

Examples of critical moments that lead to self-defeating trading behaviour:

- When I considered to get onto a trade, but didn't and it then turned out to be a great trade – sense of regret, having missed out.
- When I was in a profit that turned into a loss because I followed my rules.
- The magic number seems to be 3. I can take my losses 3 times and the fourth time I let it run into the abyss.
- When the market rallies up without me and I missed out on the move. Driven by the feeling of having missed the first big move, I will start looking for short entries, put my stop outside the reversal candle just to be taken out because the strong rally continues.
- Got out of a trade and it keeps moving, I calculate in my brain how much more I could have made and feel the bitter pinch of regret because I missed out on profits.
- After a string of profitable trades I get Superman syndrome and start getting sloppy.
- When I have a disagreement with someone I care about.
- When I am feeling out of integrity because I didn't keep my promise.
- When I or a loved one have health concerns.
- After sudden financial pressure with an unexpected expense.
- Seeing trades setting up but not taking them because they are not ticking enough boxes of my trading system and then price moves exactly how I expected it. Once again bitterly counting “the dollars that could have been in my pocket but aren't”.
- Trading when I am tired. I know I am tired and know I shouldn't trade, but hey there is this great setup, or hey I need to make money because I have bills to pay. Even though I know that being tired makes me take on more risk. And once I dug myself into a hole, being more tired and annoyed, I start making even riskier decisions. I overtrade.
- Trading after having had an unresolved disagreement with someone or even the phone company. Makes me feel powerless because ‘they don't want to see my viewpoint’, and so I try to gain my ‘power’ back by entering a trade, which of course is just an illusion of power that fades very quickly when I realise the trade is most likely to end up in a loss.
- Losing traders have the belief that trading losses have to be made back not just eventually but immediately, preferably in the same contract at similar price levels and in one trade (because they want to stop feeling bad).
- Successful traders are aware that their brain is naturally wired to think this way and take charge by consciously taking the account balance as the new starting balance to make profits from, stay away from contracts they have recently incurred a big loss in, and keep reassuring themselves that losses don't need to be made back straight away, that there are plenty of opportunities over the coming days, and to only take the profits the market offers, instead of hoping for a single winning six trade where they recuperated the whole loss and more. That would be trading a fantasy, but they know they have to be realistic..