

# Template: Forex Trader Cognitive Bias Checklist

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Based on Article: "Common Cognitive Biases That Affect Forex Traders"

Website: <https://thetraderinyou.com>

A practical checklist to help Forex traders identify and mitigate cognitive biases affecting their trading decisions.

## Checklist Items:

- 1. Conduct a Self-Audit**  
Take time to reflect on your recent trades and recognize patterns of emotional influence. Use a five-question self-audit to determine if your losses stem from psychological errors.  
Reference Section: Diagnostic opening: Do your trades show predictable psychological errors?
- 2. Identify a Cognitive Bias**  
Choose one cognitive bias identified in your self-audit (e.g., loss aversion, overconfidence) to focus on for improvement this week.  
Reference Section: How to use this article: quick actions, templates, and tracking
- 3. Create a Counter Rule**  
Develop a specific trading rule aimed at countering the identified bias, such as limiting position size to 1% of equity to combat overconfidence.  
Reference Section: How to use this article: quick actions, templates, and tracking
- 4. Use a Trade Tracking Template**  
Record your trades through a simple template that includes the entry reason, rule followed, emotional state, and outcome to track the effectiveness of your new counter rule.  
Reference Section: How to use this article: quick actions, templates, and tracking
- 5. Implement a Pre-Trade Checklist**  
Set a pre-trade checklist with three essential items: confirm the rule, determine the size of the trade, and establish an exit plan to reduce emotional decision-making.  
Reference Section: How to use this article: quick actions, templates, and tracking
- 6. Log Trading Violations**  
Each week, analyze your trades and log any violations of your counter rules. Aim to track one key metric, such as rule violations per 20 trades.  
Reference Section: How to use this article: quick actions, templates, and tracking
- 7. Review Behavioral Patterns**  
Regularly review your previous trades for behavioral patterns that align with cognitive biases. Recognize these triggers to better manage your trading psychology.  
Reference Section: How cognitive biases show up in real forex trading
- 8. Develop an Exit Strategy**  
Create fixed risk-reward ratios for managing exits, especially for trades affected by loss aversion, to ensure disciplined profit-taking and loss management.  
Reference Section: How cognitive biases show up in real forex trading

## **9. Incorporate Feedback**

Seek feedback on your trading approach from reputable sources to challenge confirmation bias. This can include market analysis or trading psychology resources.

Reference Section: Resources and tools to support ongoing bias control