day	Did not exercise the previous day	Sick	Sick can't stay awake

Emotional Capital

Great	Good	Alright	Bad	Terrible
Acknowledge where I am PEMS	n/a	n/a	n/a	Not acknowledging where I am PEMS

Awareness

Great	Good	Alright	Bad	Terrible
Confidence in Strategy	Confidence in Strategy Dealing with some minor personal issues	Confidence in Strategy Dealing with Personal Problems	Lack of Confidence in Strategy Major personal issues	No confidence in Strategy Fight with wife previous night

Transforming Words into Numbers

Word Rating	Point Value B
Great	2
Good	1
Alright	0
Bad	-1
Terrible	-2



Date	Alertness	Focus	Physical	Emotional	Awareness	Score
15-Aug-22	Good	Good	Terrible	Great	Great	4
16-Aug-22	Terrible	Good	Good	Great	Great	4
17-Aug-22	Good	Good	Good	Great	Great	7
18-Aug-22	Good	Good	Great	Great	Great	8
19-Aug-22	Terrible	Terrible	Terrible	Great	Great	-2
22-Aug-22	Terrible	Terrible	Terrible	Great	Great	-2
23-Aug-22	Great	Good	Good	Great	Great	8
24-Aug-22	Great	Good	Great	Great	Great	9
25-Aug-22	Good	Good	Great	Great	Great	8
26-Aug-22	Terrible	Terrible	Terrible	Great	Great	-2
29-Aug-22	Terrible	Terrible	Good	Great	Great	1
30-Aug-22	Good	Good	Great	Good	Great	7
31-Aug-22	Great	Good	Good	Good	Great	7
1-Sep-22	Great	Good	Good	Great	Great	8
2-Sep-22	Great	Good	Great	Great	Great	9
6-Sep-22	Great	Good	Good	Good	Great	7
7-Sep-22	Great	Great	Great	Great	Great	10
8-Sep-22	Good	Good	Good	Great	Great	7
13-Sep-22	Good	Good	Great	Great	Great	8
14-Sep-22	Good	Great	Great	Great	Great	9
15-Sep-22	Great	Great	Good	Great	Great	9

Transforming Words into Numbers

Point Value A	Point Value B
5	2
4	1
3	0
2	-1
1	-2



Date	Alertness	Focus	Physical	Emotional	Awareness	Score
15-Aug-22	4	4	1	5	5	19
16-Aug-22	1	4	4	5	5	19
17-Aug-22	4	4	4	5	5	22
18-Aug-22	4	4	5	5	5	23
19-Aug-22	1	1	1	5	5	13
22-Aug-22	1	1	1	5	5	13
23-Aug-22	5	4	4	5	5	23
24-Aug-22	5	4	5	5	5	24
25-Aug-22	4	4	5	5	5	23
26-Aug-22	1	1	1	5	5	13
29-Aug-22	1	1	4	5	5	16
30-Aug-22	4	4	5	4	5	22
31-Aug-22	5	4	4	4	5	22
1-Sep-22	5	4	4	5	5	23
2-Sep-22	5	4	5	5	5	24
6-Sep-22	5	4	4	4	5	22
7-Sep-22	5	5	5	5	5	25
8-Sep-22	4	4	4	5	5	22
13-Sep-22	4	4	5	5	5	23
14-Sep-22	4	5	5	5	5	24
15-Sep-22	5	5	4	5	5	24

Creating & Analyzing Trackers

- Find your losing days
- Find your winning days
- Look for trends within these days

