



Dealing with Losses and Drawdowns:

Building Resilience Through Adversity

PRESENTED BY:

Mike B.

Overview

- Foundations to Surviving Losing Streaks
- Psychology of Losing Streaks
- Market Behavior
- Recovery Framework
- Applying the Framework



Foundation to Surviving Losing Streaks

- Goal is to Execute 20 Cat 1/2 Trades
 - Take a Trade
 - Evaluate the Trade
 - Assign a Category

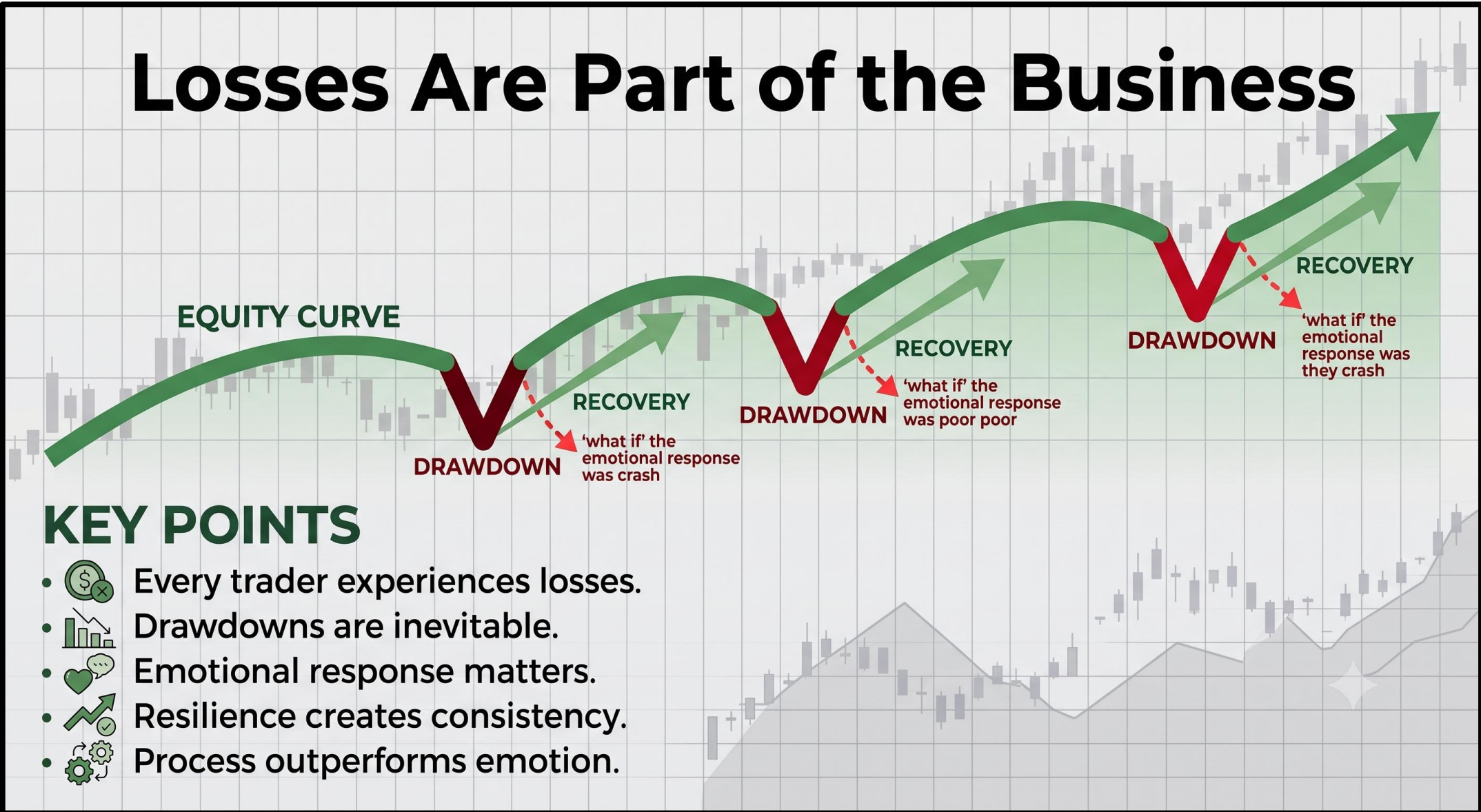
- Results from Last Session:

