LEVERAGE

LEARN WHEN TO TRUST IT

YOUR

WHEN NOT TO

INTUITION

AND HOW TO GENERATE MORE OF IT

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Content

Preface

One of the challenges I faced while writing *The Mental Game of Trading* was to accept that I couldn't fit everything into one book. While I couldn't be happier with how the book turned out, intuition was a topic I ultimately cut, and it pained me. Intuition is a critical topic for traders, and I have some unique theories and advice on the topic. I couldn't let that material end up on the cutting room floor. So here we are.

In writing this bonus eBook, I worked hard to make the material strong enough to stand on its own for those of you who haven't yet read *The Mental Game of Trading*, but to also add value for those who have read it, explaining concepts that build on what you've already learned.

My goal is to make intuition within trading more recognizable, so you can cultivate it and use it effectively. You'll learn when intuition is more likely to be accurate—and inaccurate—making it easier to know when and when not to trust it.

Unfortunately, traders often get this completely backward. On one side, they ignore a high-level gut sense that is more likely to yield profit or avoid losses, and on the other side, they get fooled by false intuition that leads to poor decisions. Why does this happen? You'll learn more in these pages, but, in the most basic sense, you wouldn't trust a stranger, or, say, your opinionated cousin who is in banking and gives a lot of unsolicited advice at family gatherings, with your trading decisions—that would be illogical.

For many of you, intuition feels like a stranger, or the cousin who randomly tosses out ideas. It shows up out of the blue and you're not sure what to make of it, so it's easy to disregard. From that perspective, you're correct to not trust it. The problem is, it turns out their ideas aren't always so random—they clearly know something.

The key to being able to trust your intuition is to get clarity on where it comes from. To that end, you'll learn about research on the origin of intuition within the mind. From that basis, I'll provide strategies and advice on how you can produce it more often and less spontaneously.

Now is the time to develop real skill around this important topic, so you can fully participate in the moves that often make up the bulk of your profitability, and get out of positions to minimize losses.

This material has helped many of my clients over the years and across industries, and I hope you enjoy the process of learning to use it to improve your execution.

Wishing you all the best,

Jared Tendler
June 28, 2021

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Why Intuition is So Important

Intuition is another component of your edge. It allows you to make critical, and sometimes split-second, decisions that hit your bottom line. As one trader explained to me, “Intuition allows me to locate entry opportunities in a fast-moving market, so that I can minimize my risk.”

Intuition is especially important to those of you who make discretionary trades. It allows you to cut through the noise and self-doubt to notice, for example, that an imminent change in supply and demand presents a setup that’s different from the ones you typically take. Intuition presents opportunities like these, and accurately reading your intuition can bolster both PnL and confidence.

But that means you need to know when your intuition, or gut, is more likely to be right, or wrong. Trading with that knowledge is powerful and lucrative. It allows you to capitalize on opportunities other traders can’t see, or get out of moves that typically lead to bigger losses.

Plus, for many of you, approximately 80% of profits come from 20% of your profitable trades—where you capitalize on big moves or big bets. Correctly reading your intuition allows you to get into those trades, squeeze more out of them, and possibly spot them more often.

If you think about the other side of that dynamic, how costly is it when you go against your gut, or misinterpret it? You know the pain of staying out of a trade you sensed could be a monster, and watching from the sidelines as it turns into one. You also know the anguish of losing money from falsely jumping into positions out of greed, FOMO, or anger. These decisions feel justified, because you’re convinced they’re based on intuition, when they’re not. How much are these mistakes costing you?

Mistakes like that were a problem for Vlad, a trader and owner of a firm in South Africa that applies algorithmic trading systems to their own portfolios.

The systems work well and are extremely effective on their own. Where Vlad struggled was identifying the right moments for human intervention. Too often, he meddled with the system at the wrong time. He had trouble distinguishing between true intuition and meddling driven by fear. When he and I worked together, he started to journal his reactions to trades, going through his process to figure out as quickly as possible if his decision was being driven by fear or intuition, so he could decide if he should intervene or let it ride and have the system run.

By looking at his emotional reactions in a logical, structured way, Vlad was able to stop himself from interfering when he shouldn't, which helped his business tremendously.

Of course, even if you're able to make these kinds of distinctions more accurately, and trust your gut more often, not every decision is going to pay off. But if you're a trader who has an established edge and are performing at your highest level, or close to it, the odds are good that your intuition is right.

