Bias Prevention Checklist

Signal Pilot Education Hub

Confirmation Bias Prevention Checklist

From Lesson 8: Your Brain Is Filtering Out Half the Chart (Confirmation Bias)

Use this Red Team checklist BEFORE every trade to challenge your thesis and prevent confirmation bias from creating false edges.

📋 Pre-Trade: Red Team Exercise (Attack Your Thesis)

Step 1: State Your Bias

- [ ] I am: ☐ BULLISH ☐ BEARISH
- [ ] Trade direction: __ (long / short)
- [ ] Primary reason for this trade: _____

Step 2: Bull Case (Why You Want This Trade)

- [ ] List 3 specific reasons why this trade will work:
1. _____

2. _____

3. _____

Step 3: Bear Case (Why You Should NOT Take This Trade)

- [ ] List 3 specific counter-arguments (FORCE yourself to find opposing evidence):

1. _____

2. _____

3. _____

Step 4: Invalidation Point

- [ ] At what specific price or condition is your thesis DEAD?

- Price level: $__ OR Condition: ____

- If this happens, thesis is wrong → EXIT IMMEDIATELY

Step 5: Can You Refute the Bear Case?

- [ ] Review the 3 bear case arguments above

- [ ] Can you provide solid evidence that refutes each one?

- [ ] YES (for all 3) = ✅ Trade has merit, proceed

- [ ] NO (for any) = ❌ Bear case is stronger, SKIP TRADE

✅ Objectivity Checks (All Must Be Met)

- [ ] **Echo Chamber Check**

- Have I read OPPOSITE views today? (bulls if I'm bearish, bears if I'm bullish)

- Am I following traders with opposing biases?

- YES to both = ✅ Good | NO to either = ❌ Echo chamber risk

- [ ] **Selective Memory Check**

- Am I remembering wins more than losses from this pattern?

- Have I tracked actual expectancy (not just "feeling")?

- Tracked objectively = ✅ Good | Just "feeling" = ❌ Bias risk

- [ ] **"This Time Is Different" Check**

- Am I making an exception to my rules for this setup?

- Am I telling myself "this one is special"?

- NO exceptions = ✅ Good | Making exceptions = ❌ Rationalization bias

- [ ] **Hindsight Bias Check**

- Did I pre-document my thesis BEFORE the trade?

- Or am I retrofitting the story after seeing the chart?

- Pre-documented = ✅ Good | Retrofitting = ❌ Hindsight bias

🎯 Pre-Trade Documentation (Write This Down)

Document BEFORE entering trade:

My thesis (one sentence):

- _____

Bull case (3 reasons):

1. _____
2. _____
3. _____

Bear case (3 counter-arguments):

1. _____
2. _____
3. _____

Invalidation point:

- Price: $__ or Condition: ____

Can I refute the bear case?

- ☐ YES (proceed with trade)
- ☐ NO (skip trade, bear case too strong)

Date/Time: ____

🚫 Confirmation Bias Red Flags (Skip Trade if ANY Apply)

- [ ] Can't articulate the bear case (don't understand opposing view)

- [ ] Everyone in my feed/Discord agrees with me (echo chamber)

- [ ] Making exception to rules ("this setup is different")

- [ ] Can't refute even ONE bear case argument (thesis weak)

- [ ] Feeling 100% certain (overconfidence = blind spot)

- [ ] Haven't tracked actual expectancy for this pattern (trading on "feeling")

📊 Post-Trade: Bias Audit

After trade closes, review:

Which view was correct?

- ☐ Bull case was right (my original view)
- ☐ Bear case was right (opposing view I should have listened to)

What did I miss?

- Evidence I ignored: _____
- **Opposing signals I dismissed: _____**

Pattern tracking:

- How often am I right vs. wrong with this bias?

- Bull bias accuracy: _ / **10 trades**
- **Bear bias accuracy:** _ / 10 trades

Monthly Review:
- Am I consistently ignoring opposing views?
- Which bias am I blind to (bullish or bearish)?
- What's my actual win rate when I refute bear case vs. when I can't?

Remember:
- ✅ Confirmation bias = seeing only what confirms your beliefs
- ✅ Creates false edges (you think 80%, reality is 30%)
- ✅ Echo chambers amplify bias (diversify information sources)
- ✅ Falsification mindset = seek to DISPROVE your thesis (not confirm it)
- ✅ Red Team exercise = attack your own trade before entering
- ✅ If you can't articulate bear case, you don't understand the trade

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