- Winning %
- Average Winner
- Average Losser
- Average Trades per Day
- Discipline Percentage
- Most Common Violation
- Most Improved Area
- My confidence increased because I consistently followed my process by...



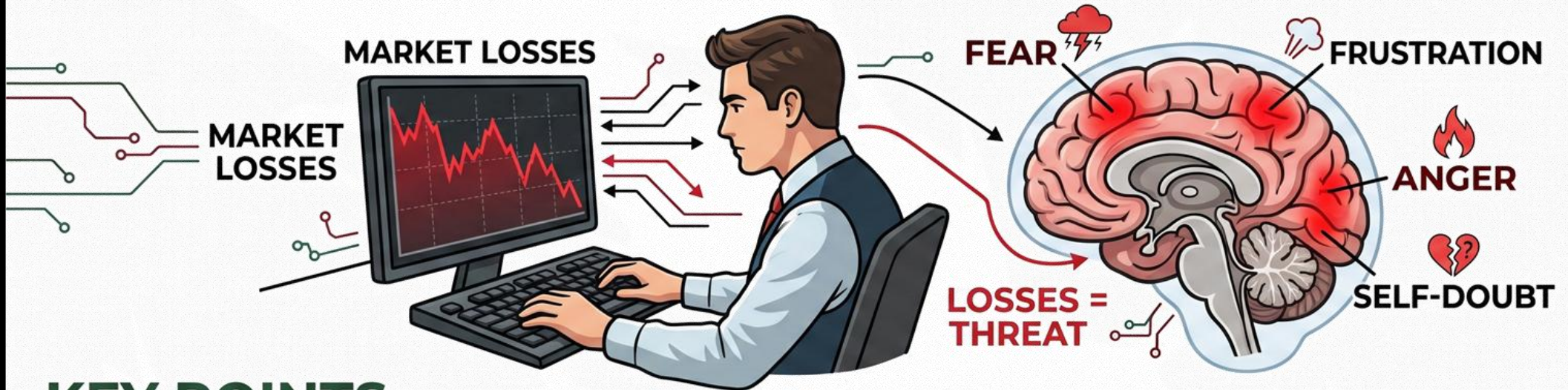
Psychology of Losing Streaks

Losses Are Part of the Business



Psychology of Losing Streaks

WHY LOSSES FEEL SO PERSONAL



KEY POINTS

-  Brain interprets losses as threats.
-  Ego becomes attached.
-  Confidence begins declining.
-  Decision quality deteriorates.
-  Emotional bias increases.

Psychology of Losing Streaks

The Psychology of Losing Streaks

Key Points

-  Confidence decreases rapidly.
-  Fear replaces execution.
-  Overanalysis begins.
-  Hesitation increases.
-  Discipline weakens.



Market Behavior

Understanding Tilt and Revenge Trading

DISCIPLINED TRADING (Following Plan)

- Emotionally Grounded

- Waiting for Setups

- Risk Management
(Risk% and Stop-Loss on screen)

- Following Rules

Remaining stable

CAPITAL PRESERVATION

KEY POINTS

Emotional decision making.

Patience

Following Rules.

Disciplined Trading

EMOTIONAL & REVENGE TRADING (TILT!)

- Emotional, Reactive

- Impulsive, Chasing

- Risk Ignored
(Red "X" and "Stop-Loss?")