If you are a newer trader, however, your intuitive sense is much less likely to be accurate. You might have intuition for general opportunities in the market that comes from experience outside of trading, but within the trading sphere itself, intuition must start with a strong base of knowledge in order to be valuable.

The key then is learning to recognize and cultivate your intuition, which I will discuss shortly.

As a newer trader, I'm not suggesting that you disregard your intuition entirely. But you must be skeptical and use tighter risk-management parameters until you get a decent sample size confirming the accuracy of your gut. I want you to start tracking it to see how often your intuitive sense is correct. Be aware that tracking and accuracy can be fuzzy, because the market can give you false feedback. That's OK—you're not looking for perfect accuracy in this task. You simply want a healthy amount of questioning and skepticism vs. blindly assuming that your gut is right.

But whether you're an experienced trader or a new trader, you first must understand why it might be hard to trust your intuition at all.

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Why Intuition is Hard to Trust

Intuition is difficult to use because it's hard to comprehend. Imagine closing your eyes and having a rock placed in your hand. You immediately know what it is. Intuition, however, is intangible. Many of you struggle to trust intuition, because you don't even know what you're holding. Or worse, anger, greed, fear, or confidence problems cause you to make false assumptions about what you are holding.

One common reason why traders don't trust their gut is that they don't know what the hell it is.

Your goals, livelihood, and confidence are on the line, so why would you trust something you don't understand?

If you're at a family barbecue and now your cousin's friend is in on the action, and he starts randomly suggesting you buy Dogecoin, you're going to be skeptical.

If your gut is unfamiliar, trusting it seems dangerous. Fear thrives in this space. The tension builds between wanting to trust your gut and being uncertain what it is, why it's right, and worrying if it's wrong.

Plus, under pressure, you naturally retreat to what you know best: your standard way of making trades. So, just like the advice from a stranger or your cousin, your gut-level decisions are discarded as untrustworthy. Trusting something unfamiliar is especially tough when there is more downside to getting it wrong than upside to getting it right. Especially if you're taking a good-sized position or if you need to justify your decision to someone else.

You discount the validity of the idea that your gut understands something your conscious, logical, and rational mind does not. So you ignore it or go against it, to the detriment of your profitability and sanity—losing out on profits that were in your hand, or saving yourself from losses that could have been avoided, can drive you mad.

When you see what you could have capitalized on, it can create a snowball of anger, lack of confidence, revenge trading, or self-criticism, as you either try to make back what you lost or end up increasingly paralyzed by the next opportunity. The need to get the next one right becomes that much greater. You put more and more pressure on yourself to make up for what you feel like you lost. You know you should trust your intuition; you know how much money you could have made, or saved, and yet you still cannot get yourself over the hurdle to trade on it.

This chaotic pattern only gets worse when you layer general problems with fear or lack of confidence on top of it. The added emotional instability creates paralysis in your decision-making and execution. Fear or lack of confidence can make it even more difficult to trust your intuition and cause you to ignore it or go against it.

Fear, for instance, can wreak havoc with your ability to make decisions based on your gut. Even though there's a strong feeling the decision is correct, because you can't clearly articulate the rationale for why the idea is right, you feel uncertain. This lack of certainty makes trusting your gut feel inherently riskier.

How does this play out? Maybe you've become pretty good at recognizing major momentum shifts in the market, which is your intuition shining through, but you can't get yourself to trade on them. Or maybe initially you did go with your gut, but you were too early, got stopped out, and didn't get back in before the massive move you foresaw happened, because you feared your intuition was wrong.

On the other side, sometimes emotions masquerade as intuition and you put trust where it doesn't belong.

Emotions like greed, anger, and overconfidence can make it appear like your rash and impulsive decisions are based on intuition, when they aren't.

These emotions create a false version of intuition that feels right and justified, but really it is the mind's way of getting what it wants—jumping into a move that's taking off because you'll be frustrated if you're not in it. You justify a worse price or reenter after getting stopped out for the second time because you have to prove your original idea was right. Or you move your profit target because you're convinced the price is going higher. But in reality, greed and overconfidence have tricked you. Your mind is always going to have a counter-argument ready and you need to be on the lookout for when those arguments are fueled by these emotions.

Going with your intuition means you're relying on a feeling or a sense of what's right. When anger, greed, and overconfidence are mixed in, your sense of what's happening has been altered by these emotions.