Date	Alertnes	Focus	Physical	Emotion	Awarene	Score
14-Mar-22	Terrible	Terrible	Terrible	Great	Great	-2
17-Mar-22	Bad	Alright	Great	Great	Great	4
22-Mar-22	Alright	Alright	Alright	Great	Great	4
24-Mar-22	Alright	Good	Alright	Great	Great	5
18-Apr-22	Terrible	Bad	Bad	Great	Great	0
21-Apr-22	Good	Terrible	Great	Great	Great	5
25-Apr-22	Terrible	Terrible	Terrible	Terrible	Great	-6
28-Apr-22	Alright	Alright	Good	Good	good	3
29-Apr-22	Terrible	Terrible	Great	Terrible	Great	-2
2-May-22	Terrible	Terrible	Good	Great	Great	1
13-May-22	Bad	Bad	Alright	Good	Great	1
23-May-22	Alright	Alright	Good	Great	Great	5
24-May-22	Alright	Alright	Good	Great	Great	5
26-Mar-22	Terrible	Terrible	Great	Great	Great	2
31-May-22	Good	Terrible	Alright	Good	Great	2
3-Jun-22	Good	Good	Good	Good	Great	0
7-Jun-22	Alright	Alright	Alright	Alright	Alright	0
6-Jul-22	Alright	Terrible	Alright	Great	Great	2
7-Jul-22	Good	Terrible	Good	Great	Great	4
8-Jul-22	Good	Terrible	Great	Great	Great	5
19-Jul-22	Good	Terrible	Great	Great	Great	5
20-Jul-22	Bad	Terrible	Good	Great	Great	2
15-Aug-22	Good	Good	Terrible	Great	Great	4
16-Aug-22	Terrible	Good	Good	Great	Great	4
17-Aug-22	Good	Bad	Terrible	Great	Terrible	-2
18-Aug-22	Alright	Alright	Good	Great	Great	5
19-Aug-22	Terrible	Terrible	Terrible	Great	Great	-2
22-Aug-22	Terrible	Terrible	Terrible	Great	Great	-2

Date	Market Process			Trading Performance & Process Goals							Trading Journal		
	Hours of Sleep	Complete Self-Awareness Review PEMIS Value	Complete 4 of 4 Pre-Market Routine sections	Total Trades	% or higher Executed BHOD Trade Management	% or Higher executed FBO Trade Management	Overall % of trades executed Trade Management	% or higher executed all Trades that met setup criteria	% of higher execute EAP After Trade	Necessary 100% execute ERP	Achieve an average of 7 or higher on EAP score	% Conducted Psychology Reflection	% Completed Journal
3/22/22	7.5	4	100%	7	25%	66%	42%	87%	57%	100%	4.2	100%	100%
3/24/22	7	5	100%	7	50%	0%	14%	100%	0%	0%	-8.5	100%	100%
4/19/22	7.5	6	100%	7	100%	100%	100%	88%	100%	N/A	10	100%	100%
4/28/22	7	3	100%	12	0%	0%	0%	100%	0%	0%	6.3	100%	100%
5/13/22	7.5	2	100%	21	100%	0%	0%	0%	0%	0%	-10	100%	100%
5/25/22	7	1	100%	9	N/A	100%	83%	100%	33%	0%	-3.33	100%	100%
5/27/22	6.5	6		7									
6/2/22				7									
6/7/22	6	0	75%	11	N/A	18%	18%	18%	18%	18%	-9	100%	100%
7/22/22	7.5	7	100%	7	N/A	85%	100%	100%	100%	N/A	9.8	100%	100%
8/3/22	6.5	8	100%	7	100%	75%	85%	100%	100%	0%	8.5	100%	100%
8/17/22	7	-2	100%	15	0%	0%	0%	0%	0%	0%	-10	0%	0%
8/18/22	6.5	5	100%	9	0%	0%	0%	0%	0%	0%	-10	0%	0%
8/31/22	7.5	7	100%	9	100%	71%	75%	100%	75%	70%	8.3	100%	100%
9/7/22	8	10	100%	7	100%	83%	85%	100%	100%	N/A	10	100%	100%

Identifying Trends

Pre-Market

Self-Awareness (PEMS) Review

Physically:

Hours of Sleep:
PT Yesterday:
Beers:
Food:
Calories:
Weight:

Mentally:

Physical Rating:
Alertness:
Emotional Capital:
Awareness:
Focus Rating:

Implementation of Improvement areas:

• What did you do Yesterday that helped you improve as a trader:

• Pre-Market Situation:

Market Hours

Trade Analysis

- (1) Trade Plan:
 -
- (2) Indicators (4 of 5):
 -
- (3) Confirmations (3 of 3): Great
 -
- (4) Risk Management Plan:
 -
- (5) Profit Target:
 -
- (6) Stop Loss:
 -
- (7) Entry:
 -
- (8) Profit Taking Plan:
 -
- (9) Analyzation:
 -
- (10) Psychology of the Trade:
 -
- (11) Overall Rating:

