

**Module 6. Applied psychology**

**Trade diagram**

After taking a trade, place it in one of the following categories. Good trades are those who meet all your trading parameters and follow your strategy. Bad trades are those who don't meet your parameters, even if they ended up making money. As long as you are taking good trades you are doing your job and should not be upset by the outcome.

Good trade that lost money	Good trade that won money
Bad trade that lost money	Bad trade that won money

**Lot size to prevent/avoid common emotional challenges**

Most emotional challenges and behaviors are triggered by a lot size larger than needed. Reducing your lot size considerably will prevent yourself from facing emotional challenges, and will keep you from making mistakes such as cutting your winning short and widening your stops.

What lot size is the correct one for your risk profile?

Describe \_\_\_\_\_

What are realistic goals and achievements in trading?

Describe \_\_\_\_\_

**Realistic expectations**

Focus on consistency and remember trading is a process. The market will not behave always as we want so we do not need to force our system to provide signals when they are not there.

With your actual account size, what are you looking to achieve daily, weekly, monthly? Is it a dollar amount? a percentage?

Describe \_\_\_\_\_

Is that a realistic goal for your trading system? Will it provide enough high quality signals for so?

Describe \_\_\_\_\_

What account size do you need to meet your life and trading goals?

Describe \_\_\_\_\_

What is a realistic time to get to that account size?

Describe \_\_\_\_\_

### **Recovering from a losing strike**

If you are going through a bad losing streak, these are the steps you need to take:

- Stop Trading, and take a break of 24 hours.
- Review what is failing, you, or your trading strategy.
- Tune your trading strategy and stick to your rules.
- Develop a Positive Trading Mindset
- Reduce lot size and exposure.
- Get back to trading.

### **Maintaining good performance - be aware from being over confident**

For every sequence of success, there will be times where you won't be on top. If you're euphoric or building too much confidence due to past success, you could quickly fall into big-time disappointment.

After a sequence of wins, we need to remind ourselves that we're not here purely for success, but rather to do the job. When we do our job well enough, success is the byproduct.

We perform every day to get better and constantly improve our trading. Be happy when you hit it big but know that real success comes from the daily steps.

### **Mental action plan**

After a winning or losing strike, emotions and thoughts will lead us to act in certain ways.

Fear, Greed, FOMO, lack of trust in sistem, leaving money on the table, overleveraging, are only some of the emotions triggered and actions caused by them.

Map your emotions and feelings and detect what actions may be triggered, and be aware of them:

