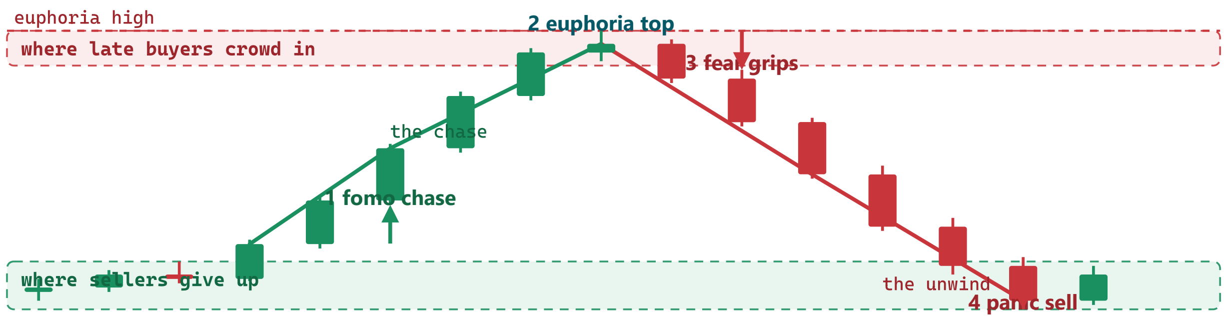
MINDSET & RISK

trading psychology

Prices move on data, but people react with feelings. This chapter walks through common emotional traps — fear of missing out, greed, fear, and revenge trading — and why a steady process tends to outlast prediction.

QUANTREEF
market microstructure



01
fear of missing out

price rips higher and the crowd piles in late, worried about being left behind. buying often happens near the top, driven by excitement rather than a plan.

`late buyers`

02
greed and euphoria

near the top everything feels easy, so targets get stretched and gains are left to run. confidence is often highest exactly where risk is highest.

`peak comfort`

03
fear and denial

the move rolls over and losses appear. many freeze, hope for a bounce, and quietly ignore the plan they set while calm.

`first losses`

04
panic and revenge

as the drop deepens, discomfort peaks and positions are dumped near the low. a rushed revenge trade to win it back often follows.

`capitulation`

Key terms

fear of missing out — the urge to buy because price is rising fast and others appear to be profiting.

revenge trading — taking a rushed trade right after a loss to win the money back, usually with added risk.

capitulation — the moment many give up at once and sell heavily, often clustered near a low.

discipline — following a written process and risk limits even when emotions push the other way.

How to read & use it

spot the emotion, not the target

when a candle makes you feel urgency or regret, that feeling is worth noticing. the chart shows crowd emotion in motion, not certainty about the next move.

process over prediction

a repeatable plan — entries, exits, and risk decided in advance — removes in-the-moment guessing. it is about being consistent, not about promising a result.

notice the chase-and-panic loop

the same shape tends to repeat: late buying into strength, then heavy selling into weakness. seeing the pattern is the first step to not living inside it.

HOW QUANTREEF SHOWS THIS

what quantreef displays here is descriptive context and education about market behaviour — it is not a signal, a recommendation, or a prediction, and it does not tell you when to buy or sell.