

ReadySetCrypto Trading Edge Masterclass



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Module Eight: The Success Mindset

Module Eight

The Success Mindset

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Introduction - The Trader's Mindset

Of all the billions of dollars that is spent on science every year, researching and understanding things like how frogs communicate, how dolphins speak, how bears hibernate, etc....one of the true mysteries of our time is *still* the Human Mind. Why do we do what we do? Why do we act in the way that we do? And more specifically, why do some people “think” their way to a fortune while others appear to be stuck in the mud, suffering the same “bad luck” again and again? It turns out that there is actual science behind these actions and decisions, using knowledge that we’re only just beginning to understand.

Stay with me on this, because before long, you’ll start to see WHY this science is so crucial to your future success, and WHAT we can do about it right now!

The Holy Grail of Trading

If you’ve spent any time around this activity that we call “trading,” you’ll see the same insatiable drive towards what is commonly known as the “Holy Grail” of trading strategies. What is it? Well, what we’re all after....that mythical strategy that risks no capital while producing outstanding returns again and again, without losses. Wouldn’t that be great? Just log into our broker’s account every day and watch the balance perpetually grow.

But somehow it never seems to happen to us; we see all of these great strategies and programs and they look so simple, so easy....like catching fish in a trout pond with a net. But when we go to apply that strategy, we find out that it’s NOT that simple, that losses are REAL, and we become disillusioned with that strategy, and resume our hunt for The Grail.

Would it surprise you for me to state that I have FOUND that Holy Grail of trading? You already have it right now, but I need to first show you how to unlock it in these next few pages....by first showing you how your mind....or as well see, ***minds***.... operates.

My Journey into Neuroscience

My path has been no different than any other retail investor hoping to earn their future in the financial markets. As was saw in an earlier module, there is a “progression” that everyone goes through, without exception, to “earn the right” to become a professional investor trading the markets. It’s the very rare bird that becomes a “Turtle Trader” and is financially successful overnight just by following a recipe. What I’m getting at here is that I’ve been in your shoes before, as has every trader that now makes their living from the financial markets.

And I have to give credit for this journey into neuroscience to one of my first mentors. This individual was not a particularly good trader, as he was very impulsive. He belonged in front of a crowd. But once I got to know this individual, he had me studying all sorts of self-help authors and their material. The usual suspects were devoured, such as Brian Tracy, Zig Ziglar, Jim Rohn, and Tony Robbins. I had studied these individuals in the past but quickly got discouraged, because my thought at the time was, *“How am I supposed to use this material at my oppressive corporate job?”* So when I started to study investing, suddenly I saw an application for these materials. They were fun, and allowed me to expand my definition of success, which was admittedly very narrow when I began this journey.

If I could sum up the lessons from these materials, it was messages such as:

- You have great potential!
- Get organized!
- Look on the bright side!
- Be positive in everything that you do!

..and so on. I would listen to them over and over again much to the distress of my family, who were frankly getting tired of hearing Tony snap his fingers and tell stories in an enthusiastic tone whenever we took a family trip. I had plateaued on self-help motivational materials. There’s no doubt that they had helped me immensely in looking at my life from a new perspective, without which I never would have abandoned my former corporate life. But I needed something different at this point.

And then an interesting connection occurred; someone asked me, **“Have you seen *The Secret*?”** I had not, nor had I heard about it. I got an earful from an enthusiastic student, and I invested in the DVD.

When I watched it for the first time, I was floored. Suddenly, all of the “good things” that had happened to me were explained. I began to go further down the rabbit hole, by researching and investing in the various authors that contributed to ***The Secret*** movie. And that has led me deeper and deeper down this path of “Neuroscience” to the point that I’m at least conversant in it, while not claiming to be an expert. And I

INSTANTLY saw the connection to trading performance, and have been incorporating it into all of the trading materials that I teach.

I believe that Neuroscience is the “missing link” when it comes to investing success, and you simply cannot operate without it.

So then, let me start with the first law of Neuroscience that I learned, which is the **Law of Attraction**:

The Law of Attraction

The Law of Attraction is fairly simple; you will *attract* everything that comes into your life, good and bad. Ever knew a lucky friend that just seemed to have everything go their way no matter what? Or a friend who was a “human Eeyore” that always had something wrong happening to them, either with health or circumstance. Yep, this is the “Law of Attraction” at work. For now, let’s not peek under the covers to figure out WHY this is happening, I just need you to accept that **you will attract everything that comes into your life.**

Now, when most investors find out about something like this, they put it to work in the wrong way. They read up about the Law of Attraction, and spend a couple of minutes in thought:

“I want all my debt to go away! No more debt!”

