



< Jr. Trader

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## JUST LIKE THE MIRACLE METS OF '86: YOU JUST GOTTA BELIEVE!

### The Doctor is In

Anxiety is normal for any trader when big decisions need to be made without sufficient data points.

**Dear Stock Doc,** I trade with a prop firm and have what I believe to be typical trading issues. I know how to research, identify good trading opportunities, and can make money as needed. However, lately I am my own worst enemy, and keep myself from making good trades. I panic too easily when a trade ticks against me. I take profits way too early, and I tend to be afraid to really lay it on the line and trade large when I know I should. When this happens, I'm forced to watch myself make peanuts when I could have made real dollars only if I went in large. Sure enough I took my peanuts and watched the stock continue in the direction I predicted wishing I was still in the trade with the size position I knew I should have taken in the first place. Can you help me overcome these trading issues? I want to learn how to stick with my conviction and stay in the trade longer. Sincerely, Wanting a Break Through

### Dear Wanting a Break Through,

You are experiencing a common problem facing many younger prop traders. These are the same issues facing traders who have not developed the confidence in their ability to make quality decisions when big money is on the line.

Anxiety is normal for any trader when big decisions need to be made without sufficient data points. In fact, performance, whether in sports or trading, is improved by moderate levels of anxiety. Panic is an extreme version of anxiety, caused by the fear that you will not be able to control the outcome of a specific trade.

Big time traders stick to their initial instincts on a trade, even when at first they are slapped in the face. If you have deep enough pockets and have thoroughly researched your position on a trade, go for the gold and leverage it to get the most bang for your buck!

Remember, throughout a long year of trading, you make a majority of your money on 3% of your trades. When you have the opportunity to go large, exploit it! Don't stare at your P/L ratio for too long or you'll miss the chance. The best trades are done when you expect a certain positive outcome even if starts off sour. Wait for the sheep to leave and run home with the returns.

Keep the letters coming!

Dr. Alden M. Cass, President of Catalyst Strategies Group, is a licensed clinical psychologist who works with traders and risk managers to help them achieve financial, corporate, and personal goals. See full profile, or visit his website, [catsg.com](http://catsg.com). Send questions to Dr. Cass at and he will answer you in later columns.

alden cass

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