Engineered Trading MindSet

For Success

Fear of Profit Becoming Loss

workbook

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Engineered Trading Mindset
The Fear of a Profit Becoming a Loss

Session 1 – Symptoms & Scenarios

Discover Your Personal Symptoms

You have learned the four most powerful emotional symptoms you can expect to experience when your White Rider of the *fear of a profit becoming a loss* comes galloping into your mind determined to disrupt your trading and also the seven typical physical symptoms you can expect to experience.

Do the following exercise to discover how these symptoms of your White Rider of the *fear of a profit becoming a loss* may be disrupting your trading success.

Exercise #1 - My 'White Rider' Symptoms

We will use the single trading scenario identified in the training session i.e. you have *a trade in profit* (or nearly so), to explore how these symptoms may be impacting your trading and discover any other symptoms unique to you.

You may find it useful to use any trading journal or notes to help you connect with your recent trading experiences.

Step 1. Choose some recent trades where the trades went in and out of profit prior to you exiting the trade – either with a win or a loss.

The key is you want to explore specific examples (irrespective of the final outcome) where the trade was in profit and you thought you might lose that profit.

When you think and reflect on them now, make sure you can identify that the fear of a *profit becoming a loss* was part of those trades.

Step 2. In the appropriate section in the tables below, record when, how and in what way this fear of a PBL impacted on those trades.

In particular, be aware of how this emotional weapon of your White Rider influenced your thinking and actions.

Once you have the tables completed, use the information to think what you could have done differently if this fear wasn't there.

Step 3. Use this information and reflection to identify any other symptoms unique to you that may not be in these tables.

Table #1 - Emotional Symptoms

TRADING SCENARIO – TRADE IN PROFIT	
Symptom: ANXIETY	**Symptom: APPREHENSION/DREAD**
When occurred… How affected me… How affected my decisions/actions…	When occurred… How affected me… How affected my decisions/actions…
Symptom: HYPERVIGILANCE	**Symptom: UPSET CONCENTRATION**
When occurred… How affected me… How affected my decisions/actions…	When occurred… How affected me… How affected my decisions/actions…

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Table #2 - Physical Symptoms

TRADING SCENARIO – TRADE IN PROFIT	
Symptom: POUNDING HEART	**Symptom: SWEATING/BODY HOT**
When occurred… How affected me… How affected my decisions/actions…	When occurred… How affected me… How affected my decisions/actions…
Symptom: BREATHING CHANGES	**Symptom: STOMACH UPSET**
When occurred… How affected me… How affected my decisions/actions…	When occurred… How affected me… How affected my decisions/actions…
Symptom: MUSCLE TENSION	**Symptom: EYE/FINGER TWITCHES**
When occurred… How affected me… How affected my decisions/actions…	When occurred… How affected me… How affected my decisions/actions…

Table #3 - My Personal Symptoms

MY SYMPTOMS
Scenario: **TRADE IN PROFIT**

Symptom & Effect:	Symptom & Effect:
Symptom & Effect:	Symptom & Effect:
Symptom & Effect:	Symptom & Effect:
Symptom & Effect:	Symptom & Effect:
Symptom & Effect:	Symptom & Effect:

HOW CAN I CHANGE THESE SYMPTOMS?

_____

Session 2 – Underlying Psychology

The following question-based exercise will help explore further your own past experiences to discover any influencing events that may continue to be driving your *fear of a profit becoming a loss* and giving your White Rider ammunition to fire at you during your trading.

Exercise #2 – Questionnaire: How I experience 'Loss'

Step 1. Reflect on each question and connect with past and present examples in both your life and your trading.
These are not 'yes/no' questions so please go deep to connect with your true experiences (expect some 'inner resistance'!)

Step 2. Write your answers in the topic tables below.

Exercise 2. LOSS & BETRAYAL
Q1. What is your first memory of having something you valued taken away from you? As you remember that now, how does/did it make you feel?
Q2. What is your general attitude to losing something now?
Q3. How does it make you feel when someone takes something you consider to be yours without your permission?
Q4. How do you feel when you see the profit in a live trade start to reduce?
Q5. What do you hear in your head, the inner voice, when a trade in profit suddenly goes into a loss?