Guess what they attract more of in their lives? **DEBT.**

The way that the Law of Attraction works....**you will “manifest” what you focus on.** Napoleon Hill put it best in his fabulous book “Think and Grow Rich”..... “Thoughts Become Things.” Those three words are very powerful and I want you to keep that phrase in mind as we move forward.....“Thoughts” truly do become “Things” as you’ll see. In this example, what was this person focusing their thoughts on? **Debt.** What did they receive more of? **Debt.** This is why people seem to fall into the same patterns of behavior over and over again.

Now compare that example with this one....let’s say that the same person wanted more abundance in their lives, and focused on receiving an extra \$100 in income every week.

They built visual images of what it would feel like to receive that extra \$100....they imagined their bank balance \$100 higher....they could see the check being handed to them....they focused on the methods that they were going to use to create that extra \$100 of income....they mentally created the experience, one step shy of actually experiencing it.

Is it then any wonder that they usually manifest that \$100...or more...from that point forward?

I experienced this effect without understanding it....months before I first quit my job to become a full-time trader. I created a mental inventory of what date that I would turn in my notice, who I would give it to, what that notice would say, what my bank balance would look like the day that I quit, what my home office would look like.....EVERYTHING. I had mentally created this scenario so many times in my head, all with the same outcome, that it almost became a “deja vu” moment when it finally occurred. I had done all of the right things to attract that outcome.

Now imagine if my mindset in the month or two before I had planned to quit.....was instead: *“Oh man, I hope I don’t screw this up! I just know that there’s going to be some funky move coming up in the market that’s going to spoil my move. I’d better tread carefully so I’m prepared for that bad move....”*

I think you can see by now that I would have attracted some piece of “bad luck” that would have stalled my progress. And chances are, I’d *still* be working there, chained to my desk.

Thoughts become Things, so you need to very carefully monitor your thoughts so that you’re manifesting what you want, and not more of what you don’t want.

OK, so the “Law of Attraction” is fun, but very “fluffy” in a way that has a lot of folks “harrumph’ing” and looking for the science behind it. Investors are a pragmatic bunch and are not taken in by puffery. So what, then, is the science behind the Law of Attraction and what makes it work? It comes down to the two different “minds” that we have, as well as a function called “The RAS.”

The Two Different Minds

Have you ever had a completely mystifying experience making a trade, as if you yourself did not make the trade? The *“how could I have been so stupid”* kind of trade? The one that leaves you shaking your head and wondering just what you did?

Well, you’re not alone and there’s a very specific reason why it happens. The part of you that thinks that it’s in control....*is really not in control*. It’s because of the two different minds that you have, and you haven’t learned to use them just yet.

Most of you have heard of “Left-Brained” vs. “Right-Brained” people. The left-brained are the accountants and clerks of the world, the right-brained are the artists and musicians of the world. Each side looks at the other like they’re a little odd, and the rest of us are somewhat in the middle between being analytical and abstract.

But what we’re talking about here is completely different....you have both a **Conscious Mind** and a **Subconscious Mind** working in tandem.

The Conscious Mind is task-oriented and requires you to actually devote thought towards the task at hand. The Subconscious mind, however, does everything in the background, automatically, and without effort. And it never....ever....stops.

You can think of the Subconscious Mind as the “inner core” of your brain, chugging along in the background, quietly handling the millions of things that happen every second to run the biochemistry in your body as well as the other complex reasoning functions that we typically associate with “intuition”.....while the Conscious Mind is the “outer core” that everything must pass through. For reasons that we’ll soon see, the Subconscious mind is many orders of magnitude more powerful than the Conscious mind.

Let’s discuss a couple of examples so you can quickly see the difference between the two. Remember when you learned how to drive? Hands at “ten” and “two” on the steering wheel, sitting up straight, you were acutely aware of every action that was required to drive the car. You had to *consciously* think about every action that you took, whether it was shifting the car into gear, figuring out the turn signal stalk, or where to place your foot to hit the brakes. Your **Conscious Mind** was doing all the work.

