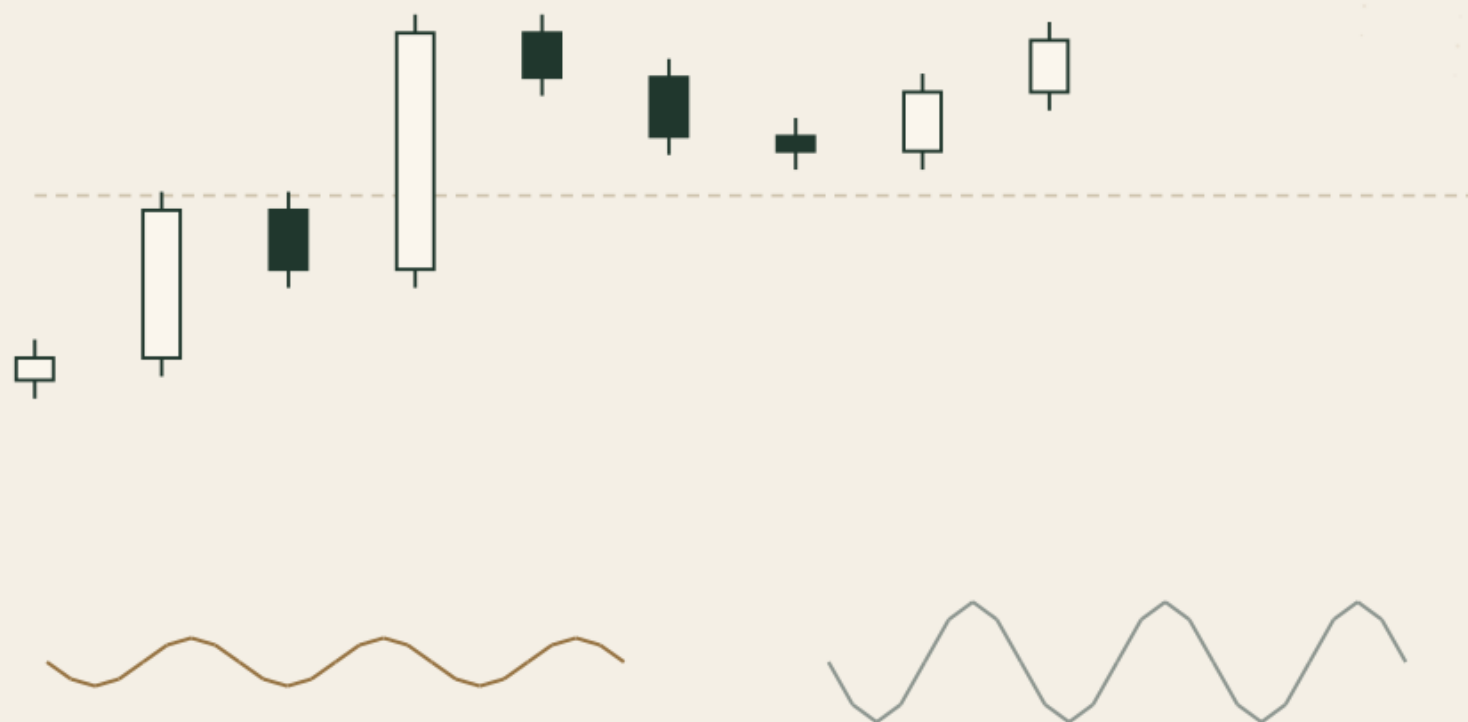


DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

IS THE RESPONSE TIED TO EVIDENCE, AVOIDANCE, OR AN URGE TO ACT?

A trader feels uneasy before entering a position.



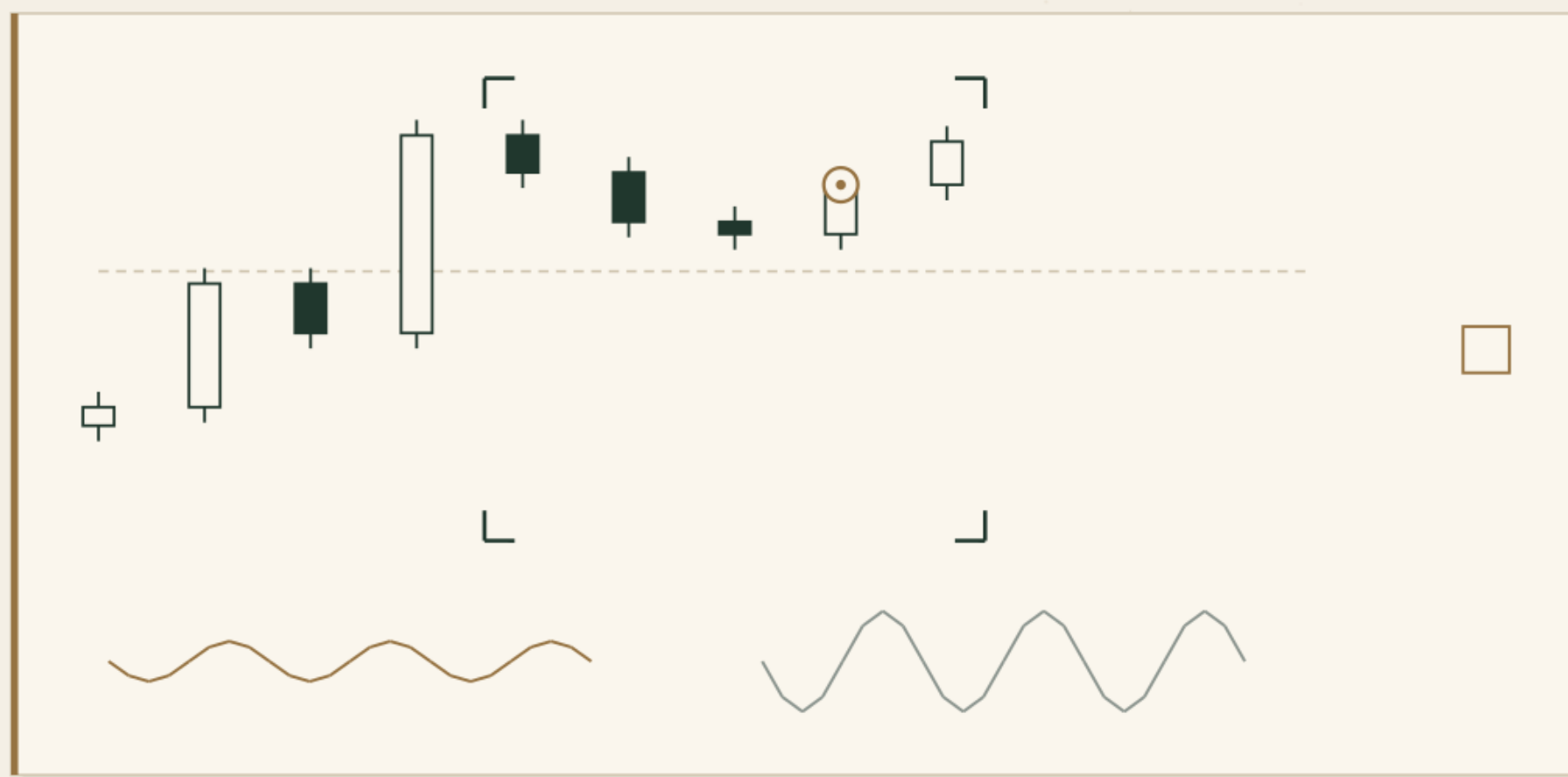
THE SAME EMOTION CAN LEAD TO DIFFERENT DECISIONS



Confidence and fear do not classify the decision for us.