Exercise #3 – Questionnaire: Deep-Dive into Me!

Step 1. Let's go deeper with the following questions designed to give you more 'know yourself' connection.

As usual, these are not 'yes/no' questions so again go deep to connect with your true experiences and if you feel any 'inner resistance' note it down.

Step 2. Answers please in the tables below.

Ex 3. Table #1 – Feel Like a Winner
Q1. How, specifically, does it feel when you win at something? Describe!
Q2. On a scale of 0-100, how competitive would you say you are?
Q3. Please explain in words what factors determined your score in Q2.
Q4. What do you: think, see, hear, and feel, in your mind and body when in your 'competitive state'?
Q5. What does your 'dopamine reward' feel like after a win? Describe!

Ex 2. Table #2 – My Self-Worth

Q1. What is your immediate 'gut reaction' to the thought of having 10,000 a month from trading?

Q2. What is the maximum annual income you have ever earned? Why do you think this has never been exceeded?

Q3. What specific comments/remarks do you remember hearing from others about yourself when you were growing up?

Q4. In what circumstances would you feel the need to 'prove your worth'?

Q5. Do you connect with any of the behaviours mentioned in the training session and if so how does this impact your trading/life?
(proving yourself, attention seeking, bullying others, putting self down, arrogance, shyness, chaotic relationships)

Ex 2. Table #3 – Perfectionism (trading specific)

Q1. How do you feel when one of your trade setups doesn't work?

Q2. What reaction does it cause in you when you see something in the market you didn't expect or anticipate?

Q3. How does your 'risk management' suffer because of your need to be right?

Q4. Give 2-3 examples of recent actual trades that lost more than necessary as a direct result of 'perfectionism'.

Q5. If this 'need to be perfect' wasn't there, give 3 ways this would have a positive impact on your trading?

1.

2.

3.

Ex 2. Table #4 – Defensiveness

Q1. Give 2-3 examples where any defensive behaviours have had a negative impact in your life'

1.

2.

3.

Q2. Give 2-3 examples where you can recognise that defensive behaviours negatively affected your trading.

1.

2.

3.

Q3. Give 2-3 examples where you avoided a trade with good signals simply because you weren't bold enough to take it at the time?

1.

2.

3.

Q4. How do you respond when your trade is in the loss state? Describe in detail.

_____

Session 3 – Impact on Trading

As with all of your 4-Horsemen of Fear, your White Rider also uses his 'dark weapons of fear and mayhem' against you to prevent you achieving your trading potential.

My 'Internal Rules' around 'Winning'

Let's start with exercises designed to put you I touch with your 'internal rules' around the subject of winning and losing.

Exercise #4a – Perceptual Filters

We begin this process by analysing your three main internal perceptual filters that directly affect your behaviours.

These are:

- **Core-Values**
- **Beliefs**
- **Attitudes**

"Your core-values and beliefs directly feed and create your attitudes!"

Go through the following steps to discover your core-values, beliefs, and attitudes around the topic of 'winning'.

Discovering Values

The first stage is to discover your underlying *core-values* related to winning.

Aim to have a list of at least 5 core-value words.

(Example core-value words are: honesty, efficiency, caring, even 'winning' can be a core-value etc.)

Step 1.

To do this answer the following question:

"What, specifically, is important to me about 'winning'?

Write your answers in the table below.

Then ask, several times and until no more new responses come through:

"What *else* is important about winning to me?"

Extract from your responses the single *core-value words* that are important.

Examples:

You might say:

1. *"Winning is important to me because it boosts my self-esteem."*
   Possible core-values: self-esteem/confidence

2. *"Winning is important to me because it makes me happy."*
   Possible core-values: happiness/contentment

3. *"Winning is important to me because I like to beat the competition."*
   Possible core-values: competitiveness/dominance/being in control

You see how this works so now answer the two questions above to discover your own responses and core-values.

When answering the questions, trust your 'gut reaction' or 'Internal Truth Mechanism (ITM)' and you will quickly discover the *core-values* that are being fed when you are winning.