You get creative, feel justified in your rationale, and seek confirmation from like-minded peers who don't challenge your perspective. Your aggressiveness is not the byproduct of a sixth sense that allows you to spot opportunities that other traders can't see. The opposite is true—you're flying blind and out of touch with your strategy or system, and out of sync with the market.

Regardless of which side of this problem you fall on, there's opportunity. For some of you, your biggest opportunity will come from decreasing the emotional influence of greed, fear, anger, overconfidence, and lack of confidence. Those topics are covered in great detail in *The Mental Game of Trading* and I urge you not to underestimate the power of their influence.

For others, learning where intuition comes from and how to encourage it to show up will lead to the biggest gains.

Before I get into how to help you more accurately use your intuition, let's get into a little background theory, because it will help to frame the strategies that I'm going to suggest. That theory begins by explaining the difference between intuition and instinct. They're often lumped together, but it's critical you understand their distinct properties.

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The Difference Between Intuition And Instinct

If you quickly know exactly what you want to do with a trade—entry, position size, sizing up, exit, etc.—and you don't have full conscious rationale, is that intuition or instinct? It could be either.

Intuition and instinct share some similarities, which is why I suspect the terms are often used incorrectly. The phrase "going with my gut instinct" even combines them. But the truth is they arise for completely different reasons and from different parts of your decision-making process.

Here's the difference:

- *Intuition* is based upon knowledge that is so new, you can't explain it yet.
- *Instinct* is based upon knowledge that is so well ingrained, or mastered, that it comes naturally and instantaneously.

What makes them hard to distinguish is that they both arise automatically, without thinking, and without a fully conscious rationale. They're both unconscious reactions that can be difficult to explain. But the knowledge they're based upon comes from very different parts of the unconscious. For readers of *The Mental Game of Trading*, think of intuition as the front end of your inchworm, and instinct as the back end of it.

An intuitive decision is hard to explain, because it includes knowledge that is so new, you're not able to explain it yet. An instinctual decision is tough to explain, because it's based on knowledge that is so well known, you can't explain it anymore.

Instinct uses our most ingrained and basic knowledge to inform our decisions. It's common to view traders with strong instincts as having an innate gift that doesn't result from any training. The fact is, however, they wouldn't be great traders without having acquired a deep level of knowledge about the markets.

You may also be so knowledgeable or well trained that you struggle to explain your decisions, something called "expert-induced amnesia."[1] When knowledge is so deeply ingrained, you can sometimes forget the steps and details that it took to learn it so well. This concept can explain why experts sometimes make terrible coaches. They know exactly what they're looking for in a trade, but can't explain how to acquire that ability to a newer or junior trader. For them, it's easy to see opportunities, understand how to risk-manage them within a portfolio, and how to scale in and out. They almost can't believe how someone else can't see what they see.

[1] Matthew Syed, *Bounce: Mozart, Federer, Picasso, Beckham, and the Science of Success* 2010, New York, NY: HarperCollins.

Instinct provides the foundation of your decision-making and execution, and forms the basis of intuition. This is why I recommend newer traders be highly skeptical of their intuition—they lack a strong foundation of instinctual knowledge upon which intuition relies for accuracy. The more you solidify and upgrade your base skill set, the better your instincts will be. Again, this is moving your inchworm forward, from the back.

The downside of instinct is that it also includes bad habits and weaknesses. The repetitive mistakes you make are guided by flaws in your instincts. This is evidenced in the mistakes that show up when anger, greed, overconfidence, fear, and lack of confidence compromise your ability to make decisions.

Intuition, on the other hand, leverages instinct to dive deeper into the market and sniff out new opportunities that align with your strategy or system, or spot an impending change in the market. Therefore, instinct is present when you make intuitive decisions, but the reverse is not true. You use your existing knowledge to spontaneously acquire new high-quality data that allows you to make decisions that you ordinarily can't.