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

JUDGE HOW FEELING RELATES TO EVIDENCE AND RISK



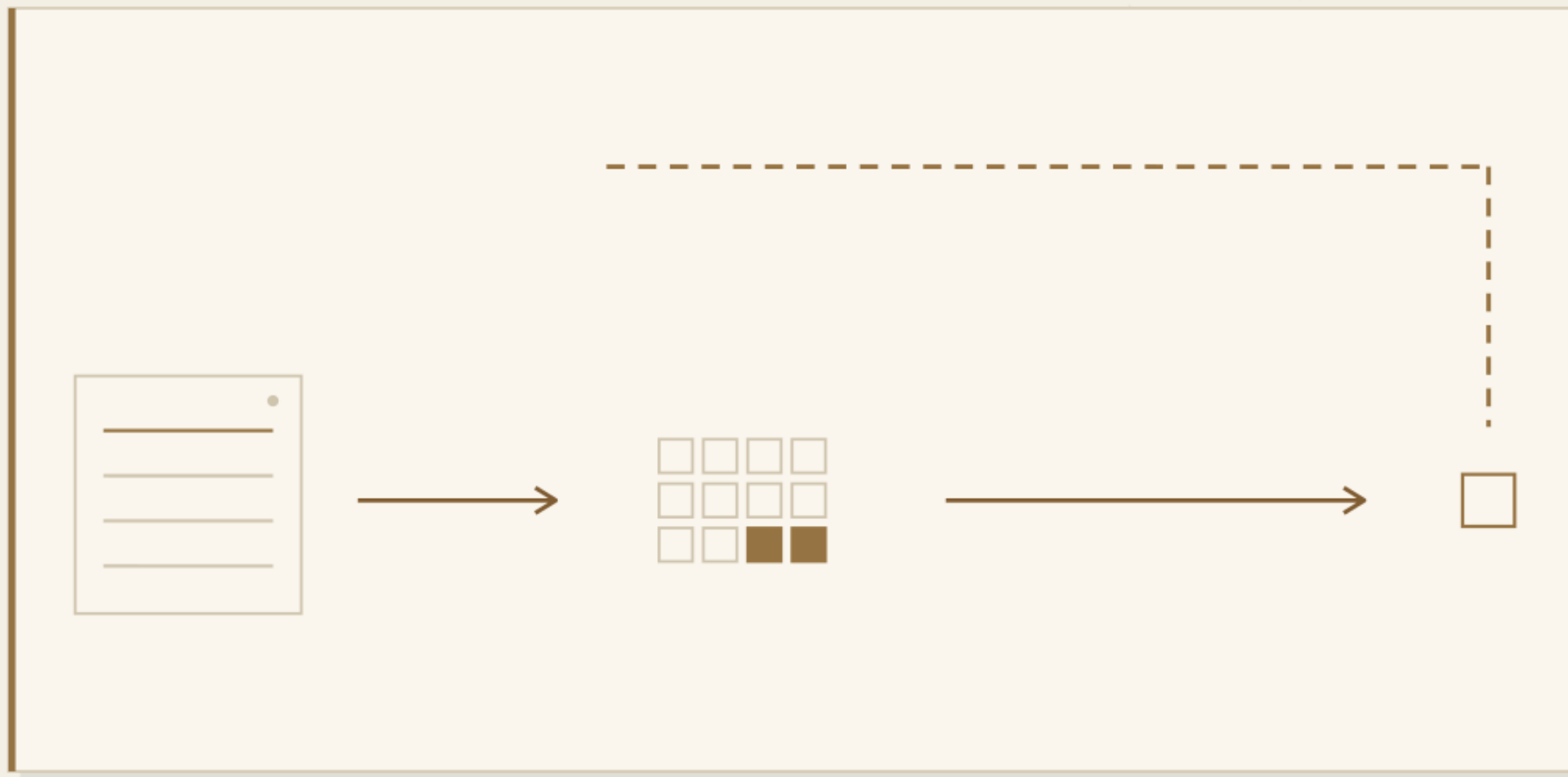
The distinction lies in how the trader relates to the market evidence, the intended method, and the capital at risk.

Professional judgment does not require a perfectly calm inner state.

THE SAME EMOTION CAN LEAD TO DIFFERENT DECISIONS

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

SPEED IS NOT NECESSARILY IMPULSE



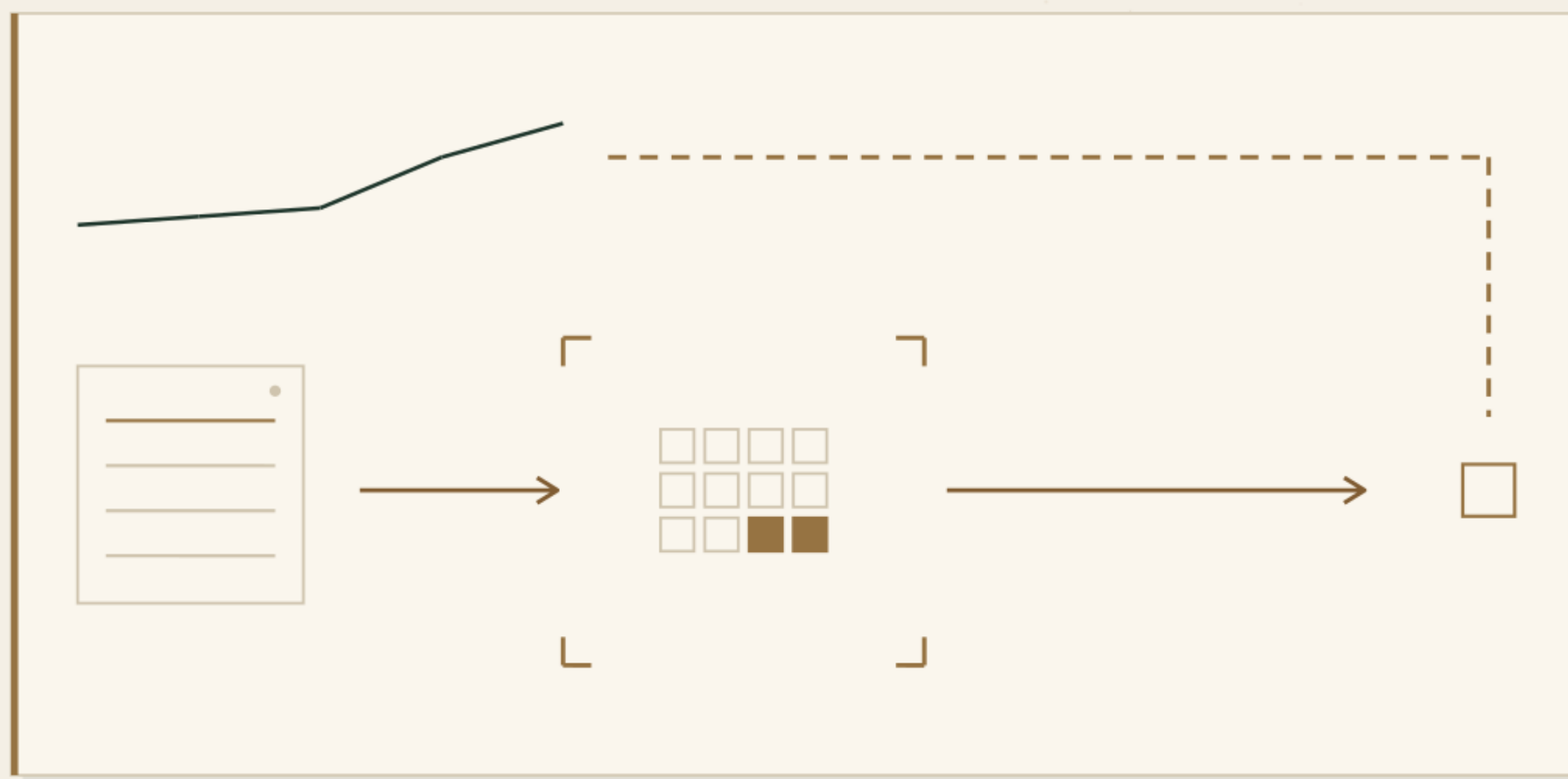
Skilled execution can be fast because the relevant interpretation is already clear.

Impulse gives immediate action priority over the reasoning that should define it.