Think about this: Assuming that you’re an experienced driver now, when you last drove your car, did you THINK about anything at all? No, you just put the key in, started up the car, and then the next thing you knew, you were at your destination. Your Conscious Mind did very little of the work, only relaying various data points like traffic signals and whether or not it’s raining and the wipers need to be turned on. The Subconscious mind did all of the work. In fact, this is a natural progression because the Conscious Mind loses focus every six to ten seconds, while the Subconscious Mind NEVER loses focus.

Another example might be a golf swing. When you first learn to play golf you have hundreds of “swing thoughts” coursing through your Conscious mind, like “keep your left arm straight” and “don’t look up,” followed a few years later by “swing from the inside - out” and “don’t reverse pivot.” After you’ve spent a few thousand hours hitting golf balls, it becomes “automatic,” which is just code for the fact that the Subconscious mind is now running your swing.

Of course, what happens if you stand over a crucial, pressure-packed shot? Your Conscious mind tries to take control again and completely flubs it, because you simply can’t “think” your way through a golf shot.

And what about a crucial free-throw in a championship basketball game? If you see a player “think” their way through a free throw then you’ll surely see some heavy masonry as the ball clanks off the rim for a “miss.” Only if the player allows his inner “core,” or Subconscious mind to visualize the shot and simply let it happen will you see the player swish that shot.

We constantly see examples of athletes who make silly mistakes as rookies or Freshmen.....yet they become smooth and natural with experience, as they constantly relate how the game has “slowed down” for them and allows them to make plays with ease, where they were too busy “thinking” when they were less experienced.

Example after example...the Conscious Mind is a clumsy oaf, yet very good at sorting through information and being objective. It has no doubt that the traffic light is red, or what time it is when it looks at a watch. And it serves as the eyes and ears for the powerful core processor, the Subconscious mind.

So really, what we’re saying is that **the Subconscious Mind is really in charge**. In fact, the Conscious Mind is only responsible for controlling between 2 to 4 percent of our actions! ¹We can “think” that we’re in charge of our lives through sheer will, but any effects will be temporary until we tap into the power of the Subconscious Mind. Ever try to stick to a diet through sheer willpower alone? Quit smoking? Didn’t work, did it? You couldn’t explain to anyone else why you failed, you just did. No change is lasting unless it comes from within, the Subconscious Mind.

Those who have not yet learned to harness the strengths - and liabilities - of the Subconscious mind are forever enslaved by their mysterious ability **to do exactly the wrong thing at the right time**. There is nothing more frustrating in the trading world and it forces the majority that cannot solve this puzzle....to quit. Now, let’s forget about that option as a possibility and see what we have to do to let our minds do the right thing.

¹ John Assaraf & Murray Smith, The Answer (Atria, New York, 2008) 46.

The RAS, or Reticular Activating System

OK, we've talked about the two "minds" so far; how are they connected together? Well, this is where things get interesting. The "RAS" is a network of nerves that connects signals from the various parts of your brain and spinal cord, and acts as a "filter" to your brain from all of the external senses like sight, smell, touch, and hearing.² You can think of this RAS as a "gatekeeper" that looks for specific inputs and funnels them instantly to your brain. Ever notice how you can hear your own name even in a loud, crowded room? That's the RAS doing its job. See your kids instantly across a crowded room? That's the RAS again.

Have you ever noticed that when you pick up a new interest, all of a sudden you see it everywhere? When I first got interested in motorcycles, I mean SERIOUSLY interested in them, then I began to see them EVERYWHERE, day and night. It's not that they weren't there before....they were....it's just that my RAS was not instructed to "look" for them.

And THIS is why the RAS is hugely important, and ties into that statement that I wrote earlier, that "Thoughts Become Things." When you tell your RAS what you are looking for, it will search Heaven and Earth to find it. And find it, it will. This is why it is so important to NOT program your goals around what you DON'T WANT, but rather only those things that you DO want.

And this is why author John Assaraf says that "Worry is a prayer for what you don't want." Think about all of the time and energy that you've spent worrying about things that were out of your control, yet it seemed like the more that you worried about the possibility of something negative happening, the more likely that it was to occur.

So how does our mind tell this RAS "gatekeeper" what to focus on?

Learning New Behaviors and Reaching Goals

Here is the "good news/bad news" thing when it comes to learning new behaviors: **All we have to do is to "program" the Subconscious Mind into "accepting" the behaviors that we want from the RAS.** The Subconscious Mind tells the RAS what it wants to do, and the RAS spends 24 hours a day looking for those inputs that match up with the desired behavior. If you program it that you want to avoid debt, then it will tell the RAS to go find everything that it can about debt, usually leading to activities that increase debt. Remember, your Conscious mind only controls 2-4% of your activities, so it has very little influence on achieving goals.

