

Samples of My Personal Thinking Journal

I copied a few pages from my personal trading journal, what I call my “thinking Journal”, and posted them here. These are truly random pages, but I think it illustrates well the conflicts I bring to the table for my own trading every day. I have been journaling for so long I no longer hand-write my notes anymore, these were taken from my electronic journaling software. For right now, not knowing where you are personally at with your journaling, I would suggest that you hand-write your journals for at least a period of time. It is important to slow your thinking down and be able to observe it clearly from a distance.

Notice that I journal about everything—not just the markets. I feel that your entire state of emotional health and your entire life can all influence your trading for both better or worse. You need as much accuracy in your journals as you can comfortably create. When I do the Psychology of Trading course live for students, I take this data and I show them exactly where in their journals they are disclosing things like: Cultural myth, bias, expectations, justifications, excuses, blame, hope, fear, etc., all the emotions and other interference our thoughts produce from the “real-world paradigm”

These pages were taken from the start of Q4 2016 and disclose the state of mind I had for the first week or so of that quarter.

10/2/2016 7:54 AM

It is a fabulous morning here in Tampa area today---got a solid night's sleep for a change...feeling really good. Today we are going sailing with Ginia's brother--I personally don't enjoy being on the water as much as she does; probably because I had such a bad experience with my own sailboat--but we still will have a good time no doubt. I would rather just sit on the beach--but sailing for the afternoon will be fun I am sure. Plus--Tommy is a fun guy anyway so it probably doesn't matter what we are doing this afternoon.

I am going to do the rest of the paperwork and notes on my desk before we get out of here. I want to have a completely free mind to start the quarter when the markets open tonight. I know exactly what I need to do and how I need to perform to reach my goals. The fact that I had a flat quarter for Q3 2016 is the past--it happens and quite frankly--it didn't have to. But as I described before--I took my eye off the ball enough to create no gain or loss to speak of. Now the goals are there--to remain 100% disciplined--the milestones of performance are there to measure how well I am advancing. All that has to happen now is to follow through.

Let me get my desk cleared off--then will outline the ideas I need to have firm in my mind to start. BRB.

10/2/2016 11:05 AM

OK--I just finished getting all my metrics together for the program to date results and performance.

The first thing I noticed is that my ratios are dropping; they aren't "bad" but they are not staying firm or growing...when that happens that means I am typically overtrading...which I believe I already am aware of. For Q4 2016--NO TRADES without a solid accurate signal. Just can't do them.

Next--if you take out the over-trading results...I am making a whole lot more in profits...and I wouldn't have had a scratch/losing quarter last quarter. SO doing nothing is something I need to do more of. Over-trading results in several negative ratios all at once; your W/L ration drops, average win drops, P/L ratio drops...so if you just stop overtrading the metrics stay really well positioned for significant gains.

My average losing trade is staying exactly where it should be--40 pips or less. All I need to do is start taking more 80-100 pips winners when they are there instead of trying for the home run. I need to take trades off more aggressively at those levels. I can always get back in. Right now--I need to take more cash off the table than I am--instead of giving it back. I think I will start placing limit orders for exits more often now--and taking trades off at the 100 PIP mark more often.

I really don't have to drop down to the 15 minute time frame...but I think I will anyway. Range-trade is frustrating when on the higher time frames...and there is no reason why I can't wait for the BIG breakout before trying to get positioned on trends that are not happening yet. I will do a lot more range play this next quarter until the markets break out.

SO--starting next week--focus is on doing nothing...waiting for the reversal signals on the 15 M to show up--then manage them on the higher time frames if I can. I am going to begin taking more 50-60-80 PIP winners instead of holding them with the B/E stops....not enough trend action to make those 200+ trades right now. No Signal--No Trade....

OK--going sailing with Tommy....check back later. Markets open at 5:00 tonight with first signal check at 6:00 PM....

10/3/2016 5:09 AM

Up on time--fed the cats--feeling great--

Today is the first trading day of the next quarter---so far this AM we have three solid signals--I took all three of them and stops are working. During the day on Sunday I decided not to improvise too much on my plan...I decided to still use the 15M time frame to find some opportunity for the next short term...but I am still going to use the Trend signals when they are there on the higher time frames. I made this decision after reviewing and logging my last three quarters of performance. The fact is--my NET performance is really quite good. It has slipped a bit in the last quarter--but that is likely due to the two-way consolidation nature of the markets recently....sooner or later that will end. Also--my personal discipline was lagging for a few weeks last quarter and I personally believe that is significantly more important than the plan itself. SO all things considered--ADDING a fresh lower time frame signal helps with shorter time frame opportunity inside ranges (which I need right now) but the overall long-term success of the entire program is still very much on track and only requires that I enforce it at 100%. All I really need to do is ADD something to a flawlessly performed existing method. Therefore--I will continue to do all the signals as they show up--but focus on maintaining a perfect discipline method; and also add in the 15M signals for some trades.