- Rule Violations

- Escalating Damage



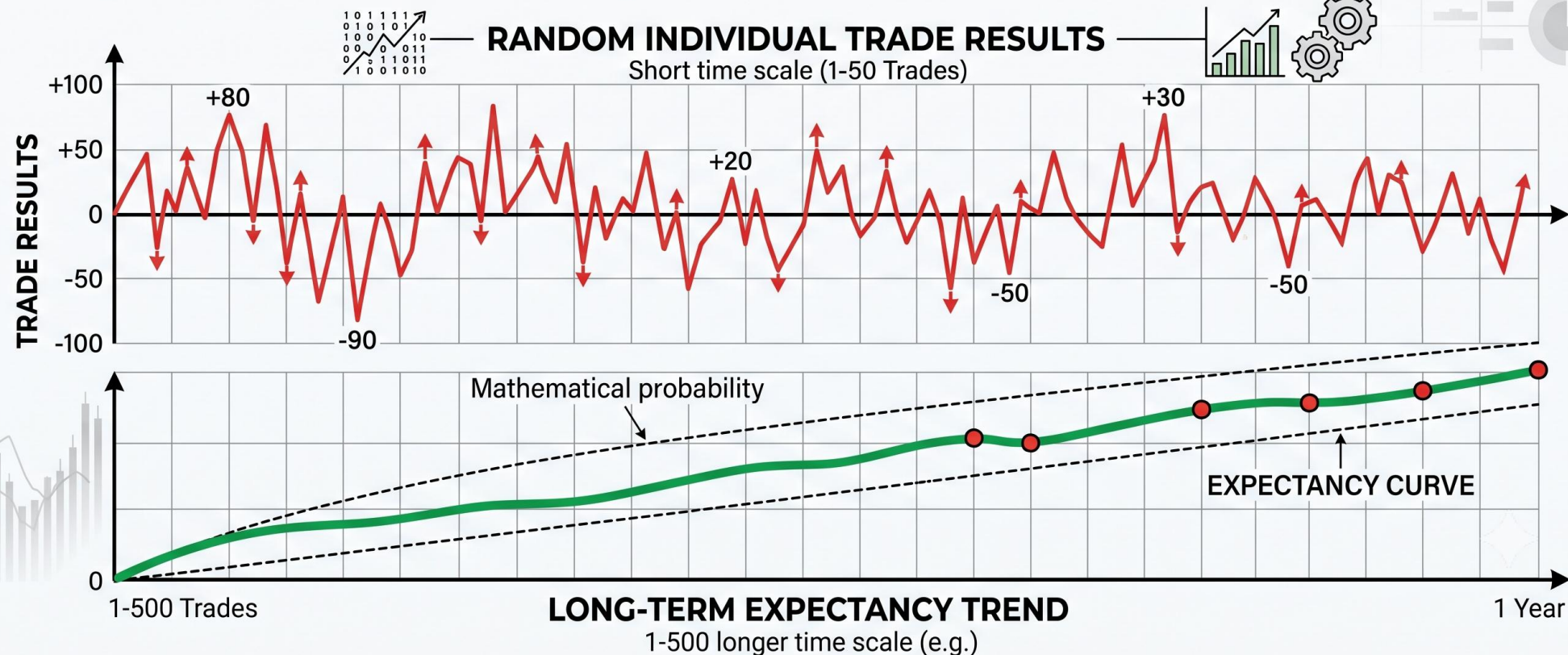
ACCOUNT DEVASTATION

Market Behavior

EXPECTANCY VS SHORT-TERM OUTCOMES

KEY POINTS

- Individual trades mean little.
- Edge plays over samples.
- Randomness always exists.
- Process predicts profitability.
- Think in probabilities.