You've heard the advice that "people who write down their goals will achieve them." In a recent study, it was shown that only 3% of the participants had written goals (vs.

² John Assaraf & Murray Smith, The Answer (Atria, New York, 2008) 59.

13% with unwritten goals and 84% with no goals) were earning 10 times as much as the other 97% combined.³ Those 3% of “goal-writers” were unconsciously training their Subconscious Minds to allow their RAS to filter valuable information to enable them to reach their goals.

Learning new behaviors and reaching your goals is a relatively simple process then, although it’s not “easy” at first. You have to teach your Subconscious Mind what it wants. You have to “train” your mind to seek out and find information that is congruent with your goals and desires, taking care to focus on the CORRECT things.

And here’s more good news; **the Subconscious Mind accepts whatever the RAS allows as input.** And it does not have to be real. Ever notice how powerful a dream can be? It’s not real, yet your mind didn’t know the difference. How long did it take you to “come back to reality” after you woke up? You can “input” images into your Subconscious mind simply by closing your eyes and visualizing them. In fact, this form of Neuroscience has already been proven to be very effective in the sports psychology world; you can see athletes closing their eyes and mentally “going through the motions” in preparation for their event, regardless of whether it’s downhill skiing, gymnastics, platform diving, or a soccer free kick. I recently watched pro golfer Jason Day win the PGA Championship; before every shot he would take the time to close his eyes and “visualize” the shot that he was about to take. Mentally “programming” your mind through live or imaginary images leads to that “law of attraction” in being able to manifest what it is that we want. In Jason’s case, it was the Wanamaker trophy.

The Subconscious Mind also does not question the input supplied to it, IF it is able to get past the Gatekeeper. This is where it’s so important to focus on what we want without judgement, (What! You’ll never be able to make that much money in a month! You can’t time the Market! 95% fail at trading!.....etc....) so that we can correctly “train” the Subconscious Mind into telling the RAS what it wants it to seek for. In some cases this has been so effective that criminals become convinced that they did not commit the crime that they did, simply because they’ve very effectively communicated information past the RAS and into the Subconscious mind.

³ <http://www.forbes.com/sites/85broads/2014/04/08/why-you-should-be-writing-down-your-goals/>

Your Financial Blueprint

The more that I understood about Neuroscience, the Law of Attraction kept putting me in the path of more valuable information relating to the pursuit of Investing. And one of the new concepts for me was about the “Financial Blueprint” that everyone has, and how it was controlling my income. I read “Secrets of the Millionaire Mind” by T. Harv Eker which is just a different, but consistent adaptation/explanation of how the brain works.

His theory about the Financial Blueprint is this:

- If you believe that \$100,000 is what you should be earning, then your Subconscious Mind will ensure that you attain that level of success - and no more. If you receive a sudden windfall, your Subconscious Mind will sabotage your trading efforts until your income level drops back to where your Subconscious Mind says that it should be.
- If you believe that only “bad” people are rich, or that earning trading profits takes money away from others and that’s a “bad thing”, then your Subconscious Mind will find a way to surreptitiously surrender those winnings back to the Market.
- If you see your winnings approaching a round number (such as \$10,000 or \$100,000) and you can’t believe that you’ve done that well....and wonder if you deserve it....then your Subconscious Mind will find a way for you NOT to exceed those round number levels.

Think about this for a second....how many Lottery winners are destitute and broke, only a year or two after winning millions of dollars? I mean, that person should be set for LIFE with that amount of income, but inside their Subconscious Mind, their “Financial Blueprint” is in direct conflict with the winnings, and the constant internal battle of “I don’t deserve this” will ALWAYS defeat them.

Hopefully by this point you’re having an “a-ha!” moment or at least a “yeah, no kidding” response. Most traders will go on for years without understanding that there are actually much deeper forces at work, inside of THEM, that directly govern their financial success. This is why those traders who have achieved a “Mastery” level are so calm, so placid. They know that it’s not the MARKET that they’re fighting....the true battle is one waged WITHIN every trader, and they’ve won that battle.