IMPULSE COMPRESSES THE ARGUMENT

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

URGENCY CANNOT SUPPLY THE TRADE'S JUSTIFICATION



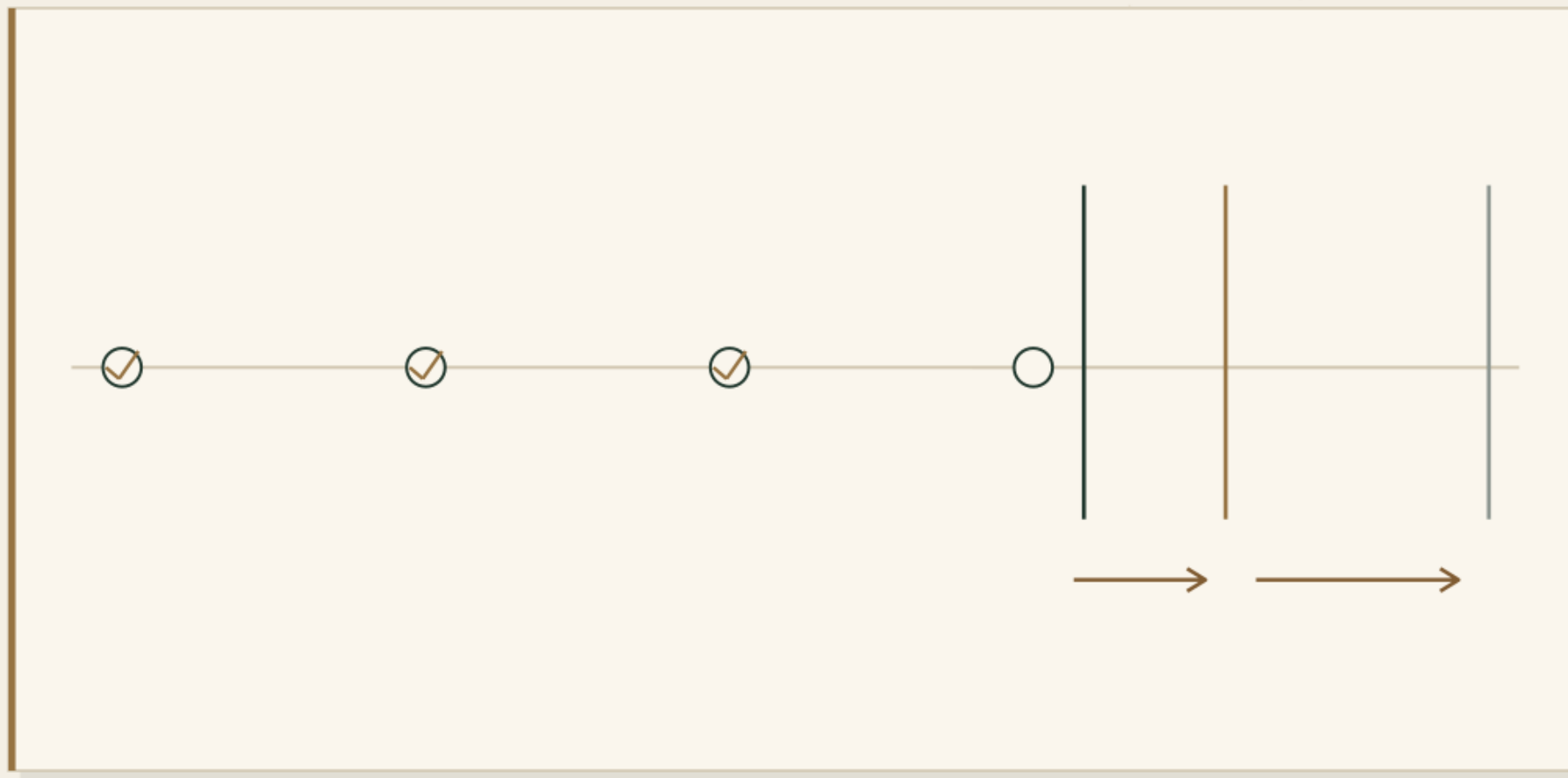
In impulse, urgency supplies the justification and pushes inconvenient evidence out of the decision.

Even a rapid action needs coherent entry, premise and accepted risk.

URGENCY • RELEVANT EVIDENCE • ACCEPTED RISK

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

MORE ANALYSIS CAN BECOME A MOVING FINISH LINE



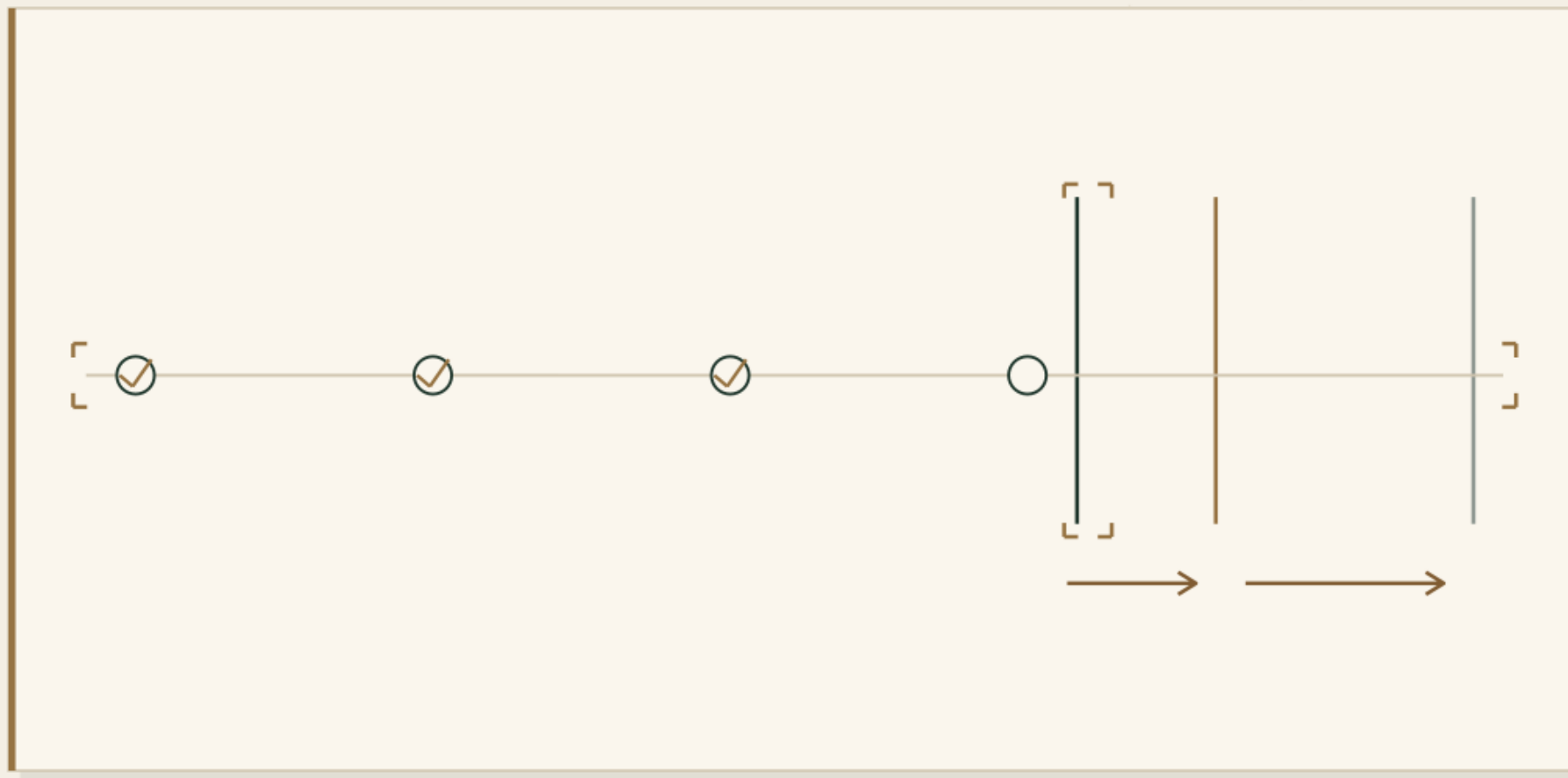
Avoidance can look sophisticated because it often speaks the language of more analysis.

The finish line moves whenever it approaches.

