Cedars Chart

TRADING EDUCATION & MARKET ANALYSIS

PRACTICAL TRADING WORKBOOK · EDITION 01

TRADER PSYCHOLOGY

A practical guide to discipline, emotional control and better trading decisions.



BUILD A PROCESS. NOT A PROMISE.

CEDARS CHART

Educational material • English edition • November 2026

Control the process, not the market

Market uncertainty cannot be removed. What you can control is the quality of your preparation and your response.

> **“A well-executed trade can lose money. A poorly executed trade can make money. Judge the decision before judging the result.”**

WITHIN YOUR CONTROL

- Entry checklist
- Position size
- Risk limit
- Exit criteria
- Post-trade review

OUTSIDE YOUR CONTROL

- The next candle
- Surprise news
- Slippage and gaps
- One trade's outcome
- Other traders' behavior

✦**The goal is not to eliminate emotion. It is to stop emotion from overriding a predefined plan.**

Reflection

Write one thing you can control before your next trade and one outcome you must accept as uncertain.

Six traps that distort decisions

These patterns are common human tendencies, not diagnoses. Notice the trigger; choose a counter-rule.

01
FOMO
Chasing a fast move after the planned entry has passed.

Missed trades are acceptable. Wait for a defined setup.

02
Revenge trading
Increasing size or frequency to recover a loss immediately.

Apply a pause and keep the risk cap unchanged.

03
Loss aversion
Moving the stop because taking a loss feels unacceptable.

Define invalidation before entering; never widen the stop impulsively.

04
Overconfidence
Expanding risk after a short winning streak.

Use the same sizing criteria after wins and losses.

05
Confirmation bias
Looking only for evidence that supports your preferred direction.

Write down the opposite scenario before entry.

06
Recency bias
Treating the last one or two trades as proof of skill or failure.

Review enough trades and include process quality.

Before entering: “What would make my idea wrong?”

Interrupt the spiral before it grows

A loss is information. The danger begins when urgency becomes a new trading strategy.