- (12) **What was Good:**
 -
- (13) **What was Bad:**
 -
- (14) **Improvement Areas:**
 -
- (15) **Rule Broken & Key Takeaways:**
 -

After Hours

Overall Psychology Reflection

• **What was Good:**

• **What was Bad:**

• **Improvement Area:**

• **Growth that Occurred:**

• **CPT Reflection:**

• **What does the Monkey want to tell me:**

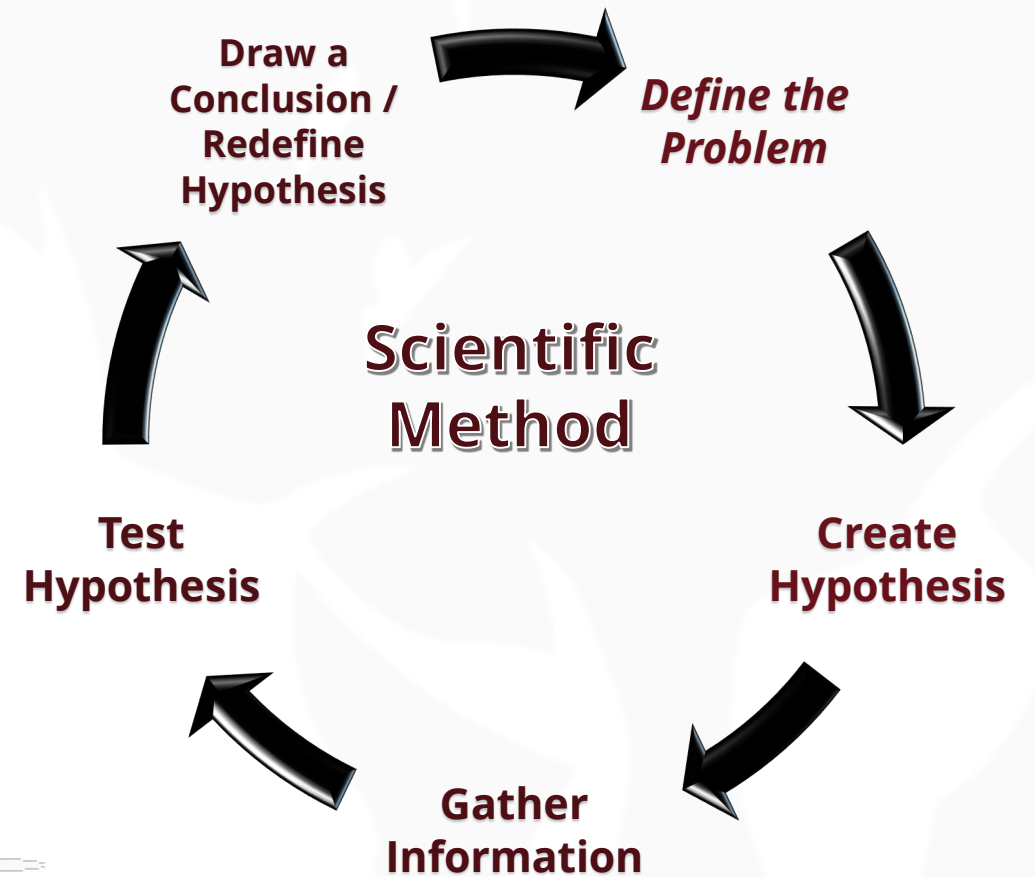
• **Monkey Moment:**

•When:

•Events Preceding:

•Why:

Identifying Trends



Self-Awareness Review

Physically:

Hours of Sleep: 7 Hours
PT Yesterday: 2 Mile
Beers: None
Food: Carrots, cucumber, Shrimp, Salad
Calories: Less than 1900
Weight: 211

Mentally:

Alertness: Great, I feel rested and woke up without the alarm about 15 minutes before it went off. I feel ready to go

Focus Rating: Great, I was way more focused than I was yesterday. I did have a forgetful moment during the routine but overall I was way more focused so I going to change this to great.

