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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Sunday, November 3, 2013

Reading:The Four Poisons

The Four Poisons

There is a Korean martial art called [Kum Do](#). This is a brutal game that involves a fight to the death with very sharp swords. The way it is practiced today is with bamboo sticks, but the moves are the same. Kum Do teaches the student warriors to avoid what are called "The Four Poisons of the Mind." These are: fear, confusion, hesitation and surprise.

In Kum Do, the student must be constantly on guard to never anticipate the next move of the opponent. Likewise, the student must never allow his natural tendencies for prediction to get the better of him. Having a preconceived bias of what the markets or the opponents will do can lead to momentary confusion and—in the case of Kum Do—to death. A single blow in Kum Do can be lethal, and is the final cut, since the object is to kill the opponent. One blow—death—game over.

Instead of predicting, anticipating, and being in fear and confusion, you must do exactly the opposite if you are to survive a death blow from the market movements. You must watch with a calm, clear and collected attitude and strike at the right time. A few seconds of anticipation, hesitation or confusion can mean the difference between life and death in Kum Do—and wins or losses in the stock markets.

If you are not in tune with the four poisons of fear, confusion, hesitation or surprise in the markets, you are at risk for ruin. Ruin means that your money is gone and the game is over.

How can you avoid the four poisons of the trading mind: fear, confusion, hesitation and surprise?

Replace fear with faith—faith in your trading model and trading plan

Replace confusion with the attitude of being comfortable with uncertainty

Replace hesitation with decisive action

Replace surprise with taking nothing for granted and preparing yourself for anything.

Success in trading is a long journey with many twists and turns. You can and will get there if you are patient, watchful, non-anticipatory and always on guard for the exact moment when you can strike. Trading is a game of survival and the spoils are money. It's your money, your life and your future. You have the power to survive and flourish if you remember the lessons from Kum Do.

By Janice Dorn, MD, PhD

[Link to the original article](#)

Posted by [SMART Trader](#) at 10:41 PM



7 comments:

[Capt. Premial](#) November 4, 2013 at 4:38 AM

Beautiful... and thank you for letting us know how to overcome the poisons of trader's mind.

Reply

[Lawrence](#) November 4, 2013 at 5:01 AM

Very good article, ST.
Thanks for sharing.

Reply



[VK](#) November 4, 2013 at 8:27 AM

good article :)

regards

Vinod

Reply



Rajib November 4, 2013 at 10:11 AM

It's worth to scout through all you gems' write-ups ... they are so meaningful and simple!

Regards,
Rajib
Reply



AtoZhealthnews November 4, 2013 at 8:56 PM

GOOD ARTICLE..
THANKS ST
Reply



SMART Trader November 5, 2013 at 3:35 PM

Thanks
ST
Reply



Yash November 13, 2013 at 6:30 AM

Agree a calm mind is the must for trading. Preparation brings calmness to the mind. Incidentally this preparation is to prepare the mind to uncertain market events:-)).

That's why they say trading is very simple and it is very difficult to achieve the simple rules.
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