

## Lecture 26

### The Importance of Psychology

Trading psychology is by far the most important aspect in trading. It is more important than technical, fundamentals and EVEN risk management. The reason for this is that your emotions can control you in a way that everything you know about trading is thrown out the window and thus your knowledge can't even help you. Traders continually improve on what they see that they need to improve on; some traders will improve on chart reading, some will work on risk management and so forth. The problem is that traders forget to work on their emotions and psychology. This is due to the fact that they don't know that this is actually affecting their trading. You cannot improve on what you don't know is actually there. And trust me; humans are filled with biases that interfere with their trading.

To better get an understanding of how to improve on our trading psychology, let's take a look at some emotional biases that humans have:

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