Add your core-values related to winning to the table.

Discovering Beliefs

Next is to discover your underlying *beliefs* related to winning. This is similar to the previous process but you use a different question and think differently about it.

You will also discover that your beliefs are often directly tied to one or more specific *core-values*.

Step 2.

Write a list in the table of the 3 top *beliefs* you have about 'winning' in response to the question:

"What do I truly *believe* about winning?"

Start each answer with the words: ***"I believe..."***

Example:

> *"I believe winning is good because it proves I can achieve things"*
> (Note how this belief is connected to the core-value of *achievement*!)

Continue until you have your three top beliefs in the table.

Discovering Attitudes

Now uncover your underlying *attitudes* related to winning.

Step 3.

As with core-values and beliefs, your *attitudes* directly affect your behaviours and therefore contribute to your *internal* rules on a subject/person.

Example:

To illustrate this, let's say you see someone you don't like - your attitude may be "I really don't like X."

Perhaps this is because they have different values to you e.g. they are dishonest and you value *honesty*, and maybe they have different beliefs e.g. they believe in marriage and you don't.

You can see how your core-values and beliefs feed into your *current attitude* and this works for everything – you have an attitude for everything even if that attitude is 'neutral'.

To discover your attitudes, answer these questions and write your responses in the table:

1. **"How do I feel when I think about 'winning'?"**

2. **"What in general do I feel toward 'winners'?"**

3. **"How do I feel toward winning in trading?"**

Start each answer with the words: "My attitude is to [topic] is…"

Once you have your core-values, beliefs, and attitudes toward *winning* clearly defined you can start to discover how these will be used for the creation of your *internal rules*.

Ex 4. Table #1 - Perceptual Filters		
My CORE VALUES	**My BELIEFS**	**My ATTITUDES**
My list of core-values related to winning and winners:	1. I believe 2. I believe 3. I believe	1. My attitude to 'winning' is 2. My attitude to 'winners' is 3. My attitude to winning at trading is

Exercise #4b – Criterion and Internal Psychological Rules

Before you can make a considered decision about something, you normally need information to base your decision on. You would generally gather a few facts and figures together related to the subject you are deciding about to allow you to make that considered decision.

These various facts and figures become the ***criterion*** on which you will base your decision.

The same applies to your *internal psychological rules* related to your trading and to winning; especially as they relate to your fear of a profit becoming a loss.

The previous exercise effectively helped you to discover your own specific criterion underpinning your 'winning' rules and now you need to uncover the specific rules themselves.

To do this follow these steps and write your results in the relevant table.

> **Step 1.**
>
> Based on your core-values, beliefs, and attitudes you have defined above (these are your 'facts and figures' of decision making) think now about how you define 'winning' using the following three questions:
>
> > 1. **What does the whole idea of winning mean to me?**
> > 2. **What does a 'trading win' mean to me?**
> > 3. **What does 'feeling like a winner' mean to me?**
>
> **Step 2.**
>
> For each 'meaning' question, complete the relevant table and then write up to three 'rules' that will tell you how this meaning is satisfied.

IMPORTANT:

Your internal rules are a very important part of your trading behaviours and I urge you to give plenty of time and thought to your responses in these exercises so you really gain the deep understanding possible here.

These rules will either be helping or hindering your trading and if the latter, you can guarantee your 4-Horsemen of Trading Apocalypse will find a way to use them as 'dark weapons' against you as you trade.

Any of these 'rules' can be changed if they are not helping you simply by specifically redefining them to form a new rule.

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Ex 4. Table #1 Rules for the Meaning of - 'Winning'

(Be clear and specific)
To me winning means...

Rules: I need to satisfy the following 'rules' for this to be true:

1.

2.

3.

Ex 4. Table #2 Rules for the Meaning of - a 'Trading Win'

(Be clear and specific)
To me a winning trade is...

Rules: I need to satisfy the following 'rules' for this to be true:

1.

2.

3.

Ex 4. Table #3 Rules for the Meaning of - 'Feeling Like a Winner'

(Be clear and specific)

To me feeling like a winner means…

Rules: I need to satisfy the following 'rules' for this to be true:

1.