And the more experiences that you’ve had in your life, the greater the “catalog” of responses that the Subconscious mind has to judge your activities and make appropriate corrective actions. Think about it, your Subconscious Mind doesn’t consult you about the decisions that it makes about your blood sugar, pulse rate, sleep schedule, digestion, cell regrowth, or any of the millions of decisions that it makes on the fly. Why should it give you any insight as to how it will govern your trading decisions?

Introduction to the Success Mindset

OK, let's do a quick reset; I've thrown a lot of new information at you so far, which is where readers will pause and put this ebook down because it didn't align with their current belief structure. It's time to move past the theory and into the practical world of application so that we can learn to be consistently profitable investors, but to do so we need to "hack" the mind to create the performance that we want. Let's summarize where we were, so that we can then start to focus on adapting the mind to trading. In chapter three:

- We saw that there are essentially two "minds," the "Conscious" and the "Subconscious" mind.
- These two minds have different roles from an operating and learning perspective.
- The Subconscious Mind is really in charge and makes the vast majority of decisions, although we "see" the world through the Conscious Mind. We think that we can "control" our actions through the Conscious Mind but rarely does this generate lasting results.
- Your Subconscious Mind has a very specific "Belief System" that it operates by; this Belief System is the set of rules that you live by and has been built up your entire life.
- The Subconscious Mind instructs the Reticular Activating System, or "RAS" to seek out and find information that is CONSISTENT with that belief system.
- If our belief system is such that we firmly believe that we should profit from market activities, then the RAS will find information consistent with supporting that performance. Conversely, if our Subconscious Mind does NOT believe that we can or should profit from market activities, then it will instruct the RAS to seek out information consistent with creating poor performance.

It should be clear by reading these summary bullets that **our current Belief System is really the key to whether we succeed or fail at investing in the market**; let's understand what this Belief System is, and how to set it up for success in the markets....

Understanding our Belief System

As we grow from children to adults, we build experience and add “layers” to our lives. By doing so we build a Belief System that defines who we are. And our Subconscious mind tells our RAS to go out and find things that agree with our current set of beliefs. Some would come to the conclusion that the older that you are, the less “adaptive” that you are to learning new concepts. And we see evidence of this every day:

- People tuning into the “version” of news that aligns with their current belief structure.
- Those that are only able to listen to a musical genre that’s consistent with their belief structure, what they consider to be “good music.”
- Investors that are surprised/disappointed by a move in the markets that goes against what they believe, or their “bias.”

And I work with investing students every day that are unable to quickly grasp new concepts....because they conflict with ones that they have adopted much earlier in their trading development, usually from questionable (yet powerful) sources such as TV commercials. Once these concepts become “imprinted” into your belief structure, they are literally impossible to act against.

As we’ve shown, I firmly believe that this is just a “state of mind,” that anyone at any age can learn whatever they want, or that they can adopt new behaviors....including new beliefs and habits required to be “in sync” with the Market. What it comes down to is the MOTIVATION that you need to be able to grow and change. (We’ll cover this important aspect shortly!)

What we’ll do in this module, then, is to discuss ***how we can change that Belief System*** into something more wealth-and-success-positive, so that we can learn to embrace behaviors and activities that create the results that fit our goals. Put more directly, as we build these skills we’ll learn how to make (and keep) more money. The first thing that we need to do, however, is understand that the Belief System that many of us come into the world of Investing with....is preventing us from making money.

We Are Wired Incorrectly to Trade

What do I mean by this statement? Through our adult lives and through our careers, the Subconscious Mind becomes an effective “risk manager” for us. We learn that when we touch a hot stove, we get burned....and we also learn that when we take on a project with too much risk at work, we can also get burned, so our Conscious Mind takes over. Whenever anything looks “dicey” the Subconscious mind steps in and puts out the fire, based on what we usually call “instinct.” We also refer to this as “the little voice in the back of our head” or we sometimes attribute this to “a hunch” or “intuition.” Most of us are familiar with this concept of “intuitive decisions” but few of us are familiar with where they come from, nor how they influence us daily.