Time to log everything --and do my AM health thing...

10/3/2016 5:49 AM

I need to get a health mat for my yoga...I have a hard time stretching and doing yoga without a mat....Larry peed on the one I had so I threw it out...I found that out on Saturday. Larry is not my favorite cat right now. I plan on hitting the health club today and on plan from here forward--so on the way back I will buy a mat at the Dick's Sporting Goods store...GREAT store for exercise stuff...they have everything...

10/3/2016 5:59 AM

At the check--no fresh signals. Holding L GBP and L EURO; S JPY....all three positions are a bit better than even. What I would like to see is a swift pop on the news when it happens...except the only remaining news today is slight US data; most likely the rest of the day will be technical trade with light volumes. Most likely the big data for the week will be on Friday for NFP....

10/3/2016 6:33 AM

Right on plan for my AM ritual...I just did 3x5 cards---and I did the AM health plan...I already had the logs/notes/records/notes up to date.

At this point--I am feeling a lot of depressing emotions....I know why this is...because right now--doing this discipline at 100%--feels like a lot of focus and work; like maybe I can't do it every day. Also--my plan has more than another 2 years to go. AND I am a full quarter behind on it...you put those two things together inside my head---and you get a feeling like this is going to be A LOT OF WORK and it is GOING TO TAKE FOREVER.....that feeling just sucks the life out of me....

BUT--the good news is that this business is only one day long. And part of my 3x5 cards is a constant reminder that this whole thing (all of life) is only one day long. To live in the now moment is where the joy is...and it can be some work to free your mind to live just one day at a time. It probably doesn't help to look out the window and see it is still dark out too....I got up hours ago (in the dark), and I am struggling with my emotions while it is still dark and I have a LONG TIME TO GO and THIS IS A LOT OF WORK.....If I am not careful--I am going to drive myself crazy....

Absolutely for sure I need to just relax and let life/trading just flow...it will happen as it happens. It might happen faster once I let go of all this mental gymnastics I do...and when I get to the end of the road and I reach my goals...it will feel fantastic. SO take it one day at a time.

10/3/2016 7:02 AM

At the signal check--nothing new...all open trades are slightly better than even...will they work today???

Getting on the air with the DD recording...

OK--maybe not---my headset appears to be dead...I checked the line-in for charging and in fact it wasn't connected properly...so my headset must have discharged all night...I will try again in about 30 minutes...

10/3/2016 7:24 AM

15M buy-side XR on CAD...missed it but have a limit order working. I will cancel the order if it reaches the mean...because that would have been the whole trade anyway.

10/3/2016 8:08 AM

At the signal check--no new signals...GBP and EURO a bit lower now...JPY still flat...just some give and take I think.

Finished recording and uploading the DD for today. Nothing left to do but the typical daily stuff...I decided to do the gardening stuff this afternoon instead of the health club...gardening is a solid workout anyway....so once all that is done I will have gotten some good exercise.

10/3/2016 9:33 AM

Stopped out of L GBP for a 40PIP loss...the L CAD I missed is sharply higher...so the 15M thing would have kept me in the game...missed that trade and the fill never happened; canceled the limit order...

10/3/2016 9:58 AM

At the signal check--nothing...but with the fresh lows in GBP--we will get a reversal signal soon....looking forward to that one for sure...

Take that back--right as we rolled over the hour--a solid 60M TS on CAD was there at the close of the bar...so I sold one...US data was out and it was flat to neutral...all the pairs whipped to fresh highs/lows against the USD and then dropped back...so my L in EURO is back to unchanged along with a stacked TB on the 60M, JPY is working so is S CAD now...and GBP has a buy-side 60M HR flashing...so we could be OK to hold S USD into the rest of the day.

10/3/2016 10:56 AM

60M GBP buy side HR working--I bought one...and just as I got filled the price retreated and now the signal is off...4 minutes...you know? Just frustrating....

Holding everything else....

10/3/2016 11:01 AM

USD pulling back and if that last bar had another 60 seconds to it the USD would all have reversal signals....

SO anyway--holding S USD across the board now---nothing is working just yet---but by the end of the day we could be really sitting well--that last push was right up against tech S/R on every pair AND the USDX....that could create a USD-centric focus for a pullback...

