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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

Saturday, April 19, 2014

Trading Hesitation

In trading, execution consistency always precedes consistent profitability. Execution consistency is the ability to act at the right time in the right manner. A method with an edge and a great trading plan is not sufficient to make us profitable. We need to execute the plan flawlessly without hesitation.

This is a major roadblock all the traders face. It is extremely frustrating to see an identified trade moving without us. Why we are not able to pull the trigger at the right time? There could be many reasons. Some of them are no trust in the method, fear of loss or being wrong, Perfectionism and past bitter experiences. May be we are having one or more of these problems.

It is extremely important to identify the real problem and take corrective measures. But it is easier said than done. In my opinion this hesitation is due to the interference of the sub conscious. Our sub conscious is not synchronized with our analytical; rational conscious mind. The real challenge is convincing our sub conscious that we are acting on our best interest so that it will not override. Till then our execution is going to get blocked.

Is there a practical actionable solution for this problem? All these hesitation will get solved automatically once we become consistently profitable. But we cannot achieve consistency without proper execution. This is an egg chicken syndrome. Where do we start?

The best way is to sit beside an expert profitable trader and watch him trade and make profits. Most of us are not lucky enough to have such a person in our family and friends circle. Very few people can join a proprietary trading concern and get trained. So we have to try less efficient methods.

What I am doing is, I have set aside some amount as tuition fee. I don't care even if I lose the entire amount trading. I am currently trying to execute my method flawlessly not caring about the profits with minimum allowed position size. Of course I am progressing well but it is taking more time than I thought earlier.

Do you have hesitancy in executing the identified trades? How you are dealing with it? If you could overcome it, how did you do that? Your feedback will help a lot of novice traders.

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Posted by [SMART Trader](#) at 4:15 PM



9 comments:



[xrtrader1](#) April 19, 2014 at 8:26 PM

Hi ST,
I see you execute your trades flawlessly. Are you setting a very high bar ?
Off Course you miss few trades, that is part of being human.

Reply

▼ Replies



[SMART Trader](#) April 19, 2014 at 8:54 PM

xrtrader1
It is not for me. This is a universal problem of traders.
I have seen a trader playing a recorded sound track "Trust the method and pull the trigger" whenever price reaches his setup area. He has made a beautiful presentation on his trading plan and watch it at least ten times a day. These are all actionable methods to train the brain.
If you share your experience it may help a lot of novice traders.

ST

Reply



[xrtrader1](#) April 19, 2014 at 10:24 PM

I am on to full time trading for 1 year now. (Spent 5 years as part time trader before that).

What helped me is Mark Douglas - Trading in the Zone. At the end he recommends an exercise. 20 Trades without hesitation. That gives a gauge of sub consciousness.
Apart from that I am not focusing on any aspect. Keeping things dead simple helps.

Reply



Unknown April 20, 2014 at 12:18 PM

Hi ST
Very useful article.
I have faced the similar situation many times.
I always do simulated practice with past charts on my time frame.
The more I do, the more correct decisions I take, the better I feel.
The book psycho cybernetics and visualization help a lot.
I basically visualize more of "what if" scenarios and BOF trades.

Thanks
TBP

Reply



pK April 20, 2014 at 12:53 PM

Hi ST,
Earlier when price would break my levels, emotions would come into play and stop me from placing orders.
Now i use trigger order at my levels, this is helping me in initiating short positions.
But not yet comfortable using same method for long positions, need some practice.

Rgds,
PK

Reply



PA Trader April 22, 2014 at 8:13 AM

If ever, you decide to start a mentoring session, call me :-)

Reply



nirtos April 25, 2014 at 4:06 PM

Hi,
I am reading the book emotion free trading buy larry levin. trying his visualization method (psycho cybernetics). Want to know your views about book.
thaks

Reply



Trekkie June 9, 2014 at 10:36 AM

While walking, do we hesitate to cross roads? There might be a crazy driver who might break the rules and hit us, but we follow the rules and cross the roads anyway. If we can do that with our life, why not with trading? Why emotions? hesitation and emotions inho come only when we are unsure of the method's success in bringing in profits. So backtest, backtest, read, read, internalise the system Try 10 trades, if all fail, go back to read read, backtest backtest. Then be trigger happy. ST, this is for novices only, in your case, I am at a loss...your execution is as flawless as a human being's trading can be. Perhaps you are a perfectionist and that's making you hesitate? I don't know...

Reply



Trekkie June 9, 2014 at 10:45 AM

ST, I think you yourself have given all the steps needed to achieve this here :) please ignore my earlier post.
<http://niftynirvana.blogspot.in/2014/03/way-to-go.html?pref=tw>

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