When we start to trade, we’re usually not very effective risk managers. Trading is still “fun” at this point as we associate trading with pleasure. But before long, the Subconscious Mind will start to step in with a negative influence as our first trade begins to fall into the “red” and take some heat. Chances are good that this position is using far too much capital and we’re starting to lose sleep worrying about it; unfortunately, this is a “rite of passage” for every trader when first starting out. The Subconscious Mind begins to bargain with you....*“I know that you’re feeling pain, and I can take it away for you. I really think that you should let me control the risk on this position and close it down.”*

(Imagine this line being spoken with the voice of the HAL 9000 computer from the movie “2001: A Space Odyssey” and you’ll perfectly understand how soothing that the Subconscious Mind can be)

Typically this action is OUTSIDE of our rule set, so if you’ve ever made an impulsive trading decision which is not listed in your rule set, this is precisely what you’ll see. So no, you’re not a “bad trader” or anything like that, you just haven’t trained your Subconscious Mind properly yet. As we saw in an earlier module, there are various stages that an investor goes through, or a “progression” of stages where you incrementally acquire skill. In the early stages, before you’ve begun to master your “Mindset,” the Subconscious Mind will instruct you to start looking for “safety.” This is an absolutely natural and linear response to risk, isn’t it? It’s one that we’ve done through our whole lives....when faced with danger, either “fight” or “take flight.”

Unfortunately this flight to “safe harbor” usually means that you’re allowing your Subconscious Mind to choose when a setup “feels good” rather than by the correct signals; your Belief System has been tuned over the years to look for investments and take actions that “make sense.” A trade that makes rational sense and “feels good” to initiate is usually one where you’re trading “with the Herd,” or along with the vast masses of Retail traders that all see and act exactly the same, based on the same commonly-available information, usually from Social Media. Yes, the same ones that the professionals are **taking the other side of the trade on**. Ultimately, this will be a very frustrating experience, because you’re doing EVERYTHING in your power to

REDUCE risk, however you're actually ADDING risk by allowing your Subconscious Mind to use the same old Belief System that you've used throughout your career, and it absolutely WILL NOT work with respect to trading the market.

There's one statement that I've already made several times in this program; the very best trades that I take....the ones that usually work out the best....*are those that feel the worst to take*. At first, you almost want to grab an air-sickness bag and empty your stomach into it when you place the trade, that's what it feels like at the beginning. Taking the other side of the masses of Retail traders FEELS uncomfortable at first, so this is why we need to create a new belief system in your Subconscious Mind. We need to "train it" to welcome the risk, because that's where the rewards are.

One of the great frustrations of beginning investors everywhere....and ESPECIALLY to those who come from successful professional careers....is that the harder that they try to "force" the outcome of a trade, the less successful that they are. We reward hard-drivers in the business world that envision an outcome and then pound everything and everyone around them into submission until that goal is achieved....think of a Head Coach in Football....or a very successful, driven Sales Manager. These same attributes directed towards the Market will be absolutely fruitless, however. Screaming at the charts will do no good, and these successful individuals can make some of the worst traders as they try to apply the same techniques to the Market. You must learn to think differently as the market is not a "linear" world. We need to train that Subconscious Mind on how to think differently about risk and response.

So then, what am I suggesting? Go out and find trades that make absolutely no sense to initiate? No, not quite. Building a new Belief System is like building a wall; we'll create it one brick at a time. And as you'll see, this wall is built one trade at a time.

How to Train the Brain for Different Beliefs

To be a more profitable investor, we need to “upload” a new Belief System into your Subconscious Mind, one that correctly instructs your RAS to find the right information to produce successful trades. It would be great if it were as simple as just uploading a program into the back of your head, like Neo learned to do in the movie “The Matrix.” But we haven’t figured out how to do that yet, so we have to do it the hard way. Once you figure this skill out, however....I think you’ll really begin to enjoy it, as the benefits extend far beyond the realm of Investing. If you’ve ever had trouble losing those last ten pounds or quitting a bad habit, you’ll soon see that the cure begins by installing a new Belief System.

Now, I wish it were as simple as what many of the “self-help” gurus would have you believe....*“If you think positive, then you’ll be positive.”* Sure, it might work to some degree and you’ll be a whole lot more pleasant to be around, but unless you start to see RESULTS then your natural skepticism will send you right back to square one. Your old Belief System can be tough to overwrite unless you train it the correct way and start to see benefits.

Basically, what we need to do to “train the brain” is to modify your original Belief System by installing a new one, one that will allow you to profit consistently from the Market. And we’ll do that by selectively sending the right information and inputs to it. Here’s the really cool part about this science; your Subconscious mind has no idea if the inputs that it receives are real or not....or true/false. Ever been woken from a dream and it takes you a few moments to realize that you were just dreaming and it was not “real”? Tell that to your Subconscious mind! It didn’t know the difference. To it, dreams are no different from the information that it receives when you’re awake. You woke with your heart racing, perhaps in a sweat....those are functions that the Subconscious mind governs. Fooled you.....