10/3/2016 11:59 AM

At the check---TS on CAD but that rate just won't break lower yet...

Anyway--boring...on air for Timing Research shortly...between now and then--I am in the kitchen making caramel sauce...Ginia wants a sweet sauce for deserts so I am making this one for a first try...hopefully she will like it....

10/3/2016 12:51 PM

Getting on the air for the show...done in about an hour....

GBP and EURO starting to lift...but CAD and JPY still holding right at mid-range on the day...what we need is a solid USD sell-off...but that is becoming harder to anticipate...one thing i know for sure...when the USD finally corrects; it is going to be a BIG move.....

10/3/2016 2:09 PM

Done with the show---and the day. Heading out to grab some lunch...then work in the garden if it doesn't rain....which it is threatening to do...

10/3/2016 5:49 PM

OK--done with the day--fairly uneventful close...most of the pairs are within about 10-20 pips of the opening range for the week and/or right about where I got in...no other-side signals to speak of yet either...so if the USD is going to drop overnight...great...if it legs higher---I will likely take losses on all four open positions making a poor start to the week to say the least...so far; no stops have been threatened.

I am doing the full PM checklist--all good. Not eating any dinner as the lunch Ginia and me went for was just HUGE....no wine either...I think I am going to get to bed early and make tomorrow another full day.

10/4/2016 3:04 AM

Up early--couldn't sleep...checked all my positions...stopped out of everything overnight for losses...that makes seven losing trades in a row...I took two new signals...but those trades are not working either...it seems the USD is in a completely entrenched rally--no sellers anywhere ---which means it could reverse hard at any moment as those euphoric buyers run out...

The one trade that is really not making any sense is Cable. We are at a fresh 32 year low under the 1.2800 handle...the last time the GBP was losing this much ground was during the Reagan administration; and the economic potential in the USA is NO WHERE NEAR what we had under Reagan...there is simply no justification for the USD to be at this level against GBP...but there it is. I personally think it represents the strongest potential buy in years anywhere...but where is the bottom???

No signals in the JPY have worked in weeks...the latest sell signals are getting crushed...and that might be three losers in a row in that pair alone.

The fact is--I am following the rules and the signals...when things get like this--I am usually very close to the turn and making a lot of money...but this grind lower in my equity and the horrible results of the signals lately are just discouraging me no end...FUCK--another fresh high in JPY...heading to a three week high...on what? Nothing...maybe some comments by the BOJ chairman...millions of dollars of value change because some withered old person says "things are great"...

Something is just not right....

However--when things get like this--there is usually some sort of major change that affects the markets. Who knows what that could be or when...but the psychology seems to be just right for it to happen...like the market participants are already waiting for it. They seem to place an over-emphasis on some event---that then becomes the significant event only because so many people choose to focus on it.

Markets always look the most bullish or bearish right before the significant event and the major turn. Right now--in GBP--we could be looking at a low print that holds for decades...so what would be the major event that would change people's minds enough to cover the short side and start working the long side..??

Anyway--nothing is working yet. And I might have to cover these remaining trades at losses again during the next period of time...just nothing is working...

10/4/2016 3:42 AM

Fed the cats--earlier than usual--just felt sorry for them hovering around like that...I hope they appreciate me...

GBP showing a 60M buy side HR now...if it holds--that will be the best HR signal in 32 years on this time frame...it doesn't look like the rate is done to the downside completely...but if it can bounce and consolidate slightly higher...it might be the trade to hold into the end of the year...

What we need now is (AGAIN) the ever-elusive USD sell-off fueled by the late buyers who are trapped...a solid long-liquidation move.

10/4/2016 5:57 AM

More lows in EURO and GBP--working a 60M Blue Diamond on the buy-side for GBP...we have to be really close to the lows now....

10/4/2016 8:06 AM

AM ritual done--DD posted...back to the markets...

GBP on the lows...just not going anywhere...60M blue diamond not working yet...WTF?

10/4/2016 9:00 AM

At the check--slight USD downward pressure as the greenback stalls at the highs just ahead of the stock opening; most likely the two-way flows can start now as people get ready for Friday...the hard-core smart-money bulls will want to liquidate into highs ahead of the NFP on Friday...late buyers will buy breaks so there could be some solid two-way flows at these highs...if the bulls don't come back on Friday after the news--then the top could be in. Is that the case with the GBP????

10/4/2016 10:02 AM

Stopped out of S JPY...that's seven in a row,...FUCK..this is just killing me...