Market Behavior

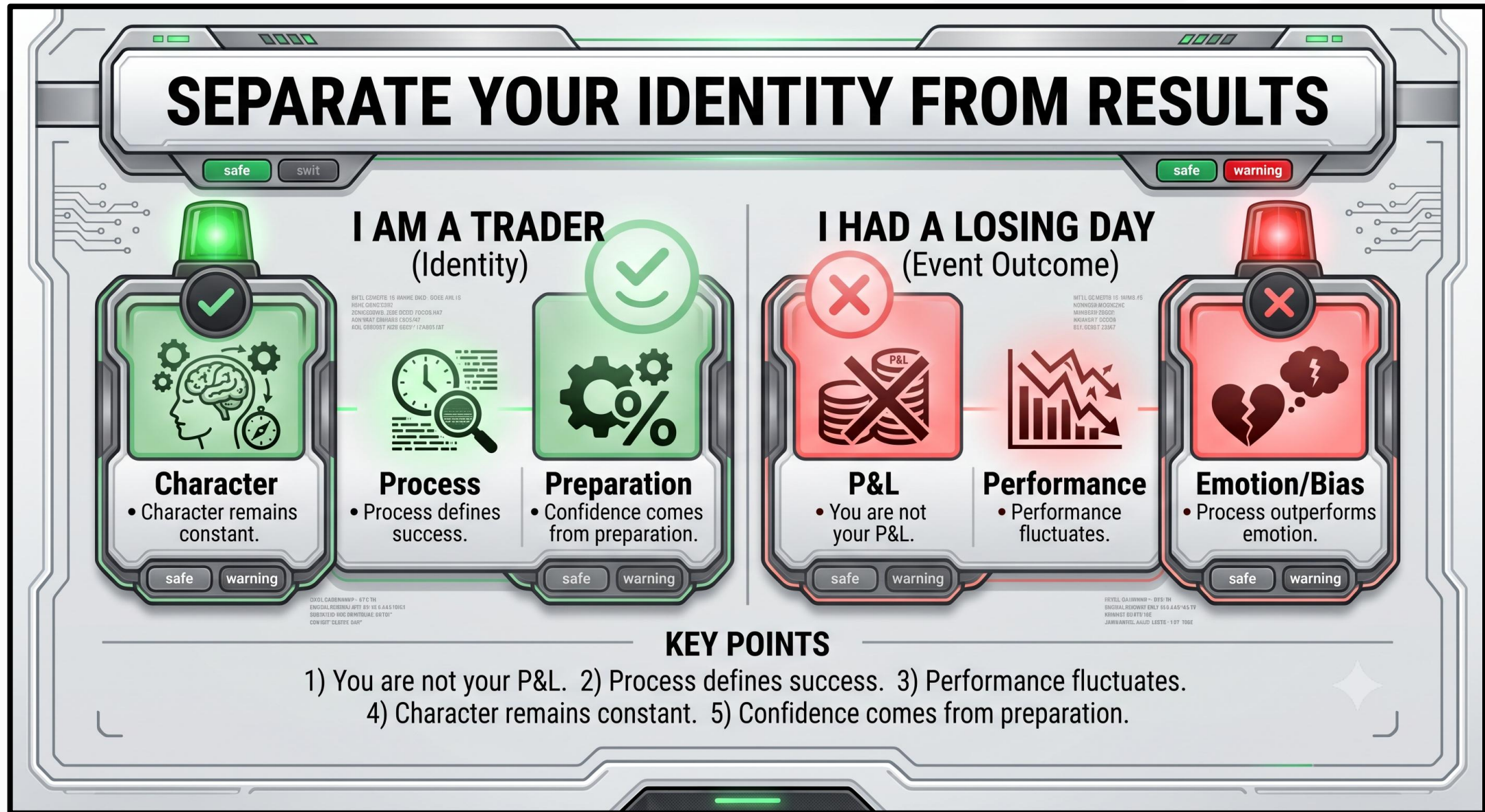
RECOGNIZING DANGEROUS BEHAVIORS



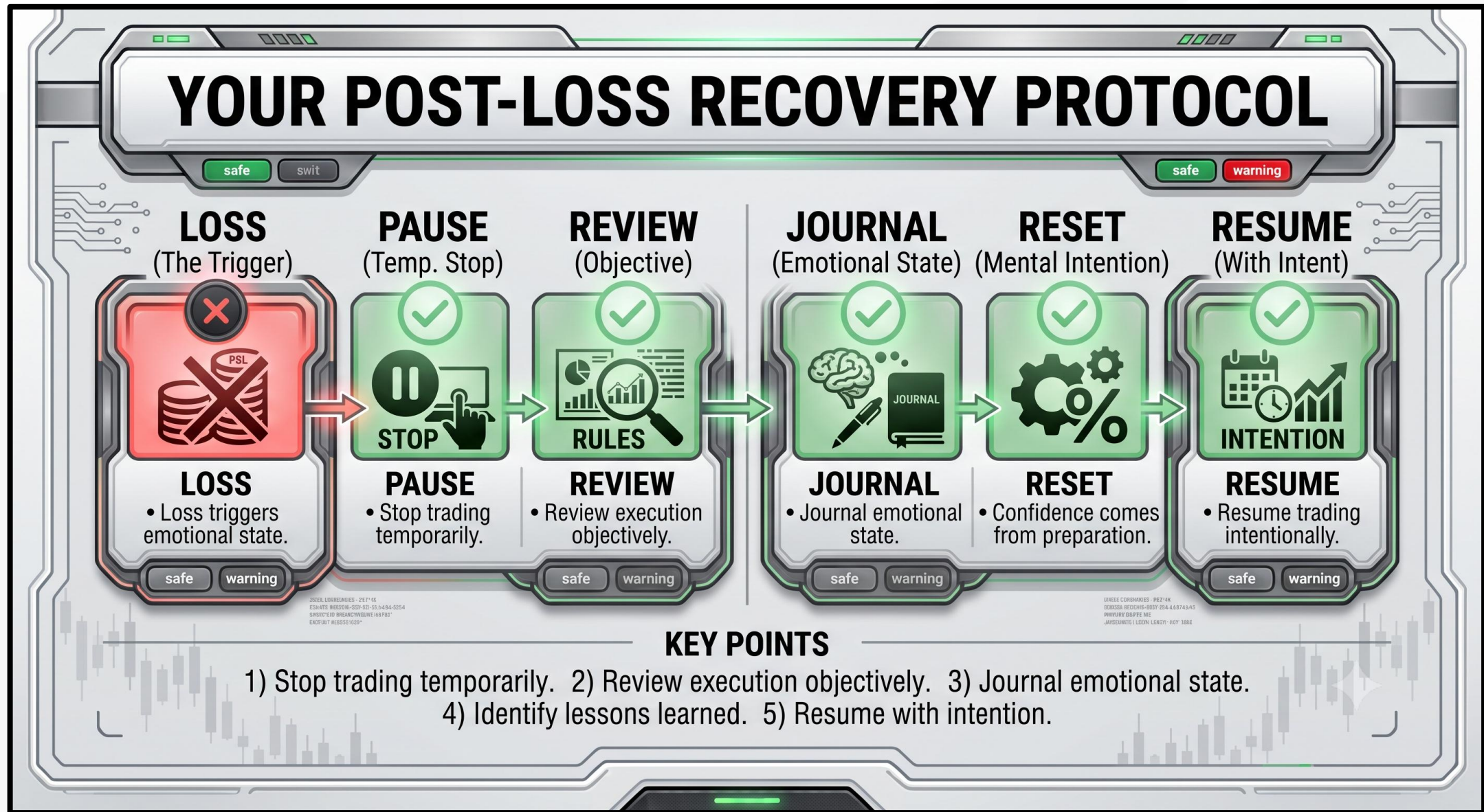
KEY POINTS

- 1) OVERSIZING POSITIONS, 2) IGNORING SETUPS, 3) TRADING CONTINUOUSLY, 4) BREAKING RISK RULES
- 5) CHASING MISSED OPPORTUNITIES