Physical Rating: Alright, I went on a run yesterday and I don't know if it was COVID or just that I have been lazy for the past 2 months but my body was super sore while running and I was having a hard time breathing. I am going to go on another run today after the market closes. 1 mile

Emotional Capital: Great, I had a good day yesterday executing my TradeBook. The market was selling off and is in a down trend so the BHOD is rare and I need to be patient and wait for the right setups

Awareness: Great, I understand that I am sore and that I have many thing going on again today. I just need to be patient and wait for my setup while I look for 3-5 solid TradeBook setups

Implementation of Improvement areas:

- No caffeine this morning instead going with ginger tea

What did you do Yesterday that helped you improve as a trader:

- I did journaling, webinars, reading, and CPT reflection. I executed my plan

Pre-Market Situation:

- Market is up 75 points

Trade Analysis

- (1) Trade Plan: BHOD
 -
- (2) Indicators (4 of 5): Great
 -
- (3) Confirmations (3 of 3): Great
 -
- (4) Risk Management Plan: Great
 -
- (5) Profit Target: Great
 -
- (6) Stop Loss: Good
 -
- (7) Entry: Good
 - Terrible Slippage occurred
- (8) Profit Taking Plan: Great
 - I stuck to Rule 16 when I got a terrible fill I got out
- (9) Analyzation: Great
 -
- (10) Psychology of the Trade: Great
 -
- (11) Overall Rating: Great
- (12) Current Market Conditions/Thoughts:
 - Market began pushing up
- (13) What was Good:
 - I had a plan going into the trade and I executed it
 - I stuck to my rules and even though it cost me on this trade. The fill was not great and I should get out because the majority of the time it goes against me on pop like this
 - I did not get emotional about the trade continuing to run
 - I executed my emotional assessment plan
- (14) What was Bad:
 - Just a bad fill out of my control
- (15) Improvement Areas:
 - Nothing
- (16) Rule Broken & Key Takeaways:
 - None

Overall Psychology Reflection

What was Good:

- I did a good self-awareness review and understood that I needed my first trade to be an A+ setup and execution or I needed to quit. This was good because I was forcing stuff and impatient which I was able to recognize, so I am walking away
- I had a plan and I had an idea of what I wanted to see right away. When I didn't get it I trusted myself and got out.
- I executed my trade management plan in accordance with trusting myself.

What was Bad:

- I drank last night and didn't get great sleep which affected my ability to be disciplined today, so I am punishing myself by quitting trading early.

Improvement Area:

- I need to stick to my routines and execute properly

Growth that Occurred:

- I was able to recognize my short comings in the pre-market and evaluated my performance on the first trade and realized I should not be trading, so I walked away

CPT Reflection:

- N/A

What does the Monkey want to tell me:

- N/A

Monkey Moment:

- When:
- Events Preceding:
- Why:

Identifying Trends

- Good
 - I was able to wake up go through my routine, focus my mind and prepare for trading. When DAS did not perform correctly, I was able to compose myself, walk away and wait for the solution to be fixed without getting angry. I was patient and waited for either a FBO or BHOD later in the trading day.
 - I was patient today and waited for my opportunities to form. I took 3 BHOD trades and 1 FBO all of which were within my TradeBook strategy. I was confident in all the trades, and I managed them well
 - I was patient and waited for my trade setup. It did not appear expect right after the FOMC meeting notes which I was a little worried about in the first place. I traded all day waiting for the setup. I took it and managed it well. I did not stick to my profit taking plan, but it was because of the FOMC notes and the stock was holding.
 - I stuck to my strategy and execute today properly
 - I am really happy that after 3 days of trading I am 10 trades into the sample set. I am keeping my average of 3-5 trades a day and I am not over trading, and I am taking sound setups

Identifying Trends

- Good
 - I was able to wake up go through my routine, focus my mind and prepare for trading. When DAS did not perform correctly, I was able to compose myself, walk away and wait for the solution to be fixed without getting angry. I was **patient** and **waited** for either a FBO or BHOD later in the trading day.
 - I was **patient** today and **waited** for my opportunities to form. I took **3 BHOD trades and 1 FBO** all of which were within my TradeBook strategy. I was confident in all the trades, and I managed them well
 - I was **patient** and **waited** for my trade setup. It did not appear expect right after the FOMC meeting notes which I was a little worried about in the first place. I traded all day waiting for the setup. I took it and managed it well. I did not stick to my profit taking plan, but it was because of the FOMC notes and the stock was holding.
 - I stuck to my strategy and execute today properly
 - I am really happy that after **3 days of trading I am 10 trades** into the sample set. I am keeping my average of **3-5 trades a day** and I am not over trading, and I am taking sound setups