10/4/2016 10:31 AM

EURO dropped to a fresh daily low...holding tech S/R at the 1.1130/40 area; missed my stops for the long so far. CAD rallied but stalled at a fresh weekly high--missed my stops...GBP remaining inside earlier price action near the lows...lots of reversal signals working on multiple time frames now for GBP.

Where is the lift????!!!!!! The USD is way overdone in my view...I need to get on the right side of all this...I am just getting killed on closed trade losses.....

10/4/2016 11:01 AM

At the check--60M Blue Diamond on JPY--sold one at the close of the bar...CAD still not accelerating and is selling off again...GBP and EURO holding lows for a third hour..is this the turn finally??? WTF???

10/4/2016 12:01 PM

At the check--the 60M HR on GBP went away in the last 30 seconds of the bar...

10/4/2016 12:23 PM

These fucking markets...CAD and JPY just rallied to fresh weekly highs...no volumes at all on the move...all my stops are under threat again...EURO made a 100 PIP move to the upside in 10 minutes and then gave it right back in the next....probably some bullshit headline...just no way to get positioned and/or to stay there...nothing is working and no signals are viable on either side....GOD I AM SO FUCKING PISSED OFF at this...can't make a god damn dime for the past 12 weeks!

I honestly do not know what to do with this.....

10/4/2016 12:25 PM

Stopped out of S CAD again...ON MY FUCKING NUMBER

Re-sold the pair...the rate has since tagged THE 1.3200 HANDLE....still no volumes...this is an accident waiting to happen....

JPY fresh two-week highs...GBP on the lows...will that ever lift???? 32 year lows? On what?????

10/4/2016 1:54 PM

Getting out of here to do some shopping before dinner tonight...I am a wreck emotionally...I don't want to do anything or see anyone...or trade or even read a bad book...I'm just infuriated by my results recently and I just can't get on the right side of anything....I am completely beyond any sort of composure or "normal" behavior. I just want to skip the next few years...

10/5/2016 5:05 AM

Up on time--actually a bit earlier...cats woke me up early again...then my wife wouldn't stop talking...so here I am. I plan on going back to bed for an hour or so...I am staying on track for my AM work effort and ritual fairly well--and I am getting everything done that I am disciplining myself to do--so if I take an hour or two here and there during the day around the "perfect" schedule...I am OK with that. My back pain is almost gone...but that is the one thing I am not doing like I should--the workout routine. It is really getting harder to do that for some reason...

I found a couple of different supplements on the web that I would like to take...they are designed for people who are older and for people who can't (or won't) commit to a daily workout. In other words--if you are older and can only do 2-3 times a week exercise--here's a supplement for you. I intend to start taking something as the age thing is not making me happy.

The vegan diet is coming along well--but this past few weeks as my discipline lagged it also lagged in the kitchen. I made a GREAT vegan mac & cheese yesterday for dinner but I added in some sausage. And made a roast to go with

it. I cooked the roast too long so that was a good reason not to eat it...and Ginia picked the sausage out of the casserole...so there you have it--vegan getting done one way or the other. Eventually I will be on a completely plant-based diet. So far--I am about 85-90% there--so I don't think that last step will be that difficult; I just don't know when I will take it.

USD is a bit flat-to-weaker this AM...mostly holding previous daily highs/lows...GBP dropped to a fresh 32 year low at 1.2689 before recovering; there is now a buy-side HR working on the daily and several on the higher time frames....EURO is back to the weekly highs and holding...both pairs are looking really good for a short-squeeze anytime...JPY and CAD are the problems...although my short positions are right near the highs this time...there is no break lower happening yet--Crude is closing in on \$50/BBI--which is normally enough to break CAD lower fairly easily--but it appears the market has de-coupled from oil. Great. I finally get short at a significant high--and the main driving fundamental working in that market for the past 9 months decides not to show up this week. These markets are just not cooperating anymore with the things that have ALWAYS driven price. That can only mean that the great majority of participants are REALLY confused right now...maybe nothing will happen until after the election...so that is four more weeks of this BS...at least...nice.

Going to get more of the AM thing done--then I will be back later...

10/5/2016 5:35 AM

JPY rallies to fresh two-week highs; stops under threat...CAD on the weekly highs--stops out of range...but this is just infuriating...the Greenback just won't drop...I can absolutely promise you this is not reality--but the price is what it is...these longs are going to get their head handed to them...where is the top? Where are the sellers?

I am really just not happy with this performance...NONE of these signals are working...that 180M sell-side XR from a two-week high on JPY is just now negated...that is a usually 85% reliable signal...so TODAY is the day it won't work? After 8 losers in a row? FUCK...this is just brutal...