AVOIDANCE KEEPS MOVING THE FINISH LINE

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

AVOIDANCE CAN DEMAND THE REMOVAL OF ORDINARY UNCERTAINTY



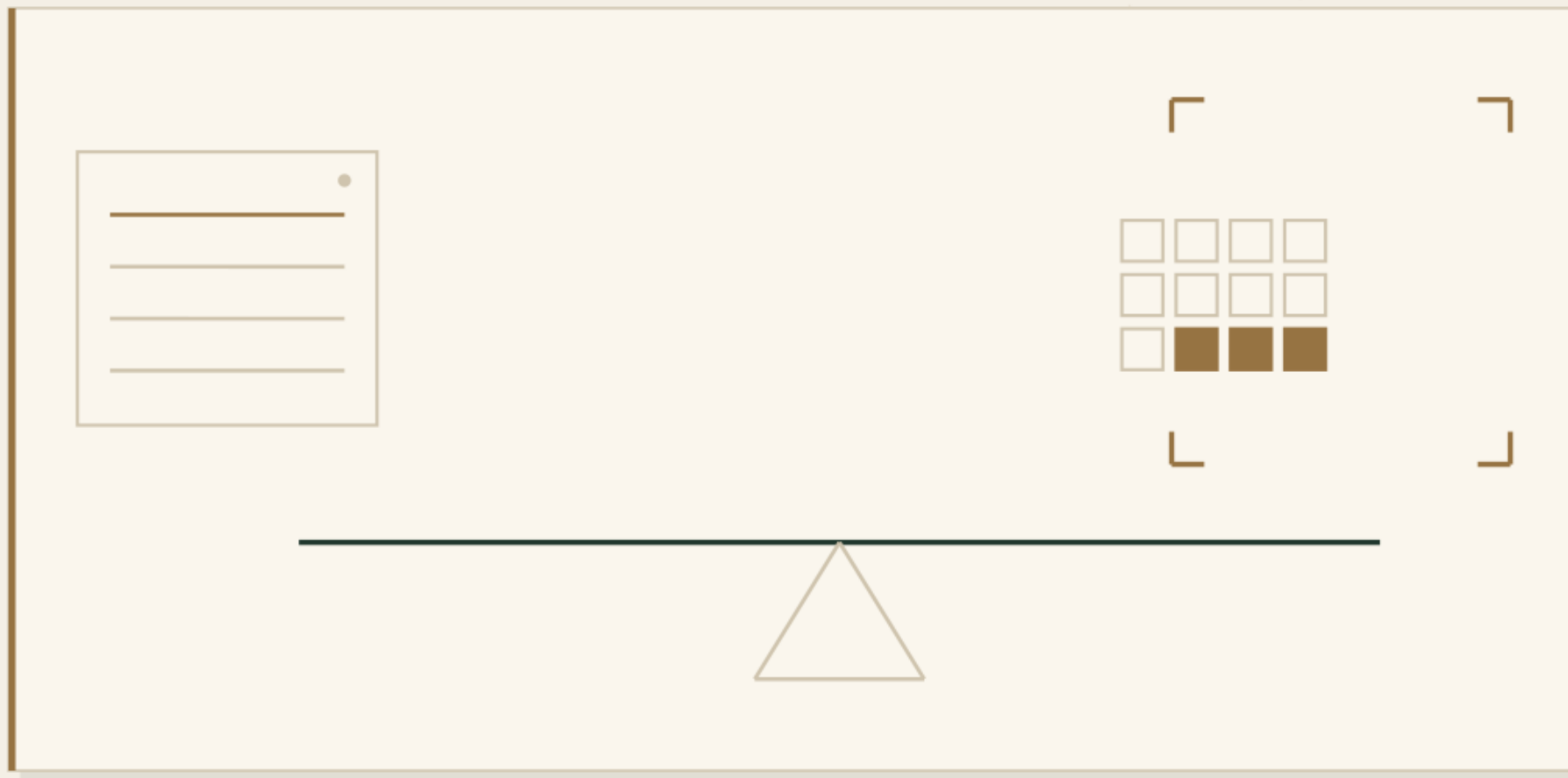
AVOIDANCE KEEPS MOVING THE FINISH LINE

The assessment is being used to avoid accepting any possibility of loss or regret.

Participation is always a choice.

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

CAUTION RESPONDS TO A SPECIFIC CONSTRAINT



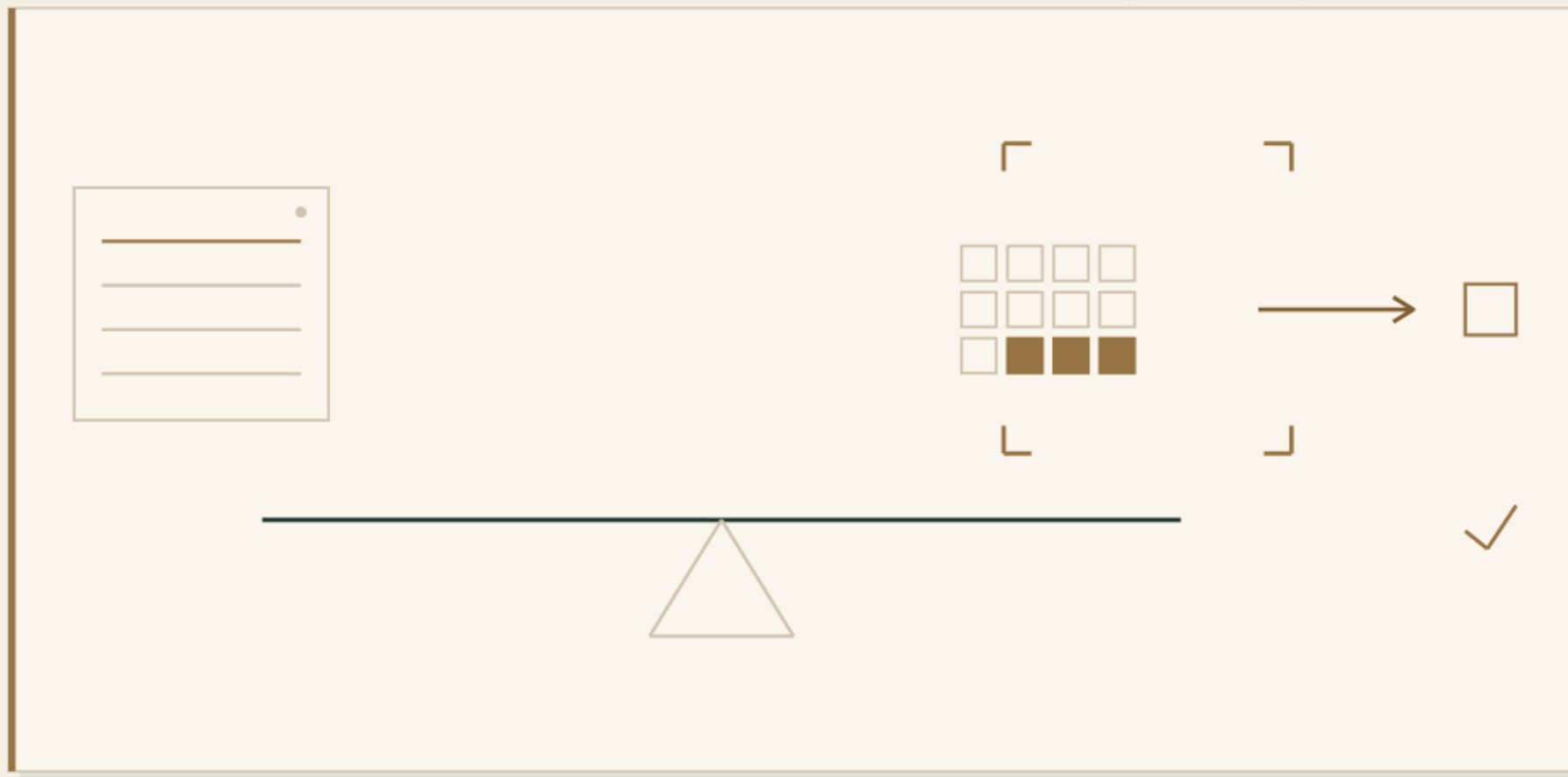
Caution gives a real uncertainty or constraint the weight it deserves.

What makes caution constructive is that its reason can be explained in relation to the trade.