Identifying Trends

- Bad
 - I took an impulse trade going into the close because I saw it was pushing higher and wanted to get in. I also did not stick to my trade management plan with my FBO. Had I done that I would have made up for all the trades on Friday. I must stick to my trading plan
 - I was a little gun shy in the morning for a couple of reasons. First DAS was having some delay issues and I was not confident in the bounce that was occurring in the \$SPY because I couldn't even watch the \$SPY chart because of a bad print.
 - I did not get into a short trade even though my gut told me to. I was off this morning because of technical issues. I should have been a more comfortable, but a lot of things were just off today.
 - My trade management still needs work and I have to find something that will allow me to stick into the trade longer
 - I did not count the indicators on my fingers. This is something that I need to start doing so I can build my confidence in my ability to hold onto the trade and let my trade management plan work

Identifying Trends

- Bad
 - I took an **impulse trade** going into the close because I saw it was pushing higher and wanted to get in. I also did not stick to my trade management plan with my FBO. Had I done that I would have made up for all the trades on Friday. I must stick to my trading plan
 - I was a **little gun shy** in the morning for a couple of reasons. First DAS was having some delay issues and I was **not confident** in the bounce that was occurring in the \$SPY because I couldn't even watch the \$SPY chart because of a bad print.
 - I did not get into a short trade even though **my gut told me to**. I was off this morning because of technical issues. I **should have been a more comfortable**, but a lot of things were just off today.
 - My trade management still needs work and I have to find something that will allow me to **stick into the trade longer**
 - I did not count the indicators on my fingers. This is something that I need to start doing so I can **build my confidence** in my ability to hold onto the trade and let my trade management plan work

Identifying Trends

Good

Patience

Waiting

Number of Trades

Bad

Confidence

Sticking to Plan

Focus on Improvements

Trading Why

Vision Board

Trading Goals

Visualizations

Imagery

Decision Tree

Progressive Muscle Relaxation

What if Scenarios and Solutions

Performance Profile

Performance Goals

Trading Worksheets

Affirmations

Gratitude

Mindfulness

Habits

Trading Routine

Focus on Improvements







Useful icons



TradeBook



Trilogy of Trading Success



Technology

Mondays



Strategy

Tuesdays



Psychology

Wednesdays



Mentorship

Thursdays

Psychology Challenge

- Blowing up account
- FOMO
- Getting out of trades too quickly
- Hesitating to take a trade
- Ignoring Daily loss limits
- Ignoring Stops
- Inability to re-set after a loss
- Inability to re-set after a win
- Indecision causing hesitation in taking trades
- Moving stops in a way that is outside of trade plan
- Not trusting my strategy
- Over-focus on P&L
- Overtrading/taking trades that don't fit setup criteria
- Revenge trading
- Runs of red day
- Staying in trades too long
- Trading results impacting personal life

Psychology Tools

- Tools:
 - Trading Why
 - Performance Profile
 - Vision Board
 - Performance Goals
 - Trading Goals
 - Worksheets
 - Visualizations
 - Affirmations
 - Imagery
 - Gratitude
 - Decision Tree
 - Mindfulness
 - Progressive Muscle Relaxation
 - Habits
 - What If Scenarios and Solutions
 - Routines

FINDING WHY IS A PROCESS OF DISCOVERY NOT INVENTION

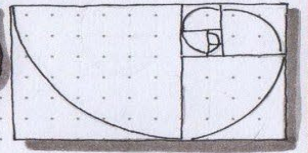
- WHY**
- ▶ PEOPLE WILL CONTRIBUTE
 - ▶ GAIN INNER STRENGTH
 - ▶ SEEK CONTINUAL IMPROVEMENT

