The 5 Mental Rules of Consistent Traders

Built on the foundations of Mark Douglas. Print it. Read it weekly.

1 **Process over outcome**
A losing trade is not a bad trade if you followed your rules. A winning trade is not a good trade if you broke them. Grade your trades on execution quality, not on P&L. Across a large sample, process consistency produces the results; individual outcomes are noise.

2 **Pre-define your risk before you click**
Cash risk → stop distance → position size, calculated in that order, before entry. Never enter a trade where the risk is not decided in advance. Every other discipline in your trading depends on this being in place.

3 **Accept the loss emotionally before entry**
Knowing your risk is intellectual. Accepting it is felt in the body. Imagine the full loss landing before you click. If your body resists, the size is too big — or the setup is not one you trust. Reduce or skip.

4 **Think in probabilities**
Your edge is a slight statistical advantage that plays out across many trades. Any single trade can win or lose — the math reveals itself only across the sample. Do not react to individual results with bigger size, tighter criteria, or skipped signals. That is noise chasing.

5 **Never recalibrate after a single trade**
Five losing trades in a row does not mean your edge is broken. Five winners does not mean it is stronger. Below 50 trades, you are reading variance, not signal. Stick with your defined system long enough for the math to show.

THE BOTTOM LINE

Most retail traders fail at discipline, not at technique. These five rules *are* the discipline. The work is doing them, not just agreeing with them.

Full series: **satdish.co.uk/trading-psychology-series/**