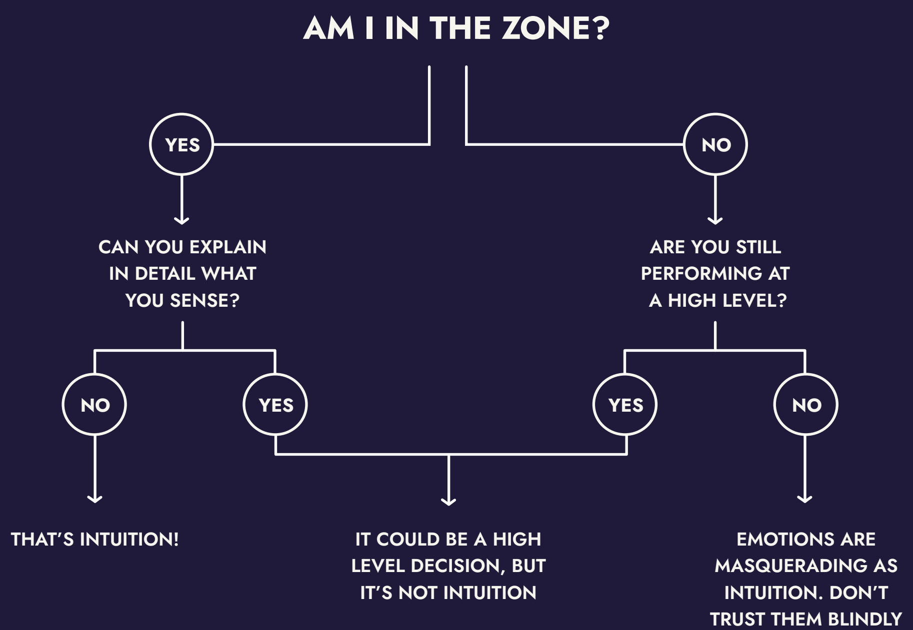
A key point, which I'll go into in more detail momentarily, is that **intuition arises while you're in the zone, or when your mind is clear and thinking at a high level.** When observing the charts, both new and existing knowledge react to the unique details of the situation and result in an intuitive decision about what's right. This is the mental equivalent of an athlete who makes split-second adjustments that show up on a highlight reel. For example, a goalie in soccer senses the direction of a penalty kick and makes a diving save; a defensive back in football figures out a receiver's route and forces an interception; or a tennis player picks a lethal moment to hit a drop shot. In the zone, ideal mental and emotional conditions make intuition more accessible.

The farther you fall from the zone, however, the more your decisions are influenced by flaws in your tactical and mental games. At these lower levels of performance, your intuition becomes less accurate and reliable. You can still make high-quality decisions that incorporate intuition, but it's riskier.

Eventually, your mental and emotional state will drop to a point where, for example, FOMO convinces you that price isn't going to come back and you have to get in, even though you missed your entry. Enraptured by revenge, it feels right to reenter a trade for the third time. This highlights why it's important for all traders—especially traders who largely make discretionary trades—to not blindly trust their gut at all times.

Now that we understand what distinguishes intuition from instinct and how they work together, let's look at the proof of the unconscious data that intuition relies upon.

Is it Intuition?



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The Basis Of Intuition

For many traders, the most recognizable feature of trading in the zone is the ability to just know something is right, without being able to explain it. You have a strong feeling or a sense, and yet there isn't logic or reason that fully captures what you sense, or why it's right.

What's the explanation for this? Where does that knowledge come from? The answers to these questions center on unconscious learning.

When you're in the zone, or close to it, you have access to new unconscious data, and this accounts for the subtle, yet distinct increase in the quality of your decision-making.

Since this data is, by definition, unconscious, you may be wondering how it's possible to know it's there. The proof comes from an interesting study called the Iowa Gambling Task (IGT)[2]. The IGT was designed to study the role of emotion in decision-making, but what I found compelling was the connection between unconscious data collection and pattern recognition.

In the experiment, participants were given a pretend bankroll of $2,000 and presented with four virtual decks of cards, face down, on a computer screen. The cards each had a dollar value listed on them, and the participant would either win or lose the amount of money shown on the card they selected. Dollar values were both large and small, and positive or negative. The goal was to win as much money as possible.

What the participants didn't know was that the decks were stacked. Two decks were "good" in that they were net positive over 10 cards and would guarantee profit if selected from exclusively. The other two decks were "bad" and did the opposite, guaranteeing a net loss over 10 cards. Also, the good decks were lower in value, for example, +$10, -$8, and the bad decks were of higher in value, for example, -$100, +$80.

[2] MA. Bechara, H. Damasio, D. Tranel, and A. R. Damasio, The Iowa Gambling Task and the Somatic Marker Hypothesis: Some questions and answers. *TRENDS in Cognitive Sciences*, 2005, 9 (4): 159–162.