2.

3.

_____

Session 4 – Deep-Mind Fear Busters

As usual you will find tables below in which to record your results when following the step-by-step instructions for the exercises in this workbook and the deep-mind techniques that I teach in the fourth training session.

Remember also you have the 'sound bites' audios and the 'Reading Bites' transcripts which you can use to help you practice later as needed.

Before going further into the following techniques, if you haven't watched the training video for a while, I recommend you review the video now (or read the 'Reading Bite' for this session) so you are fully conversant with 'internal representations' as this knowledge will be essential and help you a lot with these techniques.

Sensory-specific Words

Below you will find lists of sensory-specific words that you can use and will need to help you with this (and other deep-mind) techniques. Note some words apply to more than one sense e.g. Fast (movement or sound), Delicate (smell or touch).

Internal Representations - Sensory Specific Words				
VISUAL	**AUDITORY**	**KINAESTHETIC**	**GUSTATORY**	**OLFACTORY**
• Associated (through own eyes) • Dissociated (seeing yourself) • Colour or black and white • Brightness • Contrast • Sharp/blurred • Framed • Depth (2D or 3D) • Location (left/right, up/down) • Distance from picture • Movement	• Stereo or mono • Words or sounds • Volume (loud or soft) • Tone (soft or harsh) • Timbre (fullness of sound) • Location of sound • Distance from sound source • Duration • Continuous or jumpy • Speed • Clear/muffled	• Location • Intensity • Pressure (hard or soft) • Big/small • Texture (rough or smooth) • Weight (light or heavy) • Temperature • Duration (how long it lasts) • Shape • Burning • Warmth • Coolness • Gritty • All 'emotion' words	• Sweet • Sour • Salty • Sugary • Juicy • Dry • Bitter • Burnt • Hot • Warm • Cold • Rich • Flowery • Spicy • Mushy • Cloying • Delicate • Crunchy • Powdery • Bland	• Perfumey • Burnt • Foul • Fresh • Sweaty • Salty • Sweet • Warm • Cold • Acrid • Fragrant • Putrid • Delicate • Light

Exercise 5 – Using Sensory words

It is very useful to be able to accurately describe your internal representations in a sensory-rich way so that you get skilled (and fast) at identifying the various 'qualities' of your internal images, sounds, and feeling.

This will allow you to be much quicker at applying the deep-mind techniques you are learning and beat your White Rider to the 'emotional winning line'. The faster you can apply the techniques i.e. before the emotions take over you, the easier it will be to deal with your White Rider's 'dark weapons'.

Let's take this in easy steps by working with one 'virtual sense' at a time. As you will see from my example snippets, it is just like telling a story with the sensory words providing the 'richness' for the story.

Have fun with this exercise and 'tell your sensory story' by completing the table below the instructions.

Note: Most internal representations contain all of the 5 sensory aspects but you might not at first be aware of them all. Your mind will focus on the aspects it considers most important to you so be prepared to really connect with each of the sensory elements of the representation one by one as follows:

Step 1. – Internal Representation

To access a useful and pleasant internal representation to practice with in this exercise recall your favourite memory now.

Step 2. – Visual Qualities

First become aware of the visual 'qualities' and describe in 3-5 sentences the picture/movie in your mind in **just visual terms**.

"The image is big, and very sharp/clear. It is in the centre of my vision and I can see myself in the scene."

Step 3. – Auditory Qualities

Next, use your virtual hearing and describe any sounds contained in the image.

"I can hear the waves lapping onto the beach and the seagulls squawking overhead. I hear children laughing in the distance and the sound of a kite flapping in the wind."

Step 4. – Kinaesthetic Qualities

Do the same for any kinaesthetic qualities that will include movement, tactile sensations and emotions.

"I can feel the wind on my cheeks and the gritty sand hitting my arms as I lie in the Sunny part of the beach. I feel happy to at last be on holiday and can relax and unwind."

Step 5. – Gustatory Qualities

Continue to analyse the internal representation but now use your gustatory virtual sense and now describe any gustatory sensations of taste.