CAUTION IS RESPONSIVE TO FACTS

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

CAUTION CAN SUPPORT ACTION AS WELL AS RESTRAINT



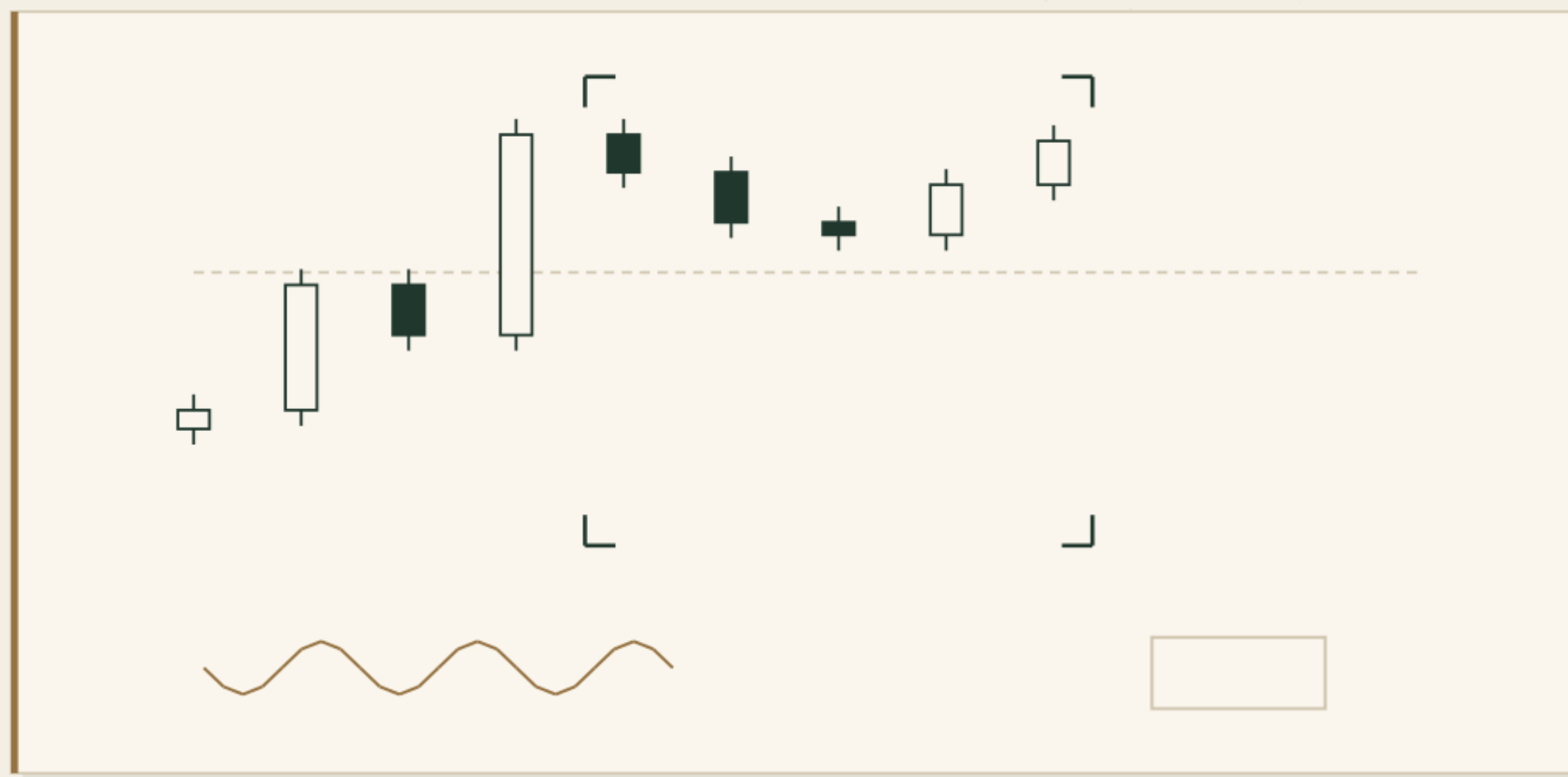
CAUTION IS RESPONSIVE TO FACTS

Caution can also support decisive action when the relevant conditions are understood and the risk is appropriate.

Caution is a quality of judgment: the response is proportionate to what is known, what is uncertain, and what the decision would expose.

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

AN ADDITIONAL DEMAND MAY SEEK IMPOSSIBLE CERTAINTY



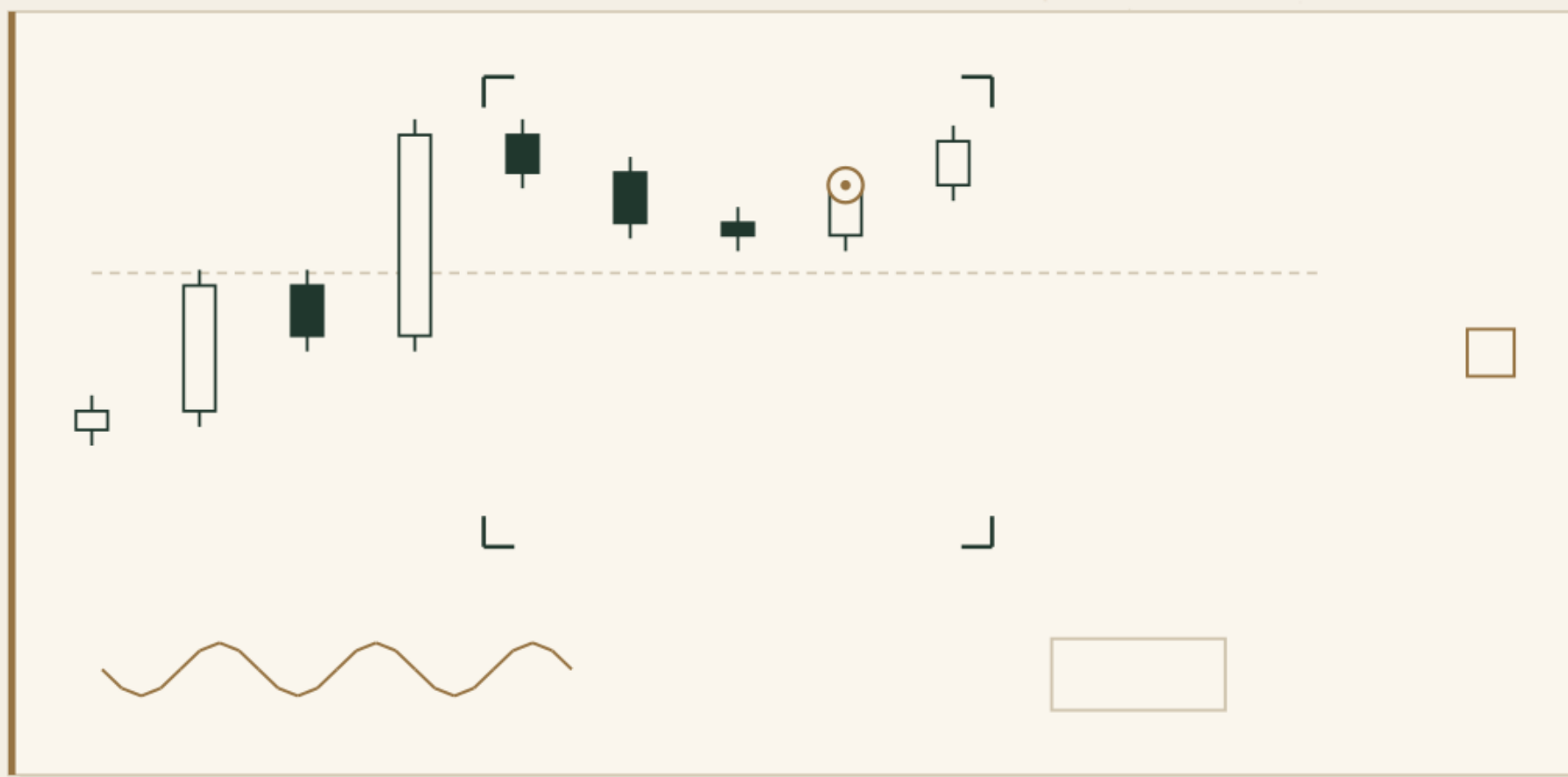
The simulated pullback meets the defined method, but the trader asks for an extra condition to feel certain.

That additional condition is not part of the method and cannot remove the possibility of loss.

