The Trader Curriculum

This Week's Preview: The "Responsible Trader" Trap

The Research Behind This

- Janoff-Bulman, R. (1992). *Shattered Assumptions: Towards a New Psychology of Trauma.* Free Press. — The original text on how destabilizing events shatter our core sense of order, safety, and competence, and how the mind rebuilds a "livable" world afterward.

- Hayes, S. C., Strosahl, K. D., & Wilson, K. G. — foundational work on Acceptance and Commitment Therapy (ACT) and the "Hexaflex" model of psychological flexibility vs. inflexibility.

- Hayes, S. C., Wilson, K. G., Gifford, E. V., Follette, V. M., & Strosahl, K. (1996). *Experiential avoidance and behavioral disorders: A functional dimensional approach to diagnosis and treatment.* Journal of Consulting and Clinical Psychology, 64(6), 1152. — The paper that names "pliance" (rigid rule-following to avoid discomfort) as a distinct behavioral pattern.

- Salla, M., Aguilera, M., Paz, C., Moya, J., & Feixas, G. (2025). *The effect of cumulative trauma and polarised thinking on severity of depressive disorder.* Psychology and Psychotherapy: Theory, Research and Practice. — Recent empirical work linking cumulative stress directly to dichotomous/polarized thinking.

Important Psychological Concepts

- **Dichotomous thinking / splitting**: sorting experience into "all good" or "all bad" with no middle ground. Useful to name out loud if you describe every day as either a win or a failure.

- **Cognitive fusion** : treating a thought or rule as literal truth rather than one useful mental tool among several. The giveaway phrase is usually some version of "the rule says," delivered as if it settles the matter.

- **Experiential avoidance**: any strategy (closing a platform, over-rigid rules, refusing to review a loss) whose real function is dodging an uncomfortable feeling rather than solving the actual problem.

- **Pliance vs. tracking**: pliance is following a rule because breaking it feels bad; tracking is following a rule because it's currently producing the outcome you want. The distinction is diagnostic: ask yourself *why* you followed a rule on a trade that clearly didn't fit it.

- **Compartmentalization**: separating a bad trading day from the rest of identity so cleanly that no lesson transfers; the opposite failure mode to rigidity, but from the same root (avoidance of integration).

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