"As I sip my cold drink it feels cooling and refreshing. The slight bitterness is due to the slice of lemon in it. I can still taste the saltiness from the prawns I had for lunch with my crispy fresh Mediterranean salad."

Step 6. – Olfactory Qualities

Finally, use your virtual sense of smell to identify any olfactory qualities in the image.

"There is a strong fishy smell on the air coming from the nearby fishing boats as the fishermen clean and check their nets and hose down their boats ready for the next trip out."

Ex. 5 – DESCRIBE INTERNAL REPRESENTATION

Visual qualities:

Auditory qualities:

Kinaesthetic qualities:

Gustatory qualities:

Olfactory qualities:

Deep-Mind Technique #1 – Change Internal Representations

Now you have had some practice analysing your internal representations, let's turn our attention to the steps involved in using these sensory 'qualities' to change an internal representation.

Remember that by changing the qualities of the representation you automatically change:

1. **THE MEANING OF THE MEMORY**
2. **THE EMOTIONAL COMPONENT OF THE MEMORY**
3. **THE POWER OF THE MEMORY TO INFLUENCE YOU**

Ok, either work along with the training video or practice with the eBook/audio whichever is easiest for you.

Use the table below the instructions to record your sensory-data about the representation.

Step 1. Internal Representation

Access a relatively negative memory of a trading experience you have had where your fear of a profit becoming a loss was a prominent feature.

Step 2. Emotional Check-in #1

My current state feels: Positive/Negative/Neutral

Name of my emotion/feeling:

My SUD intensity number:

Step 3. Analyse Sensory Qualities

Really explore this internal representation and list the various sensory qualities in the table below (use the qualities in the following tables as reference).

For example, how bright is the image? how strong is the colour?, where is the image in your mind-space?, how loud are the sounds, etc.

Make a note of your assessment of the intensity, or other relevant description, for each of the sensory qualities listed in the reference tables below.

Visual Qualities	Auditory Qualities	Kinaesthetic Qualities

Step 4. Test Changes (one at a time)

Using the tables below, take one quality and mentally perform the first action shown e.g. Brightness – make image dimmer.

Indicate whether this change to the image made you feel better or worse and circle which applies.

IMPORTANT: Now return the quality BACK TO WHAT IT WAS before the change. You want to make the image/movie the same as it was before doing the next change.

Then do the second action for that quality e.g. Brightness – make image brighter and again indicate whether it made you feel better or worse.

Now return it back to how it was.

Repeat this process of making the changes shown for each of the qualities of the image and *carefully* note your results – better or worse.

Continue this process for both the Auditory and Kinaesthetic tables and carefully record each result.

Once this is done you should have a thorough list of the emotional drivers of this memory AND know which need to be changed *and how* to remove the emotional power of the memory.

Step 5. Permanent Changes (one at a time)

Starting with the results of changing the visual qualities, now choose the change that had the most positive impact for you.

Apply that change again but this time really make the change strong and permanent – do not return it back again leave it changed!

For example, if making the image brightness dimmer was 'better' for you, then make that a permanent change now.

Continue changing the various qualities that helped you feel better the most and apply those changes.

Once all the positive changes have been made and you have a brand new internal representation, play that new version with all the changes done to it.

Step 6. Test Final Changes - Results

Break state by counting from 1 to 10 rapidly.

Now, recall the original memory and notice what has changed for you.

Do another 'emotional check-in' now and compare the change in intensity level of the emotions now with the number you wrote down at Step 2 of the process.

Emotional Check-in #2

My current state feels more: Positive/Negative/Neutral

My SUD intensity number is now:

That completes the steps of the 'Change Internal Representation' technique. This process can be used equally well for both positive memories (where you want to make the memory even more positive and useful) and negative ones (where you want to reduce the emotional impact and power of the memory).

It is the latter case that we have been focussed on in this training and you will probably be using it to resolve your negative trading experiences most of the time to eliminate those 'dark weapons' of your 4-Horsemen.

IMPORTANT: Please remember though that this process is excellent for increasing the positive effect of your good trading experiences so do spend time working on those various positive memories because they will become your 'swords of light' to be recalled as a powerful defence against your 4-Horsemen.