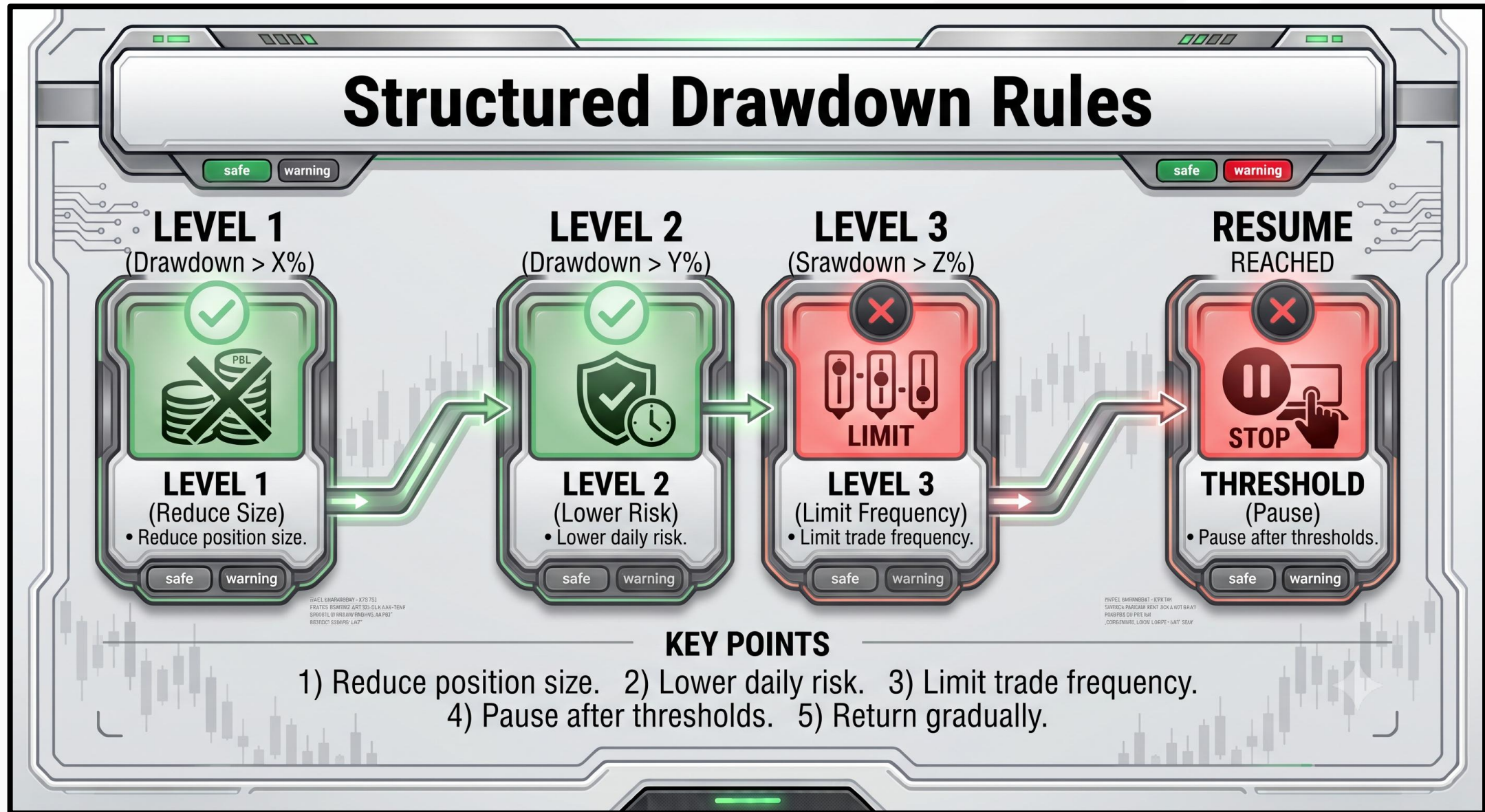
Recovery Framework



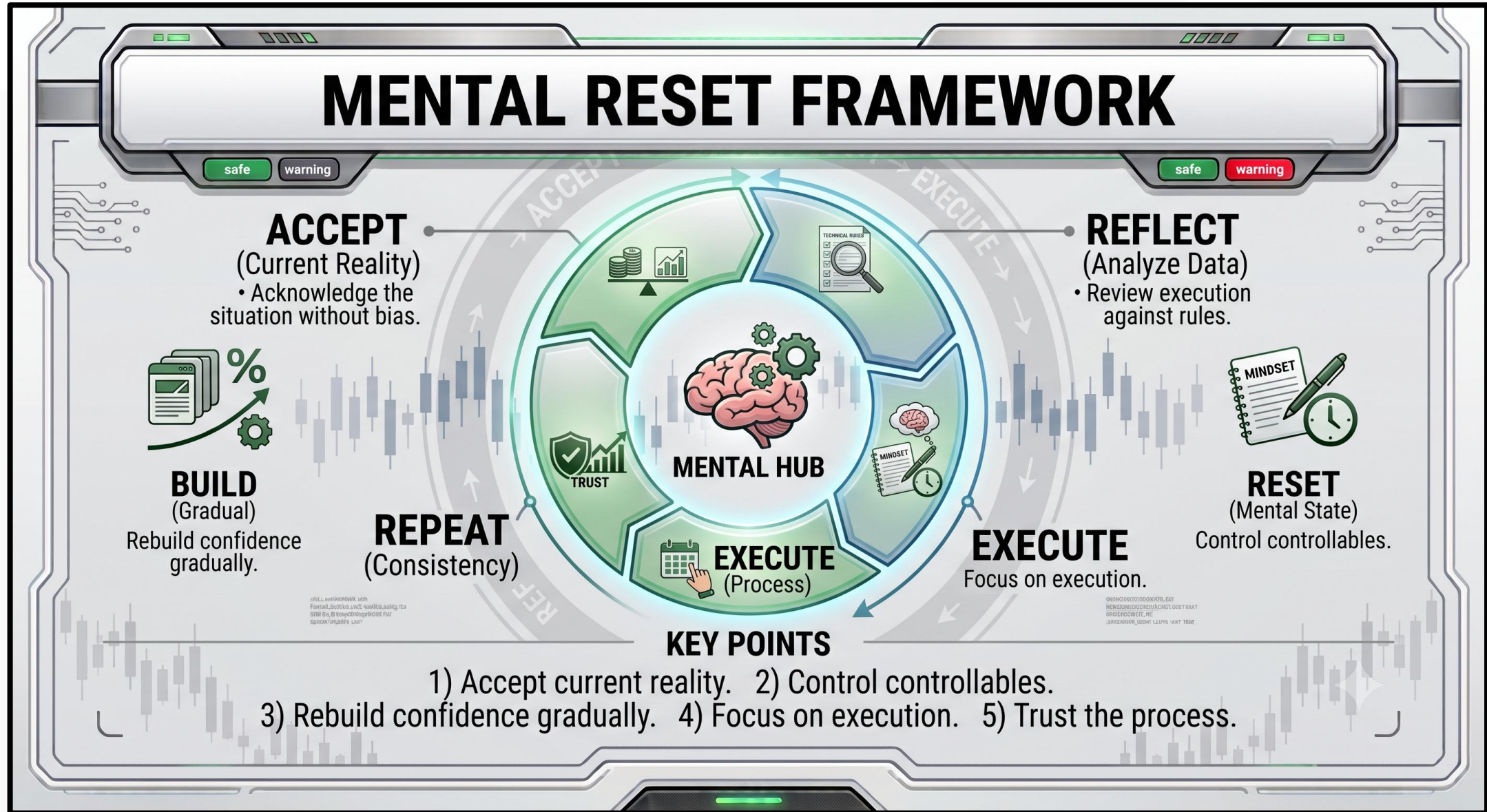