10/5/2016 7:26 AM

USD continues to grind slightly higher---RIGHT up against long-term S/R in the USDX, JPY and CAD....EURO building a solid potential to find upside stops...what will be the trigger???

Hurricane Matthew on track to hit the south Florida East Coast this week---that means a lot of service interruptions--it will likely rain 2-3 inches here in Tampa bay area; just an all-around headache for a week...hopefully the Miami area will be spared a direct hit. I need to call my sister today. They are welcome to stay here if they need to--

Maybe this will encourage a USD sell-off....God knows nothing else seems to be doing it....

10/5/2016 8:09 AM

USD grinding to another high against CAD...but volumes are very low...US data due shortly...

10/5/2016 8:16 AM

ADP is below EX....last month revised down also...USD doing nothing...obviously the NFP is the main driver...and it will likely miss also suggesting no action by the fed this year. AND YET---no USD sellers...I guess the entire world continues to believe that the fed funds rate at 0.0037% justifies a 15% increase of the USD since DEC of last year right???. Perfect....

Anyway--it is what it is...holding S USD positions and stops are STILL out of range as the rate grinds slowly sideways to higher...we really need a sell-off...

10/5/2016 10:01 AM

US data out is about as expected but ISM is higher than expected...so the USD is taking off...fresh weekly highs in JPY and CAD...crude up huge but no sellers in dollars...just infuriating...this HAS TO BE the last gasp by the buyers....EURO down a bit with GBP holding firm well off the lows....

I think people are just stupid to think this is POSITIVE....it's the worst "recovery" since the great depression...things are almost as bad as they were under Carter...so that means the Fed will raise rates....???? The whole world is tracking lower and rates are at zero...the USD should be falling...not lifting...which means the disappointment is going to happen...where is it?????

10/5/2016 10:06 AM

ANOTHER blue diamond reversal working on the 120M JPY...these signals are everywhere on all the pairs...the reversal is coming....

10/5/2016 10:41 AM

CAD falling back from the highs--about to go negative on the bar...EURO and JPY starting to form solid liquidation tails...is the USD about to reverse for the day? Or more?

10/5/2016 11:01 AM

CAD goes negative--I added to the position...Holding everything else....the USD rally after US data was really small...and it's giving some back right away...is this it?

I have to tell you--this is really dragging ass....not fun at all...

10/5/2016 11:08 AM

Fresh highs on the day for GBP now...obviously--something is brewing...EURO firmer and CAD under my average sale price...come on sellers!

Bought more GBP as the rate made daily highs...it is really looking like a reversal day and if it make the 1.300 handle--it is a reversal week...my gut said to buy more under 1.2700 but I just didn't...so I am good...I need to have a bigger position on....

10/5/2016 1:53 PM

USD continues to weaken into the afternoon--EURO back to testing highs...GBP trying hard to score the 1.2780 area but is lacking enthusiasm....Just added to the SHORT JPY position as it begins to roll off...

10/5/2016 2:27 PM

Getting quiet...but the USD is holding off the highs--except for JPY...what we need is a coordinated sell-off...

The end of the day is nigh...I am going to call it a day and work on making dinner. I am thinking asparagus and mushroom crepes...very nice....I am getting to work...

As you can see—my emotions and feeling are no different than other traders, my focus is on the same things and my “language” is exactly what you see/hear from any trader—but if you look more closely you see that I am thinking about the exact opposite for my positions as other traders typically do. You will also notice that I stick to my discipline as close to 100% as I can—and I don’t stop using my signals no matter what the result is. You will also notice that my focus is on longer timeframes and I am willing to wait for things to happen rather than chase them once they do. Incidentally, the signals you see discussed here are proprietary. I developed them over years of trading; they are “just my system” They are nothing special, other than they tend to be more accurate at long-timeframe turns in the markets. I use them in both FOREX & Futures/Options trading. My discipline is more significant to my results than the signals.

Note to the Reader:

By offering you the material provided throughout my website at no cost to you, it is my intention to help the serious trader shorten his or her learning curve. In my view, there is no “easy way” to develop your winning approach or to create a market-centric trading paradigm; there is only a “consistent way” that is a result of two things working together: Your increasing level of personal discipline and your increasing knowledge of how to create a non-attachment mindset.

If you find that your pathway is reaching a frustrating point, or that you find yourself at a place in your growth where you just can't seem to get beyond; it is very likely that you are at a point in your trading where working with a qualified mentor/coach is the next step for you. If (or when) you get to that point and you are willing to consider finding a mentor/coach, please consider using the “contact me” form on my website, I still accept traders interested in working with someone and it might be a good fit.