BREAK THE LOOP

01 Step away from the screen.

02 Name the feeling without acting on it.

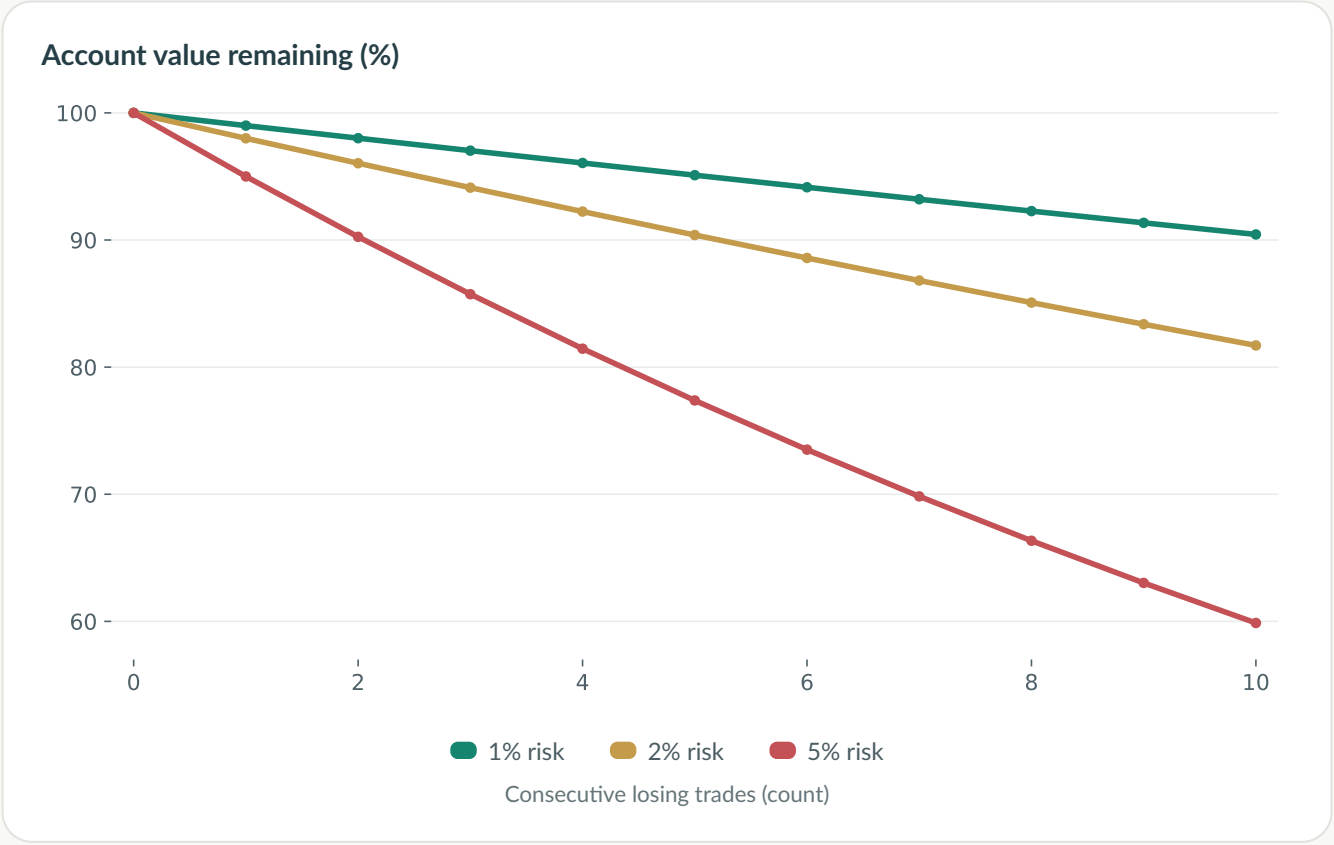
03 Check the daily risk limit.

04 Trade again only if a fresh, valid setup appears.

A planned “no-trade” session is a valid disciplined outcome.

Small risk protects future choices

Illustration: account value after 10 consecutive losses when risking a fixed percentage of the remaining account per trade.



90.4%
After 10 losses at 1%

81.7%
After 10 losses at 2%

59.9%
After 10 losses at 5%

Planned risk ($) = Account equity × Risk fraction

Example: $1,000 equity × 1% = $10 planned risk before costs. Actual loss may exceed the plan.

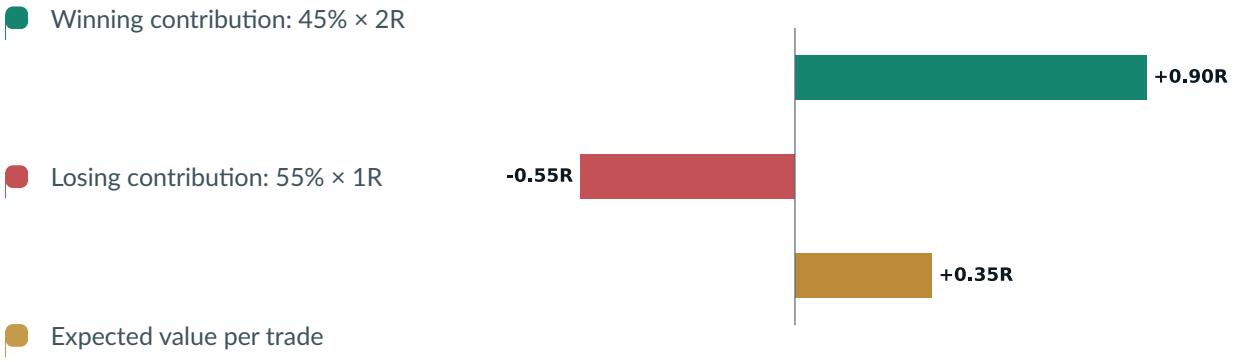
Hypothetical arithmetic only. Assumes each loss equals exactly the intended percentage of current equity; excludes costs, slippage, gaps and other events.

