

## Template: Trading Psychology Risk Management Checklist

Generated: 5/19/2026

Based on Article: "The Influence of Trading Psychology on Risk Management Decisions"

Website: <https://nairafx.ng>

A practical checklist to help traders manage psychological factors that influence risk management decisions.

### Checklist Items:

- 1. Assess Your Current Psychological State**  
Before making any trading decisions, take a moment to evaluate your emotional state. Are you feeling anxious, overly confident, or frustrated? Understanding your current mindset can help you make more rational decisions.  
Reference Section: Why trading psychology matters before any trade is placed
- 2. Review Your Trading Plan**  
Ensure you have a solid trading plan in place that outlines your entry and exit strategies, position sizes, and stop-loss levels. Stick to this plan regardless of emotional impulses.  
Reference Section: The psychological factors that shape risk management decisions
- 3. Set Stop-Loss Levels Before Entering a Trade**  
Determine and set your stop-loss levels based on market structure before entering a trade. Avoid adjusting them once the trade is active to prevent emotional decision-making.  
Reference Section: How trading psychology affects core risk management decisions
- 4. Avoid Revenge Trading**  
Recognize the urge to recover losses with impulsive trades. Instead, take a break and reassess your strategy before entering any new positions.  
Reference Section: The psychological factors that shape risk management decisions
- 5. Maintain Consistent Position Sizing**  
Stick to your predetermined position sizes based on your overall risk management strategy. Avoid increasing size after wins or decreasing it after losses due to emotional pressure.  
Reference Section: How trading psychology affects core risk management decisions
- 6. Limit Exposure to Market News**  
Reduce the influence of external news and market sentiment on your trading decisions. Focus on your own analysis and plan rather than reacting to news.  
Reference Section: A practical framework for making calmer risk management decisions
- 7. Reflect on Past Trades**  
After trading sessions, take time to reflect on your decisions. Analyze where emotional factors influenced your trades and adjust your strategy to minimize these in the future.  
Reference Section: Tools and habits that support better discipline over time
- 8. Practice Mindfulness or Relaxation Techniques**  
Incorporate mindfulness or relaxation exercises into your routine to help manage stress and maintain a clear mindset while trading.  
Reference Section: Tools and habits that support better discipline over time

## **9. Seek Feedback from Experienced Traders**

Engage with a community or a mentor to gain insights on how to handle psychological pressures in trading. Sharing experiences can provide valuable perspectives.

Reference Section: How this topic fits into the broader trading education cluster