Finally, and most importantly, participants were wired up to a machine that monitored their "anticipatory SCR level," which is a measure of unconscious stress. A bit like being hooked up to a lie detector. These machines detect stress too faint for the conscious mind to identify, by measuring micro amounts of sweat the body releases through the fingertips. This is what researchers and detectives use to identify when the body experiences stress, even when people aren't consciously aware of it.

When participants began the experiment, they started out by randomly picking cards. They had no idea the decks were stacked, so they couldn't devise a strategy to maximize profitability. But something changed around the 20-card mark. At that point, participants showed a greater stress reaction when they would reach for a card from the bad deck than when reaching for a card from the good deck.

To be clear, this stress reaction came before they actually picked up the card, which indicated the body had recognized a pattern.

Curious if the participants were aware of this pattern, researchers asked if they had developed a strategy to maximize profit. The participants looked at them incredulously. To them it was a ridiculous question—their results seemed random. They had no idea how to distinguish between the four decks and were consciously blind to this early stage of pattern recognition.

As the participants continued picking cards, the gap between the unconscious stress reaction for the good and bad decks widened. However, around the 50th card selection, when researchers again asked participants if they had figured out a strategy to maximize profit, they now had a feeling, sense, or hunch, but they couldn't explain themselves. It was as though the knowledge about how to beat the game was on the tip of their tongue, but they couldn't express it.

Finally, around the 80th card selection, the light bulb turned on—they realized the difference in the decks, and understood small but consistent profit was gained from selecting exclusively from the good decks.

What started as a small, unconscious difference in stress reactions grew into a hunch, and eventually turned into conscious knowledge. The IGT proves that there is constant data collection and pattern recognition happening below the level of our conscious awareness.

Obviously, the pattern recognition needed for trading is far more complex than the pattern detected in the IGT, but the principles hold. When I said earlier that intuition arises from a different part of the unconscious, this is what I meant. New data is absorbed and understood by the brain before we have full conscious understanding. There is pattern recognition going on that is barely comprehensible—but it's still there. And this intuitive data can be used to make extraordinarily high-level decisions when you're in the zone, or close to it.

This is the space where innovation and creativity live.

Intuition is the stage before you reach conscious understanding. The key is learning to read the signals as to when your intuition is more likely to be right vs. those instances when it's actually not intuition and is, instead, emotions like greed, fear, or anger fooling you.

Making that distinction was key for Alex, one of my clients, from Germany. He's spent 16 years trading oil and natural gas futures, and several times each year he identified trades where he had high confidence that he should make a large bet. The problem was that he didn't have full logic or rationale for the basis of his confidence. Seeking out feedback from other traders didn't help, because they didn't see what he did.

The key was discovering the physical, emotional, and mental signals that firmly distinguish intuition. Alex recognized that when he experienced intuition that had a high probability of being correct, in his mind he felt like several puzzle pieces came together. That was something he only experienced when he had a strong intuition for a potential trade, and it helped him to recognize the idea as a trade he could trust. This provided a simple, yet profound change in his decision-making. It became far easier to spot intuition and make decisions commensurate with the opportunity he sensed.

Now that you understand some background theory on intuition, the next step is cultivating a strategy that, like Alex did, allows you to use it more often.

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Cultivating Intuition

Understanding intuition is nice, but it's not the same as unlocking the potential that intuition can have in your trading. Imagine consistently and accurately using intuition. You'd be open to new opportunities, able to quickly assess trades outside your normal scope, and adapt to an ever-changing competitive landscape.

The key to accessing reliable intuition is being in the zone. When you're in the zone, you're more likely to generate intuition that you can actually trust, which means **your goal should be to get in the zone more often.**

Consistently reaching the peak of your mental performance is something that typically happens randomly, or only during certain market conditions. But it doesn't have to be that way.

How do you get into the zone more often? First, you need to define what the zone looks like for you, and the factors that produce it. Then, summarize what you found by creating a **zone profile** and upgrading your **routine** to create the optimal conditions for reaching the zone. Last, you'll generate and use intuition more easily by **strengthening your decision-making process** and **narrowing the gap** between your best and worst performance.

Let's review each of these ideas.

Zone Profile

The zone cannot be reached without the right amount of energy. It's that simple. This is true in a mentally demanding endeavor like trading, just as it is in a physically demanding sport such as basketball. If your level of energy is too high or too low, you can perform well, but you won't be able to reach the zone.

