



**4-HORSEMEN  
OF  
TRADING  
APOCALYPSE**

**FOUNDATION  
MODULE 1.1  
TRANSCRIPT**

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**RightMindTrader.com Academy**



## 4-Horsemen of Trading Apocalypse Module 1 Session 1

### Getting Acquainted with Your Trading Emotions

Welcome to Session 1 of Module 1 of your 4-Horsemen of Trading Apocalypse program and let me start by saying how much I appreciate you creating the time to take your trading to the next level by mastering your biggest trading success enemy.

I'm Les Meehan, author, speaker, seminar leader and founder of the RightMindTrader.com Academy and in this your first session of this foundation module of the program I want to teach you some in-depth knowledge about your trading emotions.

The problem for the majority of traders, and certainly for the 90% of traders the experts say are consistently losing money, is that trading is a very emotionally intense activity.

Unfortunately, the usual consequence of high intensity emotions - which results in loss of discipline, loss of focus, and loss of objective decision-making - is quite simply also the loss of your money.

But if losing your money wasn't bad enough you also lose at a much deeper psychological level too.

You lose your self-esteem, your self-respect, your faith in your abilities, and ultimately you lose your self-confidence all of which negatively impact your chances of trading success and also negatively impact other areas of your life.

Is it any wonder then that the statistic that 90% of traders lose money is so often cited - your trading emotions are very powerful and can so easily lead to your own trading apocalypse and the destruction of your dreams?

Yes, we human beings are emotional entities but that does not mean you have to be a slave to your trading emotions.

You can learn to master your emotions, and defeat those that try to ride over you during your trading and in this program I will teach you exactly how to do that.

Let's start right now at the beginning of your mastery of emotions by understanding exactly what emotions are and which are most dangerous to your trading success.

### What are Emotions?



Trading has often been called ‘The Emotional Roller-Coaster’ and with good reason - it can be a turbulent but exciting ride of emotional highs and lows.

In fact, any price chart could so easily represent this emotional roller-coaster.

Of course, whether that ride up and down a price chart is exciting or terrifying will depend very much on where you jumped on the ride.

In either case, you can be sure it will be an emotional experience every time.

So what exactly are emotions and how do we create them?

As with many other things, there is no one set definition of what an emotion is and this often makes it more difficult to understand emotions because the human mind loves clear ‘labels’ as part of the understanding process.

Also, we all seem to have what appear to be many different emotions so how could one definition possibly be adequate anyway.

Some experts, and especially spiritual teachers, say there are only two emotions: Love and Fear and that all other emotions are simply some derivative of these two.

To make things easy in this program, I will use the following to describe emotion.

“Emotion is the felt response to the underlying psychology that is involved with your current real or imagined experience.”

### **Inner Truth Mechanism (ITM)**

I believe emotions are also part of what I call your ‘inner truth mechanism’ (or ITM), an ancient unconscious mechanism many of us have lost touch with but that continues to function anyway to protect us by letting us know when something is good or bad for us.

We know we have an ITM because we refer to it often in everyday speech.

We call it our ‘gut instinct’, or ‘intuition’ or ‘sixth sense’ that felt response in the pit of your stomach that gives you a very clear message if you will only choose to listen to it.

And we should listen to our ITM more often because it is far more intelligent and far wiser than our logical brain could ever be.



In my definition of emotion I said *'the felt response to the underlying psychology'* meaning it is your psychology that creates every emotion that you experience.

Without this underlying psychology which comprises the values, beliefs, attitudes, experiences and thoughts you have, there would be no emotion and no manifestation or felt response of that emotion in your body.

Of course I am not referring here to mentally ill people or victims of brain damage, or to those people who have managed to repress their emotional system to an extreme level such as criminal psychopaths, but to the majority of people with what is considered to be a normally functioning brain and body.

The answer is that your ITM is not an emotion control system but an emotional true or false system.

### **Emotion by Thinking**

It is believed humans are the only life-form on this planet that can create emotions, such as fear, simply by thinking and it is this 'ability' to create emotions at any time that can be the problem.

Having the ability to create an emotion simply by thinking can be a problem because your emotions ultimately control your behaviours and if we don't control our emotions we will struggle to have control of our actions.

You can test you can create emotion simply by thinking and try it right now.

### **Exercise**

I want you to think now about a bad experience, real or imagined.

I bet you almost immediately felt in your body the negative emotional response you would expect from such an experience - and you did this simply by thinking of the experience.

Once you felt the emotion, you may also have started thinking about what you would do in such circumstances and the choice of behaviour will be dictated by the emotion and feelings you are having.

And that is the problem for your trading - imagining and thinking about results before you actually have them, and creating associated strong emotional feelings in anticipation of the imagined result, produces potentially losing behaviours

### **Mind-Body Connection**



This combined thinking and feeling system is often referred to as the Mind-Body connection and it is a self-fuelling system.

What you think about produces related physical feelings and what you feel produces related thinking resulting in a self-fuelling system.

This cycle will continue until you consciously make the effort and take action to break the cycle.

I'm sure everyone will have experienced this cyclic process at some time - especially when your thoughts and feelings may have 'spun out of control'.

