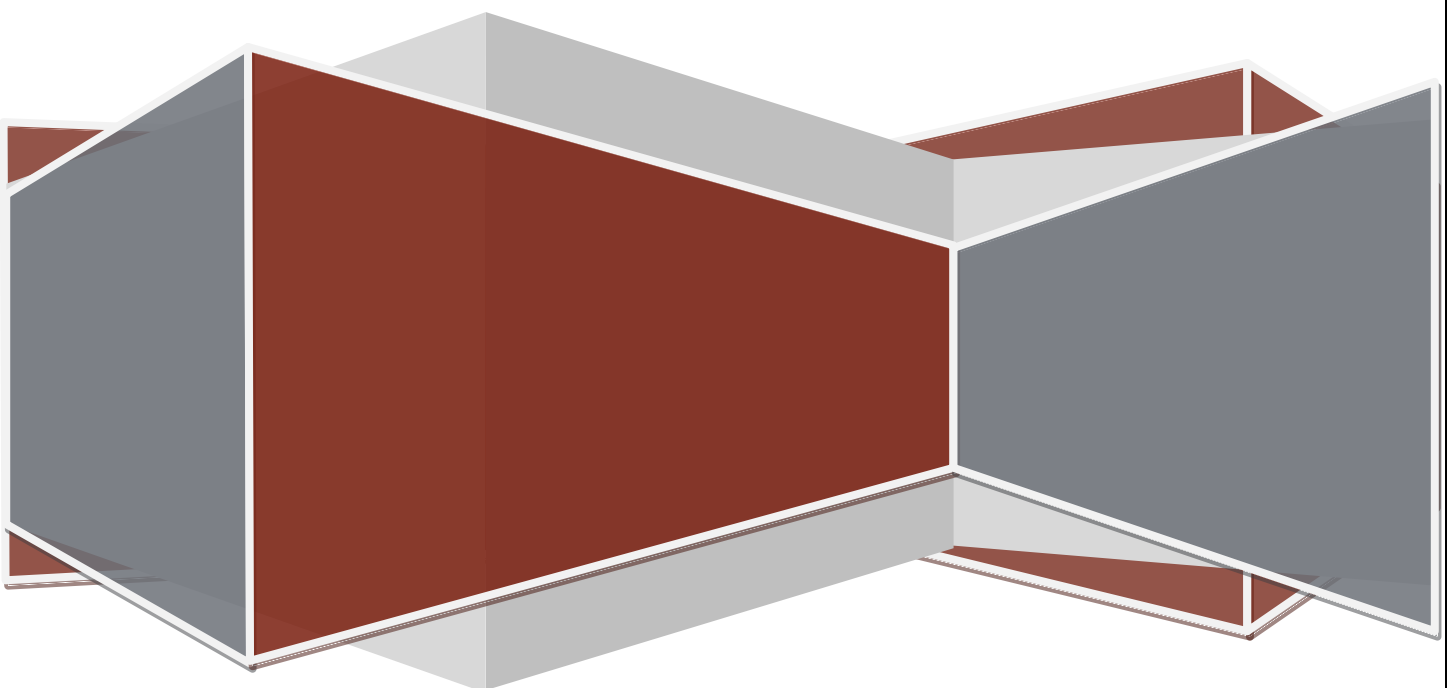


PIVOTPOINT

— T R A D I N G —
Success Through Education

Axioms of Stocks & Options (A2)

Q&A Study Guide: Trader Conditioning Part 1



Trader Conditioning Part I

1. The concept of conditioning is to help program our minds to react to certain trading situations.

True or False

2. Trader Conditioning:

- a) Begins with discipline
- b) Through repetition we create new habits
- c) Habits drive our trading decisions
- d) All of the above

3. We are all controlled by our subconscious mind. Our subconscious creates patterns of what it thinks we want, and repeats them to make the load on our conscious mind easier.

True or False

4. Our subconscious mind creates a blue print and without conscious intervention we follow it 50%.

True or False

5. If you execute bad conditioning your result will be bad trading.
If you execute good conditioning your result will be average trading.
If you execute great conditioning your result will be great trading.