The key to getting in the zone consistently and being able to regularly access intuition is determining what the "right" amount of energy is for you. In the zone, some traders feel a Zen-like calm, while other traders need to feel high levels of intensity or adrenaline. Still others will feel moderate levels of anxiety or frustration, or feel a solidly engaged-like level of energy. There's a wide amount of variation among traders and it's critical that you figure out what's optimum for you. Are you the type who is at their best when relaxed, fired up, or somewhere in between?

If you're unsure, try writing a description of what it's like when you're in the zone. Describe the quality of your focus, your perception of time—does it speed up or slow down? And how you make decisions. Taken together, you'll start to form a profile of what the zone is like for you.

Then, start looking at the factors that affect your level of energy. First and foremost, consider the impact of physical energy. Here you look at the effect sleep, rest, diet, and exercise have on the quality and consistency of your energy level.

Emotions also can impact your energy level, both positively and negatively. For example, when you're low in confidence, you lack the energy needed to power the zone. Conversely, when you're overconfident, the surge in emotion doesn't allow you to tap intuition, instead causing your decision-making process to break down. To reach the zone, your mind will utilize any source of energy, even an emotion with a sometimes negative connotation, like anger. If you're feeling bored or unmotivated, anger can serve as a mental boost to kick your mind back into gear.

Other factors to look at are your motivation, goals, and the degree to which you are challenged. You need a strong motivation toward clear and objective goals. Plus, just like athletes, traders typically don't get in the zone when the conditions of competition are too easy, or when they're too hard.

When identifying instances you've been in the zone, be sure that was actually the case. Sometimes market conditions or the number of trades you made per day can make you feel like you were in the zone when you weren't.

If intuition wasn't present, you were performing at a high level but you weren't in the zone.

Do your best to distinguish the difference between these types of situations.

As you consider all these factors, you ultimately want to create a description, or Zone Profile, that accurately depicts what your zone looks like and identifies the factors essential for you to reach it. Pay close attention to instances when you're in the zone, and document what's happening. Ultimately, by detailing the specifics of what you experience in the zone, you set a target that you can aspire toward. Plus, while completing this task, you'll also define the factors that produce the zone, so you can adjust your habits and routines.

Work on it for several weeks, or until you feel confident that you've created a solid description of your zone and the factors connected to it. Try and gather the best information you can find, but don't get obsessed with thinking your description has to be perfect from the start. Here's a sample zone profile to give you an idea of what it can look like. You can also use it as a template to create your own.

Click here to download a sample Zone Profile

Keep in mind that accuracy is more important than speed. Your ability to consistently get into the zone depends entirely on the quality of the information you're using. Gathering high-quality information could take up to a month, or even longer. Taking more time to get it right the first time doesn't mean you're delaying the process.

In fact, it's more likely you'll save time in the long run by avoiding the delays associated with repeatedly correcting mistakes and inaccuracies.

Lastly, this profile is not something you complete once and never refer to again. It becomes a living document that first serves as a baseline, and then becomes a tool that tracks and measures progress. For some of you, the zone profile can be so eye-opening, you'll increase your chances of getting in the zone and generating more intuition just by completing it.

Zone Routine

Once you're clear on what the zone looks like for you, create a routine that incorporates the key factors that get you there. When you get into the zone more frequently as a result of your routine, a causal relationship grows between them. When this association becomes strong enough, you'll begin to anticipate getting in the zone just by starting your routine.

Even when your energy isn't ideal before you begin your routine, that association alone can act as a spark.

Look at any successful athlete, amateurs and professionals alike—they all have structured routines. One major reason is that their routine puts their minds in a bubble where nothing can distract them. Your routine before and after trading serves the same purpose, and allows you to become completely immersed in the market. Once you've created that bubble, only allow things inside that help you to be at your absolute best. Getting into the zone is tough, even under ideal circumstances, so it's worth removing all activities from your routine that compromise your performance.

Most routines begin with a structured warmup. Ask yourself: does your current warmup actually prepare you to trade in the zone? If your warmup needs work, that doesn't mean it needs to change entirely. It just means you need to figure out which aspects are working and which ones aren't. And then adjust accordingly.

Here’s a five-step process that has helped my clients:

STEP 1: Remove anything that has the potential to distract you, or take steps to minimize the chances that it will.

