

That Which Cannot Be Said

Brett N. Steenbarger, Ph.D.

www.brettsteenbarger.com

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There are just some things that can't be said. Yes, we live in America and, yes, there's free speech and all that, but I'm telling you: Some things just cannot be said.

Like when you're shopping for a house. You can't just say to your real estate agent, "I don't want people of color, unassimilated immigrant groups right off the boat, or trailer trash. I want to live in a white, upper class neighborhood." No, that would be racist, narrow, bigoted, and in unspeakably poor taste. So instead you tell the agent you want "a very safe neighborhood with absolutely top-performing schools," and, voila, you wind up where you want to be anyway without having to speak what cannot be said.

Or let's say your son is harassed at school by an older kid and pops the bully in the nose. The school, of course, calls you over the incident and wants your reaction. What you can't say is, "I'm proud of Junior. I raise my son to be a man, and he gave the kid what he had coming." No, you patiently listen to discussion of "appropriate behavior" and reassure the teachers that Junior is no Columbine wannabe. Then, behind closed doors, you pat Junior on the back for his testicular fortitude.

The trading world is no different. There are certain truths you can't utter. Take the time a small group of currency traders contacted me for advice after they had yet another losing year. I asked many questions to diagnose their problems, one of which was, "How does your P/L break down as a function of time of day? Do you make or lose more money around the London open compared to the New York open?"

The line went silent for a moment.

It turns out the group didn't trade the European open. It didn't fit with their lifestyle to rouse themselves at 2:00 AM Central Time.

My error was to speak that which cannot be said. I told them ***they weren't succeeding at trading because they didn't deserve to succeed.*** Needless to say, that was my one and only consultation with the group leader.

What I should have said, of course, was that they could succeed if they only adopt a winning mindset and follow their trading plans with the aid of my expert coaching. Instead, I explained to the group leader that the feeling that one deserves to succeed follows from the long experience and effort required to master a field. After hours of

drills daily, Dan Gable's wrestlers not only felt confident of success; they felt they deserved to win. Having gone through Navy SEAL training and lengthy rehearsals of missions, elite soldiers feel that mastery is theirs. Confidence and competence must be earned, and staying away from periods of opportunity in the market are not the way to earn it.

The role of a good psychologist is to comfort the afflicted *and* afflict the comfortable. If you're comfortable in bed while your market is in its peak period of opportunity, you *shouldn't* be comfortable. I told the trader he didn't deserve to succeed for the same reason I'm writing this article: to create a test. I wanted to put a mirror in front of his trading so that he would either close his eyes or squarely face what he saw.

Gable, as both wrestler and wrestling coach, knew the value of afflicting comfort: "I'm a big believer in starting with high standards and raising them. We make progress only when we push ourselves to the highest level. If we don't progress, we backslide into bad habits, laziness and poor attitude."

The approach at West Point is similar. Cadets who fall short are allowed one of three responses: "Yes, sir"; "I don't understand, sir"; and "No excuse, sir".

Successful performers--whether in trading, sports, or performing arts--start with high standards, raise them, and then--after falling short--look in the mirror and say, "No excuse".

No, you can't make a living telling people they don't deserve to succeed.

It's just one of those things that can't be said.

Except by those who eventually do succeed.

Bio:

Brett N. Steenbarger, Ph.D. is Associate Clinical Professor of Psychiatry and Behavioral Sciences at SUNY Upstate Medical University in Syracuse, NY and author of [The Psychology of Trading](#) (Wiley, 2003). As Director of Trader Development for Kingtree Trading, LLC in Chicago, he has mentored numerous professional traders and coordinated a training program for traders. An active trader of the stock indexes, Brett utilizes statistically-based pattern recognition for intraday trading. Brett does not offer commercial services to traders, but maintains an archive of articles and a trading blog at www.brettsteenbarger.com and a blog of market analytics at www.traderfeed.blogspot.com. He is currently writing a book on the topics of trader development and the enhancement of trader performance.