

A Trader's Self-Evaluation Checklist

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- 1) What is the quality of your self-talk while trading? Is it angry and frustrated; negative and defeated? How much of your self-talk is market strategy focused, and how much is self-focused? Is your self-talk constructive, and would you want others to be talking with you that way while you're trading?
- 2) What work do you do on yourself and your trading while the market is closed? Do you actively identify what you're doing right and wrong in your trading each day—with specific steps to address both—or does your trading business lack quality control? Markets are ever changing; how are you changing with them?
- 3) How would your trading profit/loss profile change if you eliminated a few days where you lacked proper risk control? Do you have and strictly follow risk management parameters?
- 4) Does the size of your positions reflect the opportunity you see in the market, or do you fail to capitalize on opportunity or try to create opportunities when they're not there?
- 5) Are trading losses often followed by further trading losses? Do you end up losing money in "revenge trading" just to regain money lost? Do you finish trading prematurely when you're up money, failing to exploit a good day?
- 6) Do you cut winning trades short because, deep inside, you don't think you'll be able to make large profits? Do you become stubborn in positions, turning small losers into large ones?
- 7) Is trading making you happy, proud, fulfilled, and content, or does it more often leave you feeling unhappy, guilty, frustrated, and dissatisfied? Are you having fun trading even when it's hard work?
- 8) Are you making trades because the market is giving you opportunity, or are you placing trades to fulfill needs—for excitement, self-esteem, recognition, etc.—that are not being met in the rest of your life?
- 9) Are you seeking trading success as a part-time trader? Would you be seeking success as a surgeon, professional basketball player, or musician by pursuing your work part-time?

10) Can you identify the specific edges you possess over the many other motivated, interested traders that fail to achieve success in the markets? Do you really have an edge, and—if so—what are you doing to maintain it?

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