Visual Qualities	Action	Result	Action	Result
Brightness	Make image dimmer	better/worse	Make image brighter	better/worse
Position	Move further away	better/worse	Move closer	better/worse
Colour	Make it black and white	better/worse	Make the colour more vibrant	better/worse
Focus	Blur the image	better/worse	Sharpen the image	better/worse
Size	Make image smaller	better/worse	Make image bigger	better/worse
Distance	Push further away	better/worse	Bring closer	better/worse
Movement	Make image still	better/worse	Make image into movie	better/worse
Border/Edges	Give image a frame	better/worse	Expand into panorama	better/worse
Associated/Dissociated	See yourself in the image	better/worse	See scene through own eyes	better/worse

Auditory Qualities	Action	Result	Action	Result
Volume	Quieten the sounds	better/worse	Increase the volume of the sounds within the memory	better/worse
Tone	Lower the tone of the sounds	better/worse	Increase the tone of the sounds.	better/worse
Tempo	Slow the sounds down	better/worse	Speed the sounds up	better/worse
Pitch	Lower the pitch of the sounds	better/worse	Raise the pitch of the sounds	better/worse
Direction	Change the position in space, where the sound comes from. Try several positions and see what makes a difference			

Kinaesthetic Qualities	Action	Result	Action	Result
Physical feeling in body	Mentally move the feeling to a different part of your body	better/worse	Move the physical feeling back again	better/worse
Weight	Decrease the weight of the feeling	better/worse	Increase the weight of the feeling	better/worse
Pressure	Decrease the pressure of the feeling	better/worse	Increase the pressure of the feeling	better/worse
Intensity	Decrease the intensity of the feeling	better/worse	Increase the intensity of the feeling	better/worse
Movement	Reverse direction and speed up			

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Deep-Mind Technique #2 – Automatic Behaviour Reprogramming

The second powerful fear busting technique in this module is more advanced than the previous technique and resolves a different problem.

The Problem

The specific problem the **'Trigger Reprogramming'** technique resolves is that of *automated behavioural reactions* or **'triggered behaviours'** interfering with your trading actions.

Triggered behaviours are essential to our daily lives but often we develop some triggered behaviours that aren't useful to us or that can be downright destructive – especially to your trading profit potential!

This technique is fully explained in the video and Module 4.4 'Reading Bite' so please refer to those resources to practice this powerful technique.

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Practice Makes for Speedy Response

Once you become very familiar with this technique (practice, practice, practice), it is very fast and effective for changing your immediate emotional reactions and is great as preparation for any of the other deeper and more elaborate techniques I am teaching you in this programme.

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Journeying Farther & Further - Journeying Together

For most traders, trading as an activity can be a singularly solo, and perhaps even lonely, journey toward your future dream of financial freedom and ultimate happiness.

The programme you have just taken will have moved you along on your trading development journey of discovery that will have a positive impact on your trading – and possibly on your entire life and those around you.

Most journeys have a point of departure and a point of arrival – or do they?

Certainly, the journey you have been on in this programme has a clear departure point – that is to increase your development as a trader - and it has a clear objective to provide the tools to help you…

…but it doesn't have a clear destination beause it is but one positive stepping stone forward!

Why?

Because your trading psychology has many facets and needs and this programme is only one aspect – albeit a crucial aspect - of your whole trading psychology development to improve your daily trading experience.

Now African wisdom says:

"To journey far, travel with others."

So, to travel farther and further with your trading I invite you now to continue our journey together towards a new objective and your own desired destination.

FREE 1-On-1 Coaching Session

Begin the next part of your success discovery trading journey now by setting your next big objective, which I strongly believe should be, to have a COMPLETELY FREE 30 minute…

Trading Behaviour Strategy Coaching Session

…directly wth me.

This is the logical next step on your journey to realising your trading profit potential and creating the abundant life of your dreams.

Let me be your personal development guide on the next exciting exploration into your trading psychology.

To find out more about your next trading journey watch my complimentary **'TBA'** video that will explain how we will analyse your current trading behaviours to uncover any success blocks lurking in your unconscious mind.

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