In the past this may have been considered some sort of new-age mumbo jumbo but current neuroscience, which is the study of how the brain works, now supports all of this with research evidence.

### **Brain Neural-Networks**

Neuroscience shows us that the more we think about something the stronger the pathways or neural networks in the brain become.

Neuroscience has also shown that the brain will naturally tend to follow the strongest networks, rather like water or electricity following the path of least resistance.

This means the more you think about something the stronger that brain network becomes making it more likely you will continue to think about that subject.

We all know people who seem to find it impossible not to talk about the same subject most of the time or who continually bring the conversation back to the same subject - well now you know why!

They have created a very strong brain network on that subject and their mind, if not guided elsewhere, defaults to that topic because of the strength of the associated network links.

Taken to extremes, this cyclic process creates obsessive thinking leading to obsessive behaviours and if care isn't taken this can happen in any area of life - including your trading.

I mentioned it is believed that humans are the only life-form that can create emotion, and the associated emotion led behaviours, simply by thinking (and you can verify this for yourself with the earlier exercise).

But we also know that all life-forms have automatic responsive behaviours based on external stimulus so let's now examine this topic to discover an important concept.

## **Automatic Responsive Behaviours**

### **Triggers**

Any external stimulus that produces an unconscious and therefore 'automatic' behavioural response is known in some branches of psychology and in NLP (Neuro-Linguistic Programming or the 'technology of success') as a '**trigger**'.

The commonest 'trigger' in most life-forms is the 'fight or flight' response to a perceived danger.

In animals the fight or flight response of survival requires an external trigger i.e. the animal has to detect a threat from the environment otherwise the survival response stays dormant.

But in humans, because of our ability to 'think ourselves into an emotion state', we can trigger the survival response without needing an external threat.

In humans, an imagined threat will work just as well if not better.

At the most unconscious level these 'triggers' usually produce a specific behaviour or set of behaviours based on the need for survival.

Leaving our survival to one side, there are many triggers that we naturally respond to such as a baby crying or an animal in distress.

We also consciously create and respond to triggers through repetitive practical training for example at work when a telephone rings it can be a trigger to answer it.

As in other areas of your life, you will also have created triggers in your trading - both 'internal psychological' triggers as well as external or environmental triggers.

For example it is very common to set 'alerts' to tell us how a live trade is performing or how a market is moving and these alerts become 'triggers' that usually produce the same behavioural response i.e. we may immediately go and check the market to see if our live trade needs attending to, or if a trading opportunity has arrived.

Most of the time a trigger is something we are usually aware of and respond to at the conscious behavioural level.

## **Anchors**

A related and powerful aspect of our automatic response mechanism and which works at a deep unconscious level, meaning you will often be totally unaware of it, are what are called '**Anchors**'

An 'anchor' is a form of trigger that has been created by repetition but the difference is; an anchor triggers 'thoughts and feelings' rather than a specific behaviour.

When you have a repeated experience in which your thoughts and feelings are the same each time, some component of this experience can become an anchor to those thoughts and feelings.

The anchor can be almost anything related to your senses: a sight, a sound, a smell, a taste, a touch, and even a movement.

Later, if you see, hear, smell, taste, or feel this anchor your thoughts and feelings from the original experience will return.

Together the thoughts and feelings associated with a particular anchor produce a specific physiological state or a specific mind-body condition.

A common example of an anchor is when someone smiles at you. It is very difficult not to suddenly feel more positive and then smile back.

Anchors and triggers are normal and essential to your life and you are creating, changing, and removing them every day.

Anchors and triggers make life more efficient by quickly reproducing specific behaviours and physiological states without you having to relearn afresh from every experience every time.

You now understand about what emotions are, how they affect you and your behaviours, how they create and influence your emotional state, and how they can become automatic responses based on triggers and anchors.

## **Emotional Trading**

It should also be clear how all of this is connected to your trading and how easy it is to get drawn into emotional trading without even realising it is happening until it is too late.

Because your trading activities are full of anchors and triggers, which are the powerful influencers of both your immediate emotions and your immediate

behaviours or actions, it is all too easy to find yourself drawn into ‘unthinking’ actions.

Let’s round off this first training session by becoming consciously aware of just five of the powerful emotions that are typically experienced during trading.

These five are:

1. Greed,
2. Excitement
3. Frustration
4. Anticipation

And of course the biggest...

5. Fear.

Although each of these are powerful emotions and can have a serious negative impact on your trading, by far the deepest psychologically and the one that is most destructive to your trading is Fear.

This is why fear is the subject of this whole ‘4-Horsemen of Trading Apocalypse’ program in which I will teach you what you need to know, and need to do, to defeat this enemy of your trading success.

### **Summary**

This introduction to your emotions has given you the first foundation stone of what you need to know and understand to continue deeper into this program.

You have now learned the basics about emotions; how they are created, how they influence thinking and behaviours, and how your thinking, feeling, and behaviours can easily become automatic responses through the creation of anchors and triggers.

### **Moving forward...**

The second foundation stone, which I will teach you in the next training session and which builds on this first one, is to have a deeper understanding of your most powerful trading success enemy - fear!

Let’s do that right now so I’ll see you in the next session.

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