Recovery Framework



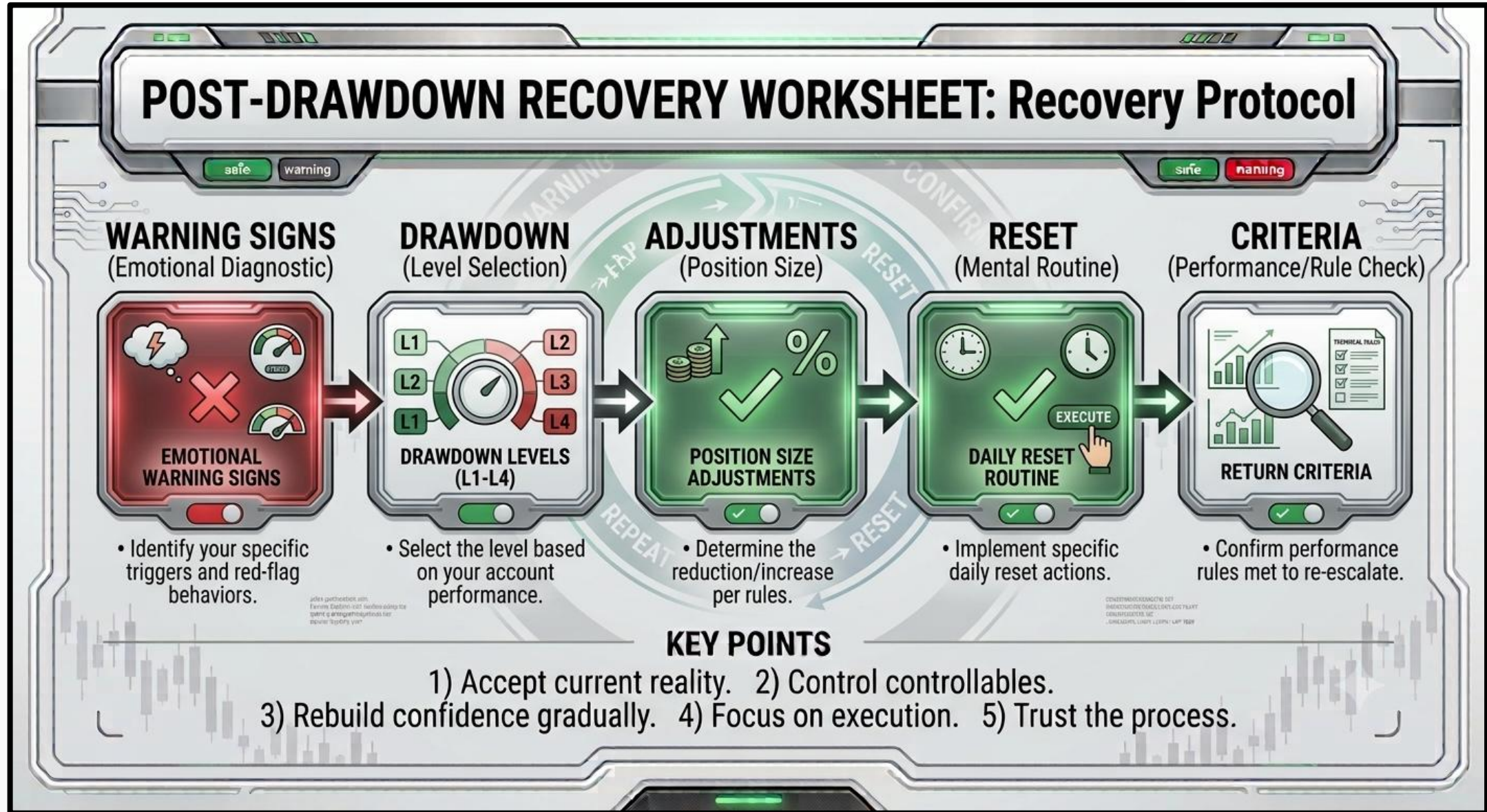
Recovery Framework



Applying the Framework



Applying the Framework



Applying the Framework



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