What this means is that the Subconscious Mind can be reprogrammed.

Yep. Since the Subconscious mind cannot judge if something is real or not....nor whether it is true or false.....your job is simply to feed it with the correct inputs to “reprogram” it over time. I’m sure that YOU have made some kind of life change over the years that you didn’t originally think that you could accomplish. And it all happened because you were able to “retrain” your Subconscious mind that it needed to occur, and to pave the way for the change. This created a new Belief System and it changed the instructions to the RAS to find the information that supported the change. Success in this endeavor will feed on itself and produce rapid and lasting results.

How Do You Begin to Reprogram Your Mind?

This is the million-dollar question for everyone. The first thing is that you have to WANT to change, and it's best if you're under the pull of inspiration or the push of desperation. You can choose to either continue in the same manner as you already are...in which case you should expect the same old results....or you can decide what you really want and drive towards that direction.

The formula for effective Subconscious change is so simple that it's right under our nose every day:

- Determine what you really want. I mean REALLY, REALLY want.
- Visualize that desire. Make it come alive!
- Schedule time during the day to close your eyes and play this movie in your mind, over and over again.
- Start visualizing your trading success and how you will operate every day.
- Repeat until the vision morphs into reality.

Now this is not exactly easy for the beginner, because what you'll find is that your Conscious mind, with its never-ending logic and objectivity, will start throwing up objections and fill your mind with "clutter." Lots of garbage thoughts like "who are you kidding? You can't make a million dollars!" and "you lost money before, you'll do it again!" That's just the "gatekeeper" doing its job by trying to keep you where you are already, because the "new" information does not yet synchronize with the existing Belief System of the Subconscious Mind. This is something that you'll work through after the first few weeks with constant reprogramming of your Subconscious mind. And success begets success; once you see the results of this in action, then you will want to keep going and the "gatekeeper" will suddenly become much more receptive to your positive suggestions.

What is elusive at this critical beginning point is achieving some success and keeping the process moving forward. In much the same way that people get discouraged and stop dieting if they don't lose ten pounds the first week, you'll need to really apply yourself to learn how to "retrain your brain." As we pointed out before, most traders will continue beating their head against the wall for years without understanding that there are actually much deeper forces at work inside of their Subconscious Mind that directly impacts their financial success.

One of the reasons why it can seem so difficult to achieve this "reprogramming" is because the Subconscious Mind tends to seek pleasure and avoid pain. For this reason, you'll find many traders making decisions by going "along with the herd" which is another way of saying that they are making trading decisions based on readily-available information that everyone else is using. We "seek pleasure" by entering trades that feel "good" to enter, and everyone else agrees with our actions. (Think "buying at

the highs”) We “avoid pain” by either holding onto a losing trade too long, convinced that this “paper loss” will reverse.....or we avoid pain by doing the exact opposite and take ourselves out of good trades that happen to drop just a little, well above our original “stop.”

What you’ll need to learn is how to train the Subconscious Mind into thinking that “pleasure” and “pain” will now be based on whether you follow your trading rules or not!

What Can I do TODAY to Help my Trading?

For all the credit that we give the Subconscious mind, it's very gullible. Think about it; most of you crammed it with all of the wrong ideas and thoughts years ago and your Subconscious mind accepted those thoughts and has been ruling your actions ever since with your current belief system. It can be reprogrammed, however! You can replace the "bad stuff" with strong, empowering thoughts.....via a new Belief System.....starting TODAY.

Here are a couple of exercises to do today:

- **Write a "Day in the Life" paper.** Date it exactly one year from today, and describe your day in full detail, exactly how it unfolds. Make it compelling, vivid, and exciting. Do not limit yourself based on today's perception of what you think is possible. (That's your CURRENT belief system, not the new one you want!) The story should spill out of you as you let your dreams free. Keep working on this paper until it INSPIRES you. Keep reading it and feeling it and very soon you will convince yourself that it's not only possible, but a certainty. You're starting to re-wire your Subconscious mind when you do this exercise.
- **Visualize Your Day.** Sit down in a quiet place before your trading day starts. Close your eyes. Take several deep breaths, focusing on nothing else but your breathing. Brush stray thoughts aside. Continue this for a few minutes until a sense of calm comes to you. Now start to think about your trading day. Imagine yourself patiently waiting for your setup to come. You are in no hurry, there are no pressures in your life. Your signal comes and you take the setup without hesitation, and it rewards you with a quick profit. Capture this image and practice focusing on this feeling first thing in the morning, and as you go to sleep at night. When you are in the process of trading, emulate the calm and peace that you feel when in this vision. Try to keep your breathing calm and steady, just like in your vision. Once again, you are training your Subconscious mind on how to plan a trade, and how to react during it.