METHOD CONDITION MET • EXTRA CERTAINTY DEMAND • SIMULATED DECISION

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

THE SIMULATED DECISION CAN REMAIN UNEASY



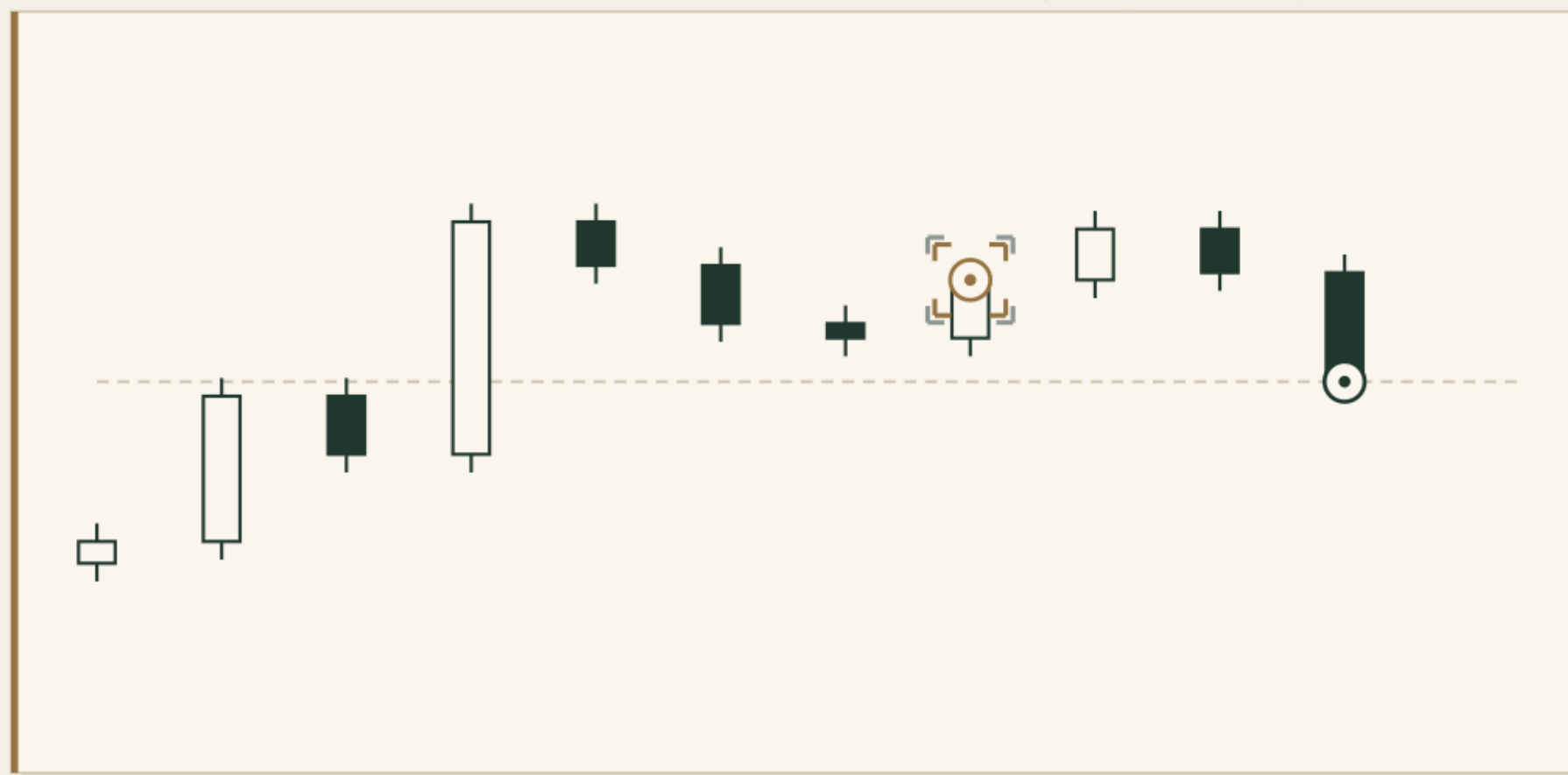
ONE TRADER AT AN ENTRY

What changed is that the emotion no longer defined what evidence the strategy required.

The trader then enters the simulated position at the method's planned terms, still feeling some unease.

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

ACTING COHERENTLY DOES NOT GUARANTEE A WINNING TRADE



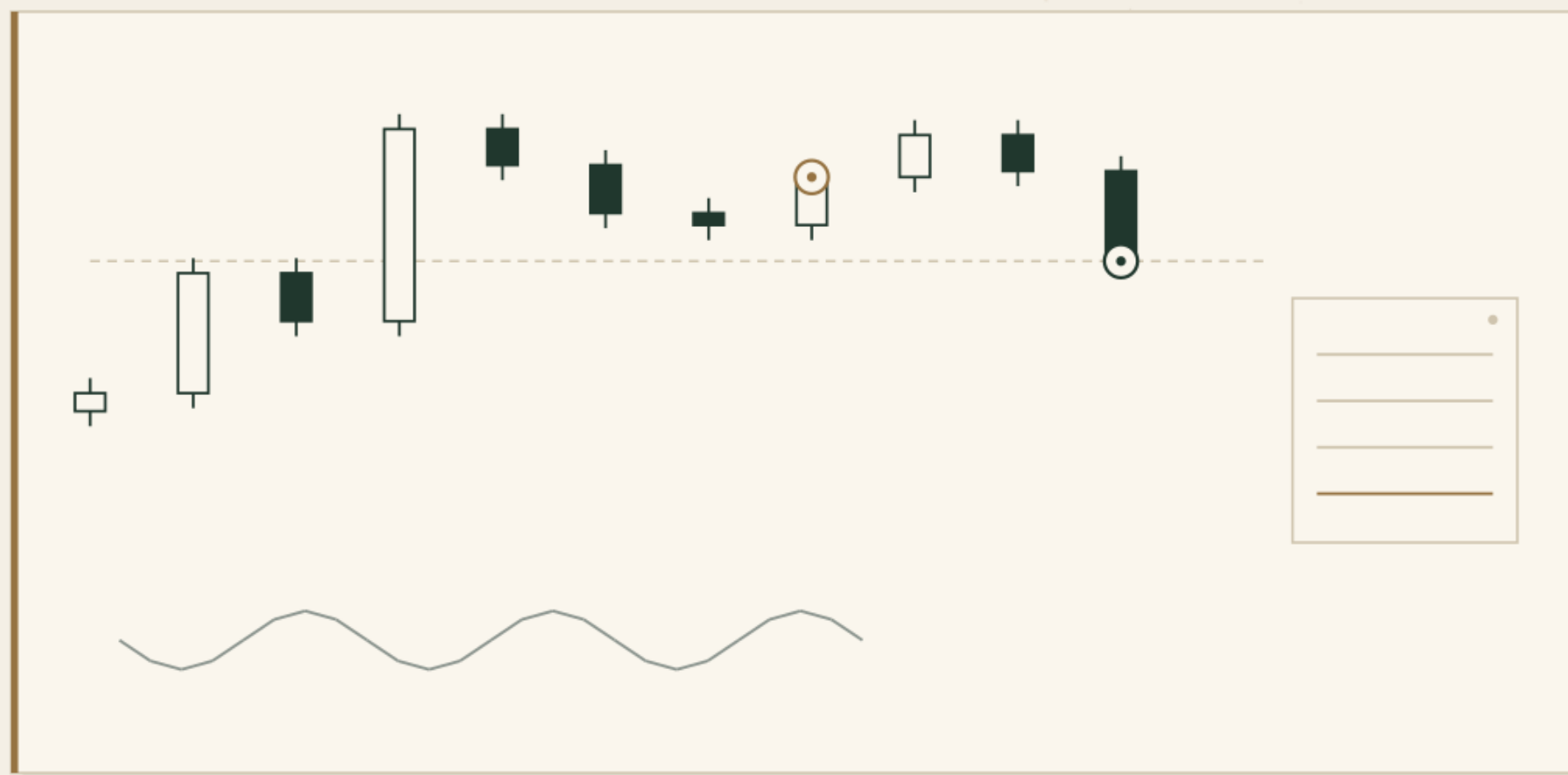
The example ends with the simulated trade taking its planned loss.

That ending matters because an avoidance example followed only by a large winner would teach the wrong lesson.

