

Stock Doc: Markets and Mood Swings

A reader asks how best to let workday emotions go at the end of the day.

BY ALDEN CASS

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Last week I wrote a column called " The Pursuit of Happiness " as a wakeup call for all of the workaholics out there who believe that happiness is elusive despite their financial successes and achievements.

Most Type A personalities find it very difficult to leave assignments, projects or trades up in the air without closure. They like certainty and predictability. The lack of it renders them paralyzed, obsessive and unable to focus on their internal feelings or thoughts. The focus shifts only to external dilemmas or tasks and detracts from self-reflection and happiness.

One reader who identified with the complexity of balancing work stress with appreciation of the simpler things in life wrote to me about it.

Dear Dr. Cass,

Your piece really resonated with me. I've been trying to do exactly as you suggest, with some success, but I find my feelings for the day are too market-dependent. If my total portfolio is up, I feel up; and conversely, when it goes down, I feel down.

Aside from not looking at portfolio returns , which is too much of a temptation to avoid, how can one focus on what is truly important?

-- Marvin

I know how difficult it is to appreciate what you have in your life when you have to deal with uncontrollable aspects of investing, such as the prospect of global inflation looming, along with its potentially negative impact on stock prices. There are many aspects of life or work that we can never control, for instance illness or a terrorist attack.

With many of my clients, I ask them to cap off their workday by spending the last 20 minutes of work listing the goals that they have yet to accomplish, tasks or trades that are still waiting to be completed, and mistakes that were made. Once they complete this chore, they can walk away from their office, knowing that they have a purpose or objective the following morning. The key is to leave work at your desk and let your life begin once you walk outside and your feet hit the pavement.

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At the time of publication, Alden Cass had no positions in stocks mentioned. Cass is a performance enhancement coach and clinical psychologist for Catalyst Strategies Group (www.catsg.com) who specializes in working directly with individual and teams of senior investment executives, including high-profile CEOs, top hedge fund and prop traders, investors, and financial advisors to help them achieve their financial and personal goals. He works to modify behaviors that are hampering their performance and to give them the mental edge within competitive work environments. He is a licensed clinical psychologist and an expert on the use of psychology in the financial services industry. He has conducted behavioral healthcare studies on retail stockbrokers that indicated that 23 percent of the group measured met criteria for major depression. His research has been presented at both national and international conferences (APA, ICPP). He is a major contributor to columns in On Wall Street Magazine and Traderdaily.com. Cass has also conducted workshops with the Securities Industry Association, Money Management Institute, Trader Monthly Magazine's Peak Performance Workshop, The Wall Street Branch Managers Meeting at the Federal Reserve Bank of New York, and the London Bullion Market Association, the Silver & Zinc Association, the Investment Management Consultants Association (IMCA), and the Investment Products Association (IPA).

He has appeared in the following media: The Today Show, Fox News Live, New York Magazine, Businessweek, Lou Dobbs Moneyline CNN, CNN money.com, CNBC London, Financial Times, London Financial Weekly, Washington Post Radio, NY Newsday, On Wall Street Magazine, E-Trade "On Air," BBC Radio, Reuter's Business Newswire, New York Times, Boston Globe, Absolute Return Magazine.

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On your commute home, it is important to take deep breaths and take in the world again. People and your connectedness to them should be your focus, not work and responsibilities. I recommend that people ritualize postwork endeavors so as to develop a routine.

Use this downtime on a train, in your car or on your walk to go over those elements of your life that give you the most happiness. Once you can develop a mental picture of those individuals or activities that you are lucky enough to have in your life, decide on a plan of how to nurture them.

If it is corporate softball, flag football or tennis that you enjoy, think about how amazing it can be to have the opportunity to play with friends in Central Park. Take the time to feel the sun on your skin and think about how you felt in January when you couldn't leave your house.

You may even want to reflect on activities or sports that made you happy as a child, such as Little League for instance. As a result of thinking about the time that elapsed since you were a child, you can provide yourself those "snapshots" of happiness and a look at how far you've come. Involve yourself in anything for which you are nostalgic.

If you have kids, think about ways to nurture their growth and affection for you. Plan an

activity with them that you both love and can do together. Imagine their smiling faces before you come home to them. Take a "snapshot" of your own childhood and remember the happiest time you had with your parents. You can try to re-enact this same memory with your own child.

Even better, take a trip to your old high school or elementary school playground and try to soak in some of your own happiest memories as a child or adolescent. Seeing these places again as an adult can really remind you of how far you've come.

As for work, you are definitely not alone in being emotionally reactive to rapid market shifts. This is very normal as is the need to constantly check on the outcomes of trades. I had a client last week who was so obsessed with a trade he executed with **Apple** that he forgot to buy his wife an anniversary card. As bad as his anxiety was about that trade, his evening with his angry wife was far more unpleasant! Unless you are a professional trader, it is never helpful to micromanage a trade or your portfolio on a hourly basis.

If you are a trader, keep your focus during prescribed work hours and learn how to cut yourself off from data and information after hours. You can't change the outcome of trades once they've been executed, so you might as well engage in some positive self-reflection.

Your portfolio is only a part of your self-worth. You probably have many other commodities in your life worth being proud of that require the same focus and discipline. The key is to view your life like a portfolio of stocks or funds. If you over-invest your focus and emotion into work, you could leave yourself vulnerable to dissatisfaction and loneliness.

The advice for you is to diversify your life just as you would your portfolio, and to bring back all that used to mean something to you before making money became a priority.

Please write to the Stock Doc with your trading, emotional or investing dilemmas. Dr. Cass always welcomes comments and stories, for which he'll try to offer valuable solutions in later columns.

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