COGNITIVE BEHAVIORAL THERAPY · FOR TRADERS

CBT Cognitive Log & Reframe Guide

The moment a trade goes against your plan, a chain fires: **trigger** → **automatic thought** → **emotion** → **behavior**. Catch it, name the distortion, and reframe. Complete one log entry whenever emotional intensity exceeds 5/10 or you deviate from your plan.

The Trader’s Cognitive Log

Section	Prompt	Your input
The trigger	What happened in the market? (e.g., price hit stop)	
Automatic thought	The first thing you said to yourself?	
The distortion	Which pattern below fits?	
The emotion	Name it + rate 1–10 (e.g., shame 7)	
Physical sensation	Where did you feel it in your body?	
The behavior	What did you do, or feel the urge to do?	
The reframe	A more objective, process-oriented thought	

Example. Trigger: price hit my stop after a 3-win streak. Thought: “I knew I’d give it all back — I just got lucky.” Distortion: Catastrophizing / All-or-Nothing. Emotion: shame 8. Behavior: urge to size up and win it back. Reframe: “One loss is a statistical certainty. My edge needs a sample of 100 trades, not 4.”

The Cognitive Reframe Guide

The eight distortions that most often hijack trading decisions — and the objective reframe for each.

Distortion	The automatic thought	The objective reframe
Recency bias	"I've lost three in a row — the next one must win."	Each trade is independent with its own probability. Past outcomes don't influence this entry.
Gambler's fallacy	"It's been overbought for days; it's due to crash."	Probability is not a law of fairness. "Due" is not a signal.
Personalization	"The market is hunting my stop specifically."	The market is a sea of liquidity. My stop was hit by price action — I'll review if placement was valid.
Catastrophizing	"If I blow this account, my career is over."	This is one data point in a career of thousands of trades. I follow my risk plan to protect capital.
All-or-nothing	"If I didn't exit the exact top, I'm a bad trader."	Good execution is the goal, not perfect prediction. Process over outcome.
Emotional reasoning	"I feel uneasy, so the market must be about to dump."	Feelings are internal chemistry, not external analysis. What has the chart actually done?
Confirmation bias	"I'm long, so I'll only read the bullish takes."	Actively seek the strongest case against my position. Manage the risk I'd rather ignore.
"Must" / "should"	"I must make back my morning loss before close."	I can't control what the market offers today — only my execution of a valid setup.

Want the full protocol — archetype self-assessment, somatic reset, the pause protocol, weekly audit, and crisis plan? That lives in **The Trading Mind** workbook at psychiatrade.com.