UNDERSTANDING THE EXAMPLE

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

A PLANNED LOSS DOES NOT VINDICATE IMPOSSIBLE CERTAINTY



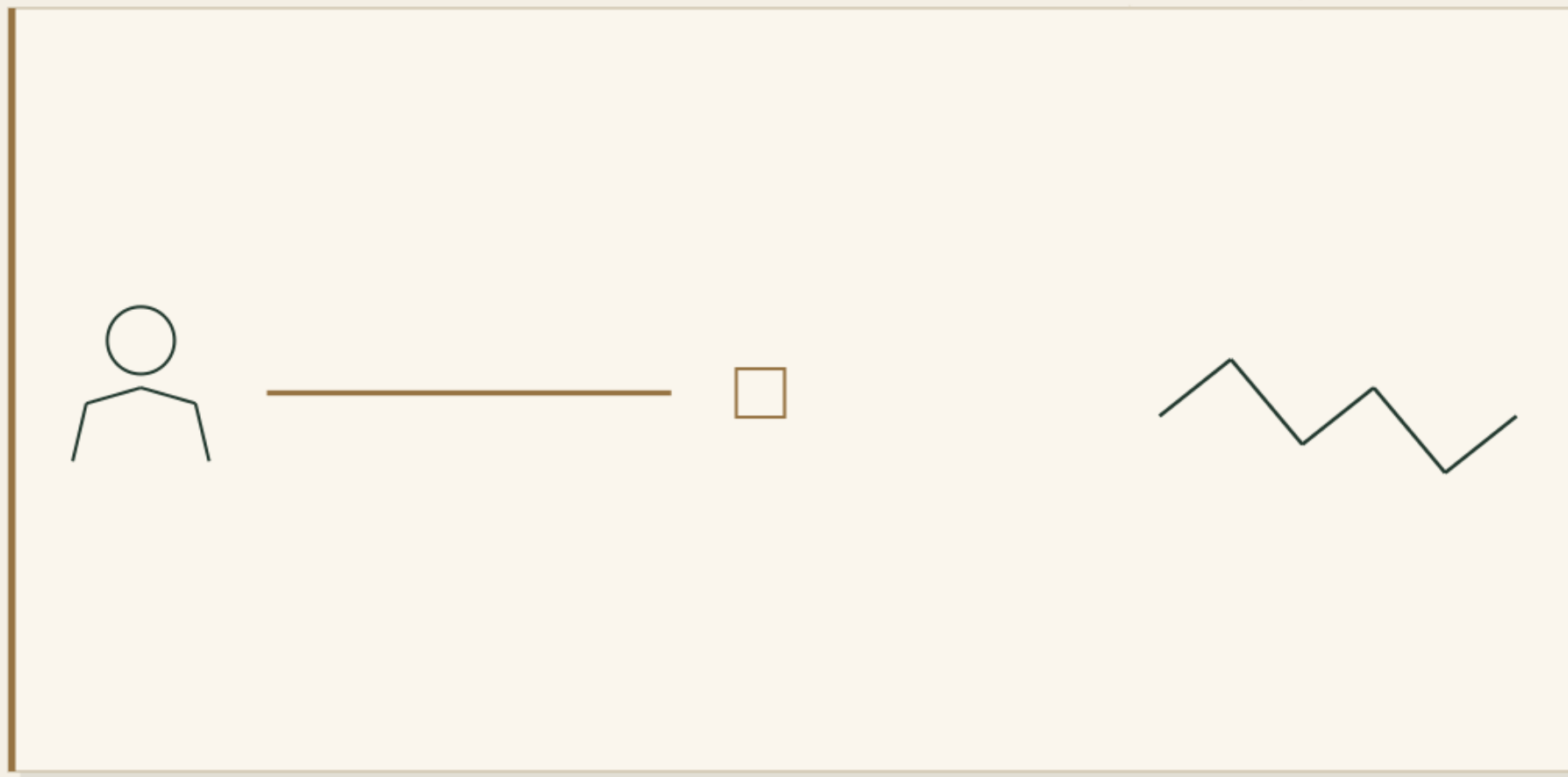
UNDERSTANDING THE EXAMPLE

The point is that the trader applied a chosen, bounded method rather than treating discomfort as new market evidence.

Equally, the example does not imply that discomfort should always be overridden.

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

WILLINGNESS AND PRACTICAL CAPABILITY ARE DIFFERENT



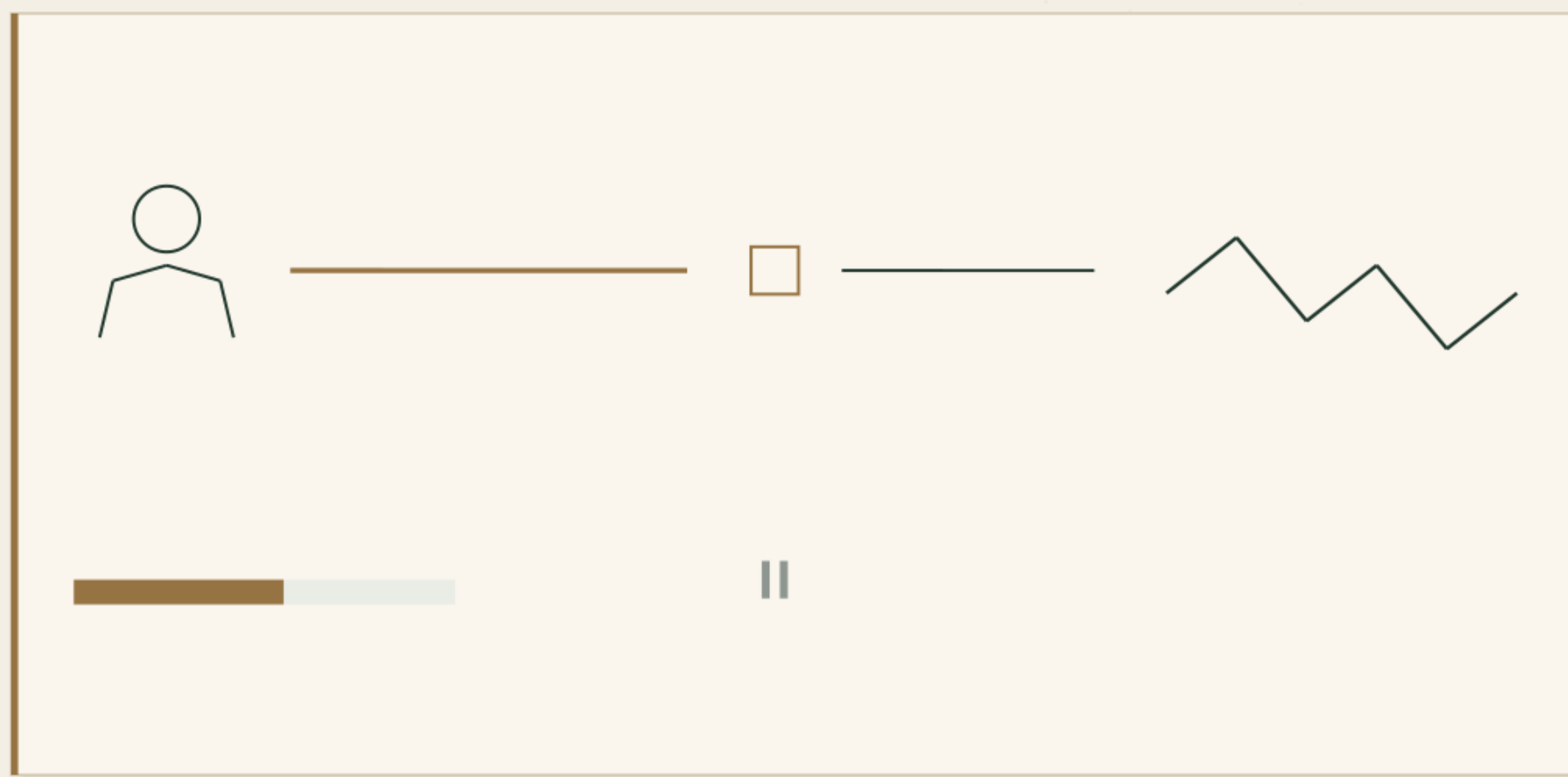
A person may be willing to act but unable to interpret the order, verify the exposure, or maintain the attention the task requires.

Encouragement does not substitute for those capacities.