One outcome is not your edge

A trading plan must be judged over many independent, well-documented opportunities — not a single result.

Expectancy = (Win rate × Avg. win) − (Loss rate × Avg. loss)

ILLUSTRATIVE EXAMPLE · BEFORE COSTS



45%	2R	55%	1R
WIN	AVG WIN	LOSS	AVG LOSS

R is the amount initially planned to risk on one trade. The +0.35R result is a mathematical example, not a claim about Cedars Chart or your strategy. Actual expectancy depends on documented outcomes, costs, execution and changing conditions.

Do not increase risk because the next trade "must" win.

Your three-stage trading protocol

Use this repeatable checklist before, during and after every session.

01

BEFORE

- ☐ Define market context and key levels.
- ☐ Confirm setup, stop, target and position size.
- ☐ Set your maximum session loss and trade count.

02

DURING

- ☐ Enter only after the stated trigger.
- ☐ Do not move stops to escape a planned loss.
- ☐ Pause after an emotional or rule-breaking moment.

03

AFTER

- ☐ Record setup, result in R and emotional state.
- ☐ Score rule adherence, not just profit.
- ☐ Note one improvement for the next session.

STOP TRADING WHEN

- × Your planned loss limit is reached.
- × You cannot explain the setup clearly.
- × You feel compelled to “get it back.”

A reset protocol that protects judgment

What you do in the first minutes after a loss matters more than how quickly you return to the market.

01

PAUSE

Close the order window. Stand up and detach from the price.

02

VERIFY

Was the loss within the plan, or did you violate a rule?

03

DOCUMENT

Record the trigger, risk, exit and emotion honestly.

04

DECIDE

If your rules allow it, wait for a new setup. Otherwise stop.

“A rule-following loss is not proof of failure. A profitable rule violation is not proof of skill.”

If trading feels compulsive, affects essential expenses, or disrupts sleep and relationships, stop and seek appropriate support.

Make behavior measurable

Print this page or copy the template into a spreadsheet. Record one row per trade.

Date	Setup / context	Emotion (1–5)	Risk (R)	Rules met?	Lesson

Emotion scale: 1 = calm, 3 = distracted, 5 = overwhelmed. Define the same scale consistently.

Weekly review prompts

01 Which rule did I respect most consistently?

02 What emotion preceded my worst decision?

03 What one safeguard will I add next week?

09 / 21-SESSION PRACTICE

Train consistency — one session at a time

Tick a session only when you respected your plan, risk cap and journal routine. A session with zero trades can still count.

WEEK 01

01	02	03	04	05	06	07
☐	☐	☐	☐	☐	☐	☐

WEEK 02

08	09	10	11	12	13	14
☐	☐	☐	☐	☐	☐	☐

WEEK 03

15	16	17	18	19	20	21
☐	☐	☐	☐	☐	☐	☐

DAILY / يوميًا

- ☐ I reviewed my entry conditions.
- ☐ I respected the risk limit.
- ☐ I documented the session.

My personal stop rule:

_____

"For the next 21 sessions, I measure consistency before profit."

A trader’s one-page mental checklist

- ✓ I do not need to trade every market move.
- ✓ I know where my idea is invalid before entering.
- ✓ I risk only what my plan allows.
- ✓ I can accept a planned loss without chasing recovery.
- ✓ I do not confuse luck with execution quality.
- ✓ I review the process after the session.

Ready to improve your trading with structure and discipline?

Contact Cedars Chart for lessons, webinars and practical learning resources.

Website	cedarschart.com
Telegram channel	t.me/cedarchart
Traders group	t.me/+jrMDbNlEXSBkMDQ8

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