

"Trading Psychology -- Learning to Master Your Emotions When Trading"

By Dave Gagné Author of [Trading Master Plan](#)

eLesson #1 of 5 in the mini-course...

"5 Critical Things You Must Know to Make Money in the Stock Market"

Important Notice:

Don't Miss a 7-Minute Trading Video at the End of this Lesson

Dear Fellow Investor,

Welcome to the "**Traders Secrets™ Mini-Course**", where you'll learn "*5 Critical Things You Must Know to Make Money in the Stock Market*".

A couple of thoughts before we dive in.

Firstly, this isn't hard stuff. Anyone (by that, I mean Y-O-U) can put these ideas into practice. Secondly, this isn't gonna get done by itself. I said "anyone can put these into practice". Did you catch that?

You gotta do something.

The biggest problem I see every day with "traders and investors" isn't a lack of knowledge. It's a lack of a plan of action. Granted there is a ton of "bad information" out there and many people lack any trading knowledge at all. But the inability to develop a trading plan is the real kiss of death.

I'll tell you exactly what you need to do in these five lessons. Then, it's up to you to do it.

Fair enough?

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Note: The biggest mistake you'll make in the coming five lessons is to make a decision to apply this information ... **and then not do it**. Make a commitment to yourself right here, right now that you've got what it takes and you'll do what it takes to see results.

Today we're going to talk about "*Trading Psychology -- Learning to master your emotions when trading*".

Ask Any Successful Trader and They Will Tell You:

"The Most Important Part of Trading is Learning to Master Your Own Emotions"

What exactly does that mean?

Well the idea is simple, you can have the best strategies in the world and even the best money management rules in place and none of it will mean a thing if you can't control your emotions and follow the plan you have made for yourself.

You see, one of the key skills you need to learn is how to read supply and demand. That is a skill that is going to take practice. Essentially supply and demand is the movement of prices caused by people. So what is motivating these people to either buy or sell?

The straightforward answer is emotions, particularly the emotions of greed and fear. Learning to understand supply and demand and greed and fear will go a long way, and help you with your trading.

But don't forget you are susceptible to the same emotions of greed and fear and how you deal with those emotions is what is going to make you a truly profitable trader.

If you fall prey to these powerful emotions you simply won't follow your rules. You will also start trading poor set-ups because **greed is in control**. You may sell too early because of *fear or hold on too long because of greed*.

The moment you enter a trade with real money on the line you are immediately vulnerable to your own emotions. Every tick in your favor brings a sense of accomplishment and satisfaction that you were indeed right.

Soon you start to feel **greedy** and want to squeeze out just a little more profit. Suddenly the

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price reverses and your greed quickly dissipates and turns into minor annoyance. You find yourself hoping the price will return to that previous level, so that you can sell.

But the price continues against you and now your **hope** slowly turns to fear, that you have lost a nice profit and may not get it back. The price continues downward and now the **fear** is really building. Not only have you lost your paper profit but now you're in a losing position.

Every tick downward is like a slow torture and the fear and the pain of this now losing position causes you to sell in a panic for a sizable loss. Trades like these are very draining and are emotional roller coasters.

Trading this way is a constant frustration. Learning to control these emotions is the most important and difficult skill you will have to master. **Psychology is over 50% of the battle** you just can't be successful in trading if you're carrying around emotional baggage and constantly undermining yourself.

Greed and Fear Will Be Your Greatest Ally and Your Greatest Enemy .

Here are some clues that your emotions are controlling your trading behavior:

1. You start to watch prices like a hawk, and feel elated if they go your way and depressed if they go against you.
2. When you start looking and listening to trading gurus more than you trust yourself and you start trading impulsively.
3. When you stop following your plan and even break your rules, you have stopped thinking rationally and are trading on emotion.

Becoming a Successful Trader:

In the market environment you have to set your own rules and then have the discipline to follow them, even when the market tempts you into believing it is ok to break the rules *just this one time*.

Slowly the movement of prices will lower your guard and your emotions namely greed and fear begin to take hold. As these emotions begin to gain control of you they will distort your

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perceptions and give you the illusion that suits your needs at any given moment.

The first step to overcoming this pitfall and controlling your emotions is...

Taking responsibility:

You must learn to take complete responsibility for your trading actions without any excuses.

Successful traders will examine reasons for not following the rules. By not taking responsibility you end up blaming others for your misfortune. You blame the person who gave you that hot tip or the guru who made a recommendation and of course everyone's favorite place to lay blame the **market**. "It was the markets fault for not co-operating, it was supposed to go higher"(famous last words).

Accepting 100% responsibility goes along way to preventing those negative emotions (greed, fear, hope) from gaining control.

Learning to master your emotions is over half the battle. If you can control yourself and follow the rules it will go a long way to making your trading profitable.

That's why I created **Trading Master Plan™** to teach you how to not only put together a trading plan step by step. But also to show you how emotions are affecting your trading and how to overcome those emotional roadblocks.

"The Piece of the Puzzle I was Missing"

"What I especially like about **Trading Master Plan™** is the way **losses are cut short**, while winners are left to run for **huge gains!**

I have tried many stock advisory newsletters and hot stock tips over the years. But nothing showed me how to trade, this is **the piece of the puzzle I was missing**. I now trade with more confidence and finally feel like I will make money in the stock market.

— **B. Ford**

Coquitlam British Columbia

If your really serious about **exploding** your trading profits and learning how to trade and develop your own trading plan.- I encourage you to take a look at **Trading Master Plan™** .

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[Click Here](#) To Watch A 7-Minute Trading Emotions Video

You Don't want to miss this!

You've just been given a very powerful and important lesson on how to master your emotions while trading. By simply realizing the warning signs and taking responsibility for your trading.

Don't forget to check your inbox tomorrow for the next lesson in the series, "**Money Management Secrets -- The Ultimate Edge of Winning Traders!**"

Until then, Good Trading



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www.TradingMasterPlan.com

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