These exercises will help immediately if they are done purposely and regularly. You should feel a new sense of peace and purpose while you trade, and not fear/anxiety in response to risk. This is such a huge component of effective trading, that you cannot just work on this for a couple of weeks and call yourself "cured." It took you a whole lifetime to training your Subconscious brain to its current belief system, so it will take constant maintenance to ensure that you're training that muscle correctly, and forming a new belief system that will instruct the RAS to look for the correct, empowering information. We will strengthen the correct habits of your new Belief System with the material in subsequent chapters so that this change becomes more durable, lasting, and pervasive. And the first, perhaps most critical thing that we need to accomplish this....is the "rocket fuel" to our efforts that comes when we have PASSION behind our purpose.

Summary - Creating the Trader's Mindset

I hope I have managed to tweak your interest in this topic; once you start down this road, it can become the most liberating phenomenon in your life; you literally feel like a new person....because, in some ways, re-training your Subconscious mind really does turn you into a new person.

And I'll never forget my first application of these principles; our group mentor asked us to do a "Day in the Life" paper and present it to the rest of the group. I wrote mine in clear detail about how one year into the future I was trading for a living and helping others, all while experiencing a new freedom that I had not previously had. The paper literally wrote itself, the words flew onto the pages since I had a very clear vision and a stronger desire.

Not three months later, every single detail in that "Day in the Life" paper came true.

Thoughts become things.

And if you really think about it, those that are at the lower levels of the "Trader Progression" might be able to jump to the next level simply by applying these concepts. Once you stop blaming others for your performance, you automatically become "Inwardly Bound" as you can see that your trading performance is about the battle inside of you, and not between you and the Market.

Further Study

I cannot overstate the importance of immersing yourself into this topic as soon as possible, yet I'm not an expert on the human brain; I'm just passing along some of the powerful ideas that I've encountered in my journey. The following materials are resources that I've found helpful to understand this science, and they continue to provide me insight and wonderment:

- ***"Secrets of the Millionaire Mind"* by T. Harv Eker** - This is a good book but even better CD as he's an entertaining and motivating presenter. This program will help you understand your "Financial Blueprint" which is another way of saying "the financial level of success that you're currently programmed to receive."
- ***"The Answer"* by John Assaraf** - very interesting book on brain science and extremely applicable to trading. The second half of the book was of less interest since it dealt with running a company.
- ***"Having it All"* by John Assaraf** - online program to help with retraining your subconscious mind. A how-to manual for Subconscious mind improvement. Good audios for listening on walks.
- ***"The Secret"*** - a fun and inspiring but somewhat superficial movie that is intended to generate interest in the topic. Find the 20-minute free clip on YouTube first before you pay for the download.
- ***"Psycho-Cybernetics"* by Maxwell Maltz** - this fifty+ year-old paperback provides a fascinating view into the world of the Subconscious and how we "see what we want to see" instead of what's really out there. It's two bucks for a used copy on amazon.com.
- ***"Think and Grow Rich"* by Napoleon Hill** - and this one's even older (70+ years) and still the best. You can either fork out six bucks for a used paperback, or if you look around you can find this for free as a download. This book introduces concepts that modern-day experts are still trying to decode. It's a phenomenal book and I re-read it at least once a year.
- ***"Trading in the Zone"* by Mark Douglas** - the author takes a very pragmatic angle at the underlying causes of poor performance and blown-out trading accounts. This is a classic self-help text in trading circles and I re-read it at least once a year.

Homework and Next Steps

Please complete the following tasks before moving to the next module:

- ☐ Watch the associated video for this module.
- ☐ Can you think of any recent decisions that were undertaken by your Conscious Mind?
- ☐ What about decisions that were governed by your Subconscious Mind?
- ☐ Write your “Day in the Life” paper.
- ☐ Investigate at least three of the resources listed in the “Further Study” section at the end of this text.
- ☐ Develop a short daily visualization routine, focused on your expected trading success.
- ☐ Be able to finish this sentence: “What I **really** want is to.....”