True or False

6. We use Trader Conditioning to:

- a) Help program our subconscious mind to react to certain trading situations
- b) Trade historically in a controlled environment, reprogramming our blue print for the correct trading response we desire

- c) Train our reactions to help manage the stress of the market without risking any real capital
 - d) All of the above
7. **Discipline:**
- a) Requires focus
 - b) Conscious effort
 - c) Difficult to maintain and easy to compromise
 - d) All of the above
 - e) None of the above
8. **Which is not true about Conditioning?**
- a) Programs a habit
 - b) Makes our response “second nature”
 - c) Achieved quickly
 - d) They are all true
9. **The goal of the Trader Conditioning program is to:**
- a) Reprogram our subconscious mind
 - b) Help analyse our trades
 - c) Learn how to react intuitively to market signals
 - d) Guide us in making the best trades
 - e) All of the above
10. **Which is not part of the five steps to trade confirmation?**
- a) Line Analysis
 - b) Moving Averages
 - c) CCI
 - d) Chart Patterns
 - e) Candlestick Patterns
 - f) Indicators
11. **What of the following is not a core element of any trading plan?**

- a) Entry
- b) Go
- c) Target
- d) Stop

12. The trader conditioning system is a five step process.

True or False

13. Which of the following is not an element of the trader conditioning system?

- a) Analysis Drills
- b) Historical Trading
- c) Tick by Tick Analysis
- d) Virtual Trading
- e) Real Trading

14. The idea of the Analysis Drills is to “drill” your strategy skills.

True or False

15. Any time you are learning a new “skill” rather than trying to “trade” you need to “drill”.

True or False

16. Analysis Drills are the ultimate flash card used to learn. Remember practice makes perfect!

True or False

17. Historical Trading helps you learn to recognise potential trade set ups as you progress through historical data.

True or False

18. With Historical Trading, set your trade up and move forward each day. You want to plan the trade, walk through the set up and document your trade and results

True or False

19. The goal of Historical Trading is to:

- a) Pick a direction accurately
- b) Practice setting stop levels
- c) Practice setting target levels
- d) Practice waiting for price confirmation
- e) All of the above

20. Historical trading is the ultimate in trade set up simulation. This is where you will learn how to read the market.

True or False

21. You want to create a detailed journal when you historically trade. It doesn't matter if you write it out by hand, you will internalise the information at the same rate!

True or False

22. Historical Trading is the easiest step in the conditioning system. This is where most people excel.

True or False

23. Historical Trading ingrains the conditioning into your subconscious; make adjustments here before they become bad habits.

True or False

24. Virtual Trading:

- a) Place virtual trades using your chosen trading platform
- b) Set your trade up and wait

- c) Real time
 - d) Work with applying your trading strategies
 - e) All of the above
25. The goal of virtual trading is to:
- a) Build your confidence as a trader
 - b) Experience real world trading without risking your capital
 - c) Learn lessons you can only learn in real time
 - d) Practice working with your brokers trading platform
 - e) All of the above
26. If you can learn to trade successfully using Virtual Trading, moving into real money is just a matter of controlling your emotions.
- True or False
27. Only transition into Real Trading when you have been trading averagely in your virtual account.
- True or False
28. Real Trading:
- a) Open 1 or 2 small position to begin with
 - b) If they go well, do some more
 - c) Step up into larger trades only when you feel comfortable
 - d) All of the Above
29. The goal of real trading is to:
- a) Trade profitably
 - b) Aim for a success strike rate of 70–80% of your trades placed
 - c) Limit losses on your losing trades
 - d) Grow your account
 - e) All of the Above

30. The transition to real money is the easiest step because for the first time in the conditioning system, real emotions play a role in the process.

True or False

31. If you have diligently conditioned yourself, you will overcome these emotions by following your conditioned trading response!

True or False

32. Emotions are natural, your challenge is to control them through good trader conditioning and programmed responses.

True or False

33. Emotions:

- a) Are a result, not a cause
- b) They come from your state of being
- c) Fear is the number one driver of emotions
- d) All of the above

34. Fear is the core emotion that triggers all of the others.

True or False

35. You can overcome fear by:

- a) Trusting your skills (conditioning)
- b) Realise fear is not as bad as you thought
- c) Learn to embrace your fear
- d) Keep a healthy perspective of the value of money
- e) All of the above

36. The act of over thinking is a person's natural response as an antidote to fear.

True or False

37. Over-thinking will destroy you.

True or False

Don't make things more complicated than they are. There already is enough going on with your technical analysis skills, but "enough" doesn't mean complicated!

Answers:

1. T
2. D
3. T
4. F – We will follow it 100%
5. T
6. D
7. D
8. C
9. E
10. C
11. B
12. F – Four Step Process
13. C
14. F – Purpose is to drill your analyse skills
15. T
16. F – Practice makes permanent
17. T
18. T
19. E
20. T
21. F – It is important that you write your journal by hand. You will internalise the information much faster.
22. F – This step is the most tedious, it is where most traders give up and skip
23. T
24. E
25. E
26. T
27. F – Only transition once you are trading successfully at a rate above 70%
28. D
29. E

30. F – This is the hardest step in the process

31. T

32. T

33. D

34. T

35. E

36. T

37.T