STEP 2: Review your long-term goals and why those goals matter to you. Then, set short-term goals for the day to narrow your focus.

STEP 3: Review research, trade ideas, prior trades, or anything from the technical or strategic side of trading that is important to making high-quality decisions during the trading session.

STEP 4: Review anything related to your mental game, so you’re clear on what you’re working on.

STEP 5: Set a clear line in your mind that, from now, you will stay focused, and take steps to remain energized and clear-minded until the end of the trading day (or another predetermined conclusion, like a stop-loss).

These steps help to create that bubble, remove potential distractions, provide clear direction for your focus, and generate the right state of mind to get in the zone and access intuition.

Just as you need a strong warmup, after the trading session, a cooldown is a key step to help you tap into new insights or intuition. While your cooldown has no impact on the session that just ended, it can influence your ability to reach the zone tomorrow. In *The Mental Game of Trading*, I talk about the concepts of "bloated brain" and "accumulated emotion," both of which relate to the phenomenon of data and emotion carrying over to the following day. If unchecked, they can reduce the amount of data you're able to absorb, and thus prevent you from accessing intuitive data.

When thinking about your cooldown, think of yourself like an athlete and consider their cooldown routine as a model you can use. After training or competition, a critical part of recovery is icing and stretching their muscles. The mind requires a similar level of maintenance in order to continue functioning at high levels, day after day. During the trading session you absorb a lot of unconscious tactical and mental-game data. In order to access intuition, your mind needs to be clear. Assist the digestion of that data by incorporating any of the following ideas into your existing cooldown:

- Review decisions that forced you to think hard—they're an indication of something to learn.
- Take notes about mistakes, your thoughts on the market, or anything else that's on your mind that you don't want to forget.
- Review your best and worst decisions of the day. These don't even have to be trades you executed; just instances where you were especially pleased or annoyed by your decisions.

Also, if you made decisions based on intuition, attempt to explain what you understood implicitly or why the decision was correct. This is likely to be challenging, but it's important that you try. You're early in the process, and sometimes it's hard to know precisely why you were right, and what needs to be analyzed further. Trying to force an answer can lead you to an incorrect conclusion. If you're unable to make sense of your notes, revisit them in the future and try again to explain your intuition. You may still be unable to conceptualize why your decision was correct, but each time you will inch your way closer.

A proper cooldown is one of the most effective tools for traders to cultivate intuition, yet it's often undervalued. The work you put into reviewing your decisions may not immediately bear fruit, especially if you are working through a large backlog of data. But as you continually analyze and work through them, you help clear out your mind and you'll steadily get closer to creating deeper insights.

As you go through any of these steps, don't edit, censor, or force your thoughts; just write (or talk) them out. Cultivating intuition is a bit like toddlers learning to walk—they can't be forced; they can only be encouraged. Unpacking your intuition can't be forced, but through regular attempts to explain what you're tapping into, your competence will progress and you create the room for more intuition to be generated.

Strengthen Decision Making

While having the right amount of energy is the primary factor to accessing intuition, a clear mind is a close second. Strengthening your decision-making process is a surprising way to keep your mind clear.

By automating basic aspects of your decision-making process, you reduce the amount of active thinking required to make a decision. This frees up space in your mind for intuition to emerge. You need that room to absorb new unconscious data.

Think of the mind like a sponge—you want it receptive enough for rapid and maximum absorption. If the sponge is already saturated it can't hold any more water. It's soggy and useless. When your brain is full, it's like that sponge—unable to absorb more data.

The more elements of your decision-making process that are automated, the more thinking, by definition, decreases and there is less to consider. (To be clear, you're not automating the entire process, just elements of it that have become basic to you now.)

Athletes rely on automation or mastery of fundamentals in their technique in order to perform at their highest levels. That foundation frees up their mind to soak in the competitive environment and intuitively understand what they need to do in order to win. This is especially true in the playoffs, or when championships are on the line. Elite competitors thrive under pressure, in part because they have such high levels of competence for those basic fundamentals.

As a trader, your decision-making process is akin to the technique of an athlete—the way a pitcher throws a baseball, or a golfer swings a club. To get into the zone and access intuition more often, you need to train aspects of your decision-making process similar to an athlete training their technique. While newer traders can benefit from spending some time in a simulated market to practice making decisions, this isn't practical for experienced traders. This is where the comparison to athletes diverges. You must train your decision making in the live market.

