

# Top Ten Reasons Traders Lose Their Discipline

Losing discipline is not a trading problem. It is the common result of a number of trading-related problems. Here are the most common sources of loss of discipline, culled from my work with traders:

- 10) Environmental distractions and boredom cause a lack of focus.
- 9) Fatigue and mental overload create a loss of concentration.
- 8) Overconfidence follows a string of successes.
- 7) Unwillingness to accept losses, leading to alterations of trade plans after the trade has gone into the red.
- 6) Loss of confidence in one's trading plan/strategy because it has not been adequately tested and battle-tested.
- 5) Personality traits that lead to impulsivity and low frustration tolerance in stressful situations.
- 4) Situational performance pressures, such as trading slumps and increased personal expenses, that change how traders trade (putting P/L ahead of making good trades).
- 3) Trading positions that are excessive for the account size, created exaggerated P/L swings and emotional reactions.
- 2) Not having a clearly defined trading plan/strategy in the first place.
- 1) Trading a time frame, style, or market that does not match your talents, skills, risk tolerance, and personality.