START WITH WHY

SIMON SINEK

THE "WHY" NEVER CHANGES THE "WHAT" DOES

- WHY → LIMBIC BRAIN
- WHAT → NEOCORTEX
- NEED TO BELONG
 - BUY INTO A CAUSE
 - SAFETY & INSPIRATION
 - LOYALTY
 - BONDED BY SHARED VISION



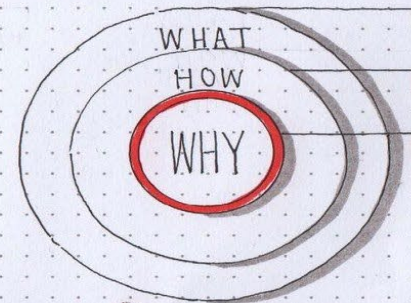
- ▶ ORDER
- ▶ PREDICTABILITY
- ▶ MULTI APPLICATION

MANAGE Trust

- ENABLE RISK
- IS EARNED
- BE DEMONSTRATED
- CONSISTENCY

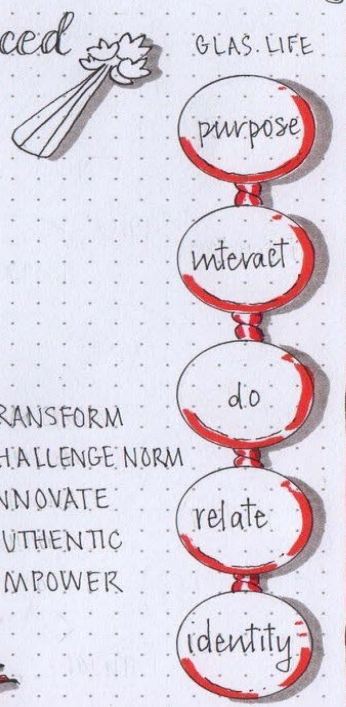
successful succession aligns to the why

PEOPLE DON'T BUY WHAT YOU DO THEY BUY WHY YOU DO IT



- PRODUCED ▶ CONSISTENCY **3** RESULT
- PROCESS ▶ DISCIPLINE **2** ACTION
- PURPOSE ▶ CLARITY **1** BELIEF

DECISION CERTAINTY		
THINK	FEEL	KNOW
WHAT	HOW	WHY

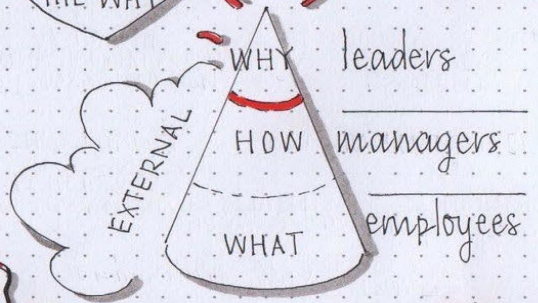


WHY



people often confuse WHY with WHAT and lose structure

FIND A WAY TO MEASURE THE WHY



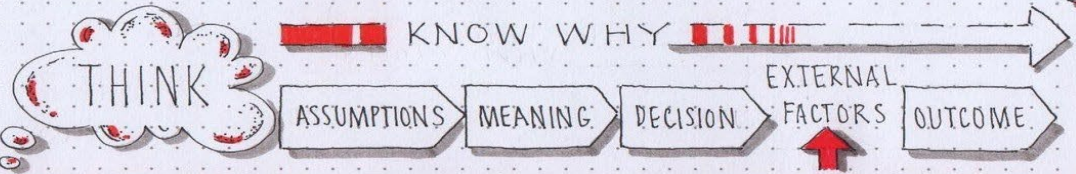
INSPIRING LEADER

- ▶ GAME CHANGER
- ▶ ABLE TO INFLUENCE
- ▶ CAUSE OF ACTION
- ▶ STAND OUT - STAND UP
- ▶ CREATE IMPACT
- ▶ VISION OF THE FUTURE

Influence

- INSPIRE ★ charisma
- MANIPULATE ▶ price | promotion | fear | short term | transaction

- ▲ TRANSFORM
- ▲ CHALLENGE NORM
- ▲ INNOVATE
- ▲ AUTHENTIC
- ▲ EMPOWER



WHEN DRIVEN BY 'WHY' SUCCESS JUST SHOWS UP

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DANI

Edge of Your Trading