In *The Mental Game of Trading*, I teach readers a strategy to correct mental and emotional problems, which includes using what I call a Strategic Reminder to improve decision making at times when greed, fear, or anger has become a problem. The same strategy can be used to improve decision making in general. Here are three options for how you can do it:

Option 1: Write down the technical factors or data you fail to consider when you make mistakes. Regardless of the cause, these mistakes expose holes or weaknesses in your decision-making process.

Option 2: Write down your entire decision-making process, step by step, in precise detail. While some traders see this as tedious, others like having all of this detail. They embrace the opportunity to articulate their entire decision-making process and ensure they're training like an athlete and perfecting their technique.

Option 3: If either of those options seems too arduous, simply write down your most common mistakes. Then, keep a list of them nearby when you trade and stay focused on avoiding them, no matter the situation.

Regardless of the option you choose, write it down, and keep it close by while you're trading. Every decision is an opportunity to strengthen or train your process, and improve real-time execution. Over time you'll find it will get easier and easier to ensure a base level of decision making. As that occurs, your mind will have more space to absorb unconscious data and generate intuition.

Some of you, like the scalpers out there, don't have time to use a Strategic Reminder. That doesn't mean you can't benefit from going through the exercise of nailing down one of those three options, even if you can't use it in real time. Instead, it can be a helpful tool to have as part of your pre-market routine, reinforcing the key elements of quality execution that you're trying to make when emotions pop up.

Narrow the Gap Between A-game and C-game

Each of us have moments when we perform at our best and those when we perform at our worst. At your best, your mind is clear, and you can access intuition. At your worst, your decisions are instinctive and prone to errors. The middle ground requires thinking—you aren't at your worst, but you aren't executing like a well-oiled machine either.

When the gap between your best and worst—your

A-game and C-game—is too wide, the mind has too much to think about, and that prevents you from regularly getting into the zone and accessing intuition. When that gap is narrow, your mind is clearer because there are fewer things you have to consider consciously in order to be competent.

For those who have read *The Mental Game of Trading* this is an oversimplified discussion of The Inchworm Concept and the A- to C-game Analysis. If you have completed an A- to C-game Analysis, adding in detail about reaching the zone provides another dimension to consider. If you haven't read the book and this concept is new to you, download an A- to C-game Analysis worksheet for an introduction.

A wide range between the two can be caused by a number of things, most notably, weaknesses in your decision-making process, flaws in your approach to learning, and problems with discipline, greed, fear, anger, and confidence. The previous section covers the first problem, and *The Mental Game of Trading* covers the other two.

Conclusion

Intuition is a powerful tool for traders and I hope this eBook helps you understand what it is, where it comes from, and how to access it more often. Cultivating intuition and getting in the zone more often takes some work, but the payoff is unquestionably worth it. Plus, there is the sense of pride and accomplishment that comes from knowing you're tapping into your full potential.

For more information on The Mental Game and to access tools and resources that can help you improve, visit **jaredtendler.com.**

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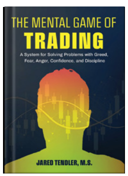
youtube.com/c/jaredtendler

linkedin.com/in/jaredtendler

More Resources to Leverage Your Intuition

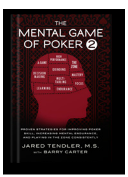
“Don’t be overwhelmed or look for instant improvements. Changes that happens overnight can disappear overnight. Work the process, step-by-step. My most successful clients are not the most talented, they embrace the steps and work them constantly.”

Jared Tendler



The Mental Game of Trading

Learn how to correct problems with greed, fear, anger, and confidence — it’ll make a big difference in your ability to generate and trust your intuition.



The Mental Game of Poker 2

Discover more ways to get in the zone, plus improve your focus, mental endurance, and learning efficiency.

The Mental Game of Trading Reviews

"I've been trading for 30+ years and even Professionally as a Prop Trader and Never was there structure like this in Trading Offices. I've read the majority of Mental Books on Trading and never seen anything close to this Book."

Keith R. Full review

"Hands down best trading book for anyone with a little bit of experience…I don't feel right reading it for this price."

Kaylyn Full review

"There are some other good books on this topic but nothing is on the level of detail as this. Highlights include Jared breaking down every false belief/illusion you could think of with practical wisdom and reasonable explanation of what it takes to progress an how long it can take."

Dimitri Full review

See all reviews on Amazon >