CAPACITY IS DIFFERENT FROM COURAGE

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

IDENTIFY THE MECHANISM BEHIND THE DIFFICULTY



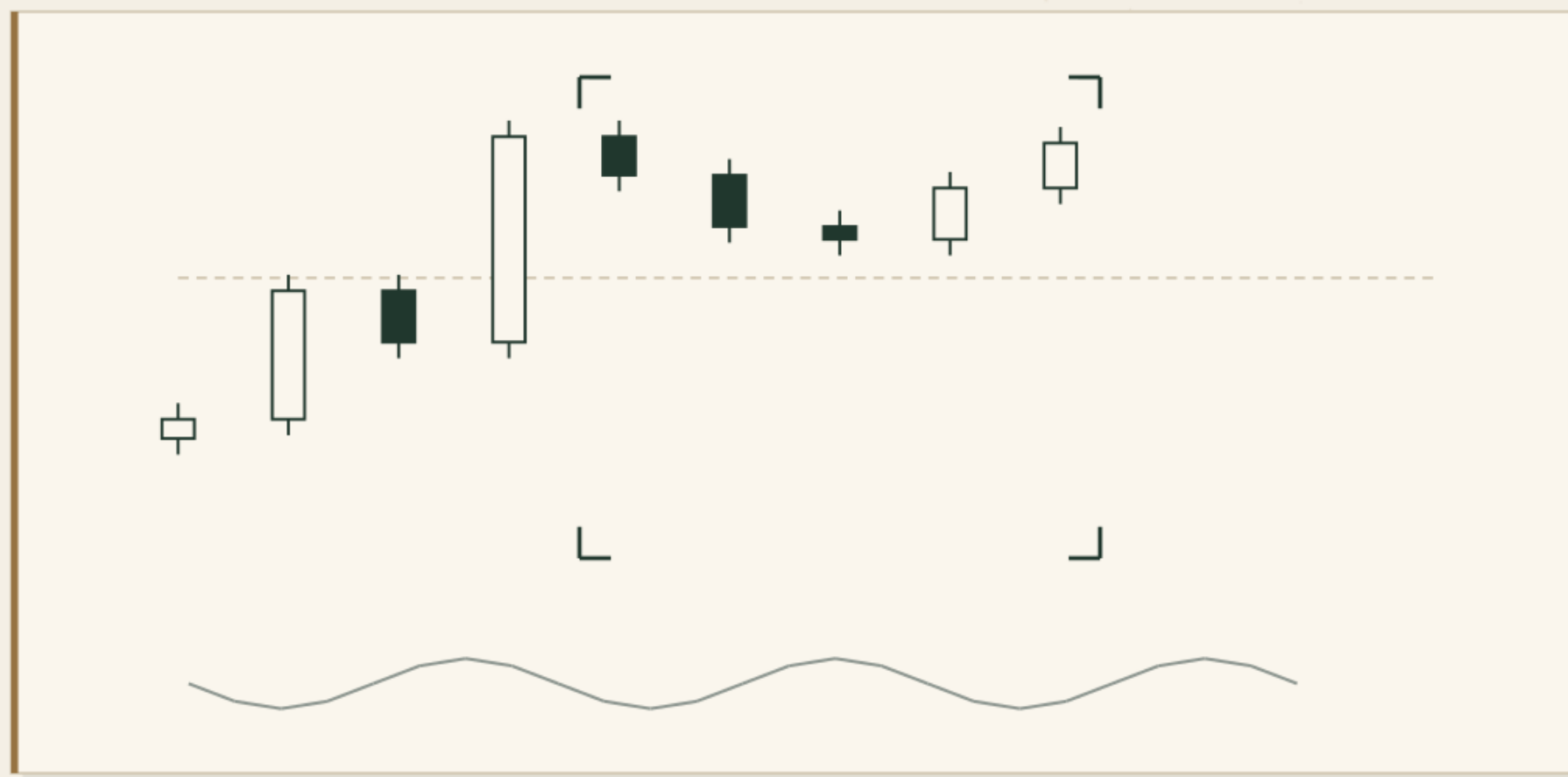
Identify whether the difficulty concerns market information, understanding, execution or escaping uncertainty.

The response should address that mechanism instead of judging the trader's courage.

INFORMATION • CAPABILITY • UNCERTAINTY

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

THESE CONCEPTS DESCRIBE DECISIONS, NOT FIXED IDENTITIES



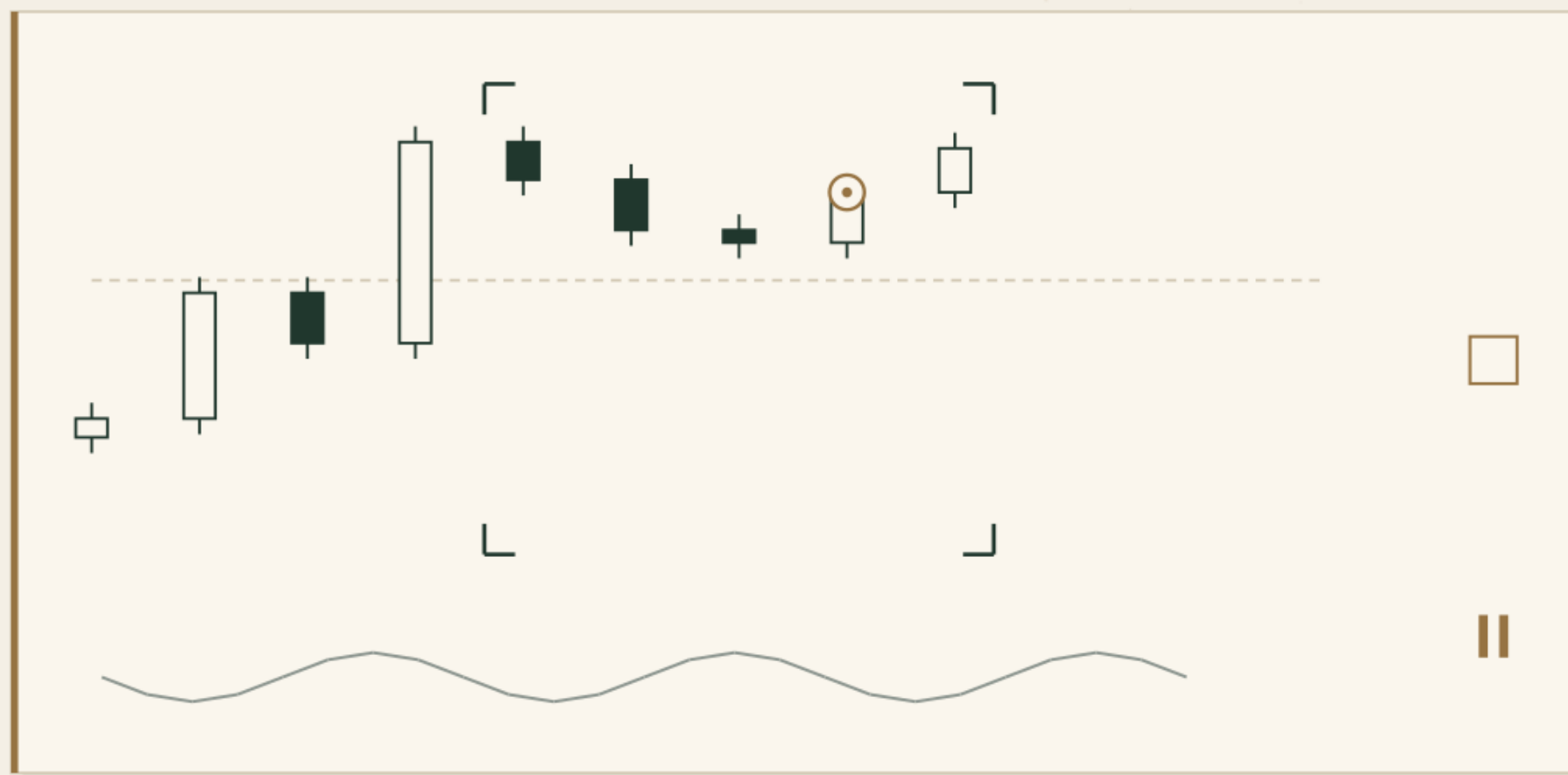
Impulse, avoidance, and caution are useful concepts because they describe how a decision is being formed.

The mature aim is not emotional purity.

EMOTION CAN BE PRESENT WITHOUT GOVERNING

DISTINGUISHING IMPULSE, AVOIDANCE, AND CAUTION

JUDGE ACTION AND RESTRAINT BY THEIR REASONS



EMOTION CAN BE PRESENT WITHOUT GOVERNING

Urgency does not manufacture an opportunity, discomfort does not automatically cancel one, and a genuine constraint receives an appropriate response.

It allows action and restraint to be judged by their reasons rather than by how confident they appear.