STOIC TRADING RULES

Equanimity in the Markets —
A Practical Handbook for Traders

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A Practical Handbook for Traders

FIRST EDITION

THE BOOK

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CHAPTER ONE

Why Stoicism Belongs in the Markets

Trading is a profession of uncertainty. Price does not care about your analysis, your hope, or your last three wins. Most accounts are not destroyed by bad strategies. They are destroyed by the trader's reaction to what the strategy produces.

Stoicism was built for exactly this environment. It does not promise to make the market predictable. It promises to make you unshakable.

Marcus Aurelius wrote notes to himself while governing an empire under plague and war. Epictetus taught the same skill to slaves and senators: distinguish what belongs to you from what does not. Seneca advised a statesman how to keep a steady mind while fortune reversed overnight. None of them traded futures. All of them faced volatility of a more serious kind.

The goal of this book is not motivation. It is a set of operating rules that produce better results by protecting the only thing you actually control: your behavior.

Equanimity — calm composure that does not rise with profits or collapse with losses — is not a personality trait. It is a practiced skill. The five categories that follow are the training ground.

> *"You have power over your mind — not outside events. Realize this, and you will find strength."*
>
> MARCUS AURELIUS

Read the book once for orientation. Then treat it as a field manual. The value is not in agreeing with the ideas. The value is in using the checklists when the next tick tries to recruit your nervous system.

CHAPTER TWO

The Dichotomy of Control

Epictetus divided the world into two piles: what is up to us and what is not. Almost every trading error is a failure to keep those piles separate.

What is up to you

- The quality of your preparation before the session
- Whether a setup meets your written criteria
- Position size and the placement of the stop
- Whether you take the trade or stand aside
- How you respond after the trade is closed
- Whether you journal honestly

What is not up to you

- The next tick
- News, gaps, and slippage
- Other participants and their orders
- Whether this particular trade wins or loses
- How long a drawdown lasts

Every unit of energy spent on the second list is wasted. It also produces anxiety, hesitation, and revenge.

Rules

- Before every session write two short lists: "I control" and "I do not control."
- After a loss, the only permitted question is: "Did I follow the process I control?"
- Never change a stop, target, or size because of how the trade feels.
- Do not watch P&L tick-by-tick. Watch the plan.

Practice

At the end of each day, mark every decision as "process" or "outcome-chasing." The ratio is your real scorecard. A week of perfect process with a flat or negative P&L is a successful week. A profitable week of broken rules is a warning.

"Make the best use of what is in your power, and take the rest as it happens."

EPICTETUS

CHAPTER THREE

Premeditation of Adversity

The Stoics practiced *premeditatio malorum*: deliberately imagining misfortune before it arrives so that it cannot ambush the mind. In trading this is not pessimism. It is inoculation.

Seneca observed that we suffer more in imagination than in reality. Most traders refuse to look at the loss until it is already on the screen. Then the nervous system treats it as an emergency. The Stoic trader does the suffering in advance, in a chair, with a clear head.

Rules

- Before the session, visualize hitting your daily loss limit and walking away without a second thought.
- Before every entry, say: "This trade can lose the full planned amount. That money is already spent."
- Size the position as if the stop has already been hit.
- Write the worst realistic outcome of the day in one sentence. Then write your response in one sentence.

The Pre-Trade Protocol

Use this sequence before every order. If any answer is no, stand aside.

- **Control check** — Am I focused on process or on being right?
- **Acceptance check** — Have I already accepted the full planned loss?
- **Process check** — Would I still take this trade if I knew it would lose?
- **Perspective check** — Will this trade matter in five years?

"We suffer more often in imagination than in reality."

SENECA

CHAPTER FOUR

Temperance in Risk

Temperance is restraint. In markets it is the virtue that keeps you in the game long enough for skill to compound.

A trader without hard limits is not courageous. He is exposed. Courage in Stoicism is the willingness to act on a valid plan, not the willingness to bet the account on a feeling.

Non-negotiable rules

- Risk a fixed, small percentage of equity per trade — commonly 0.5% to 1%. Never increase it after a loss.
- Daily loss limit: two to three times your average risk. When it is hit, the platform closes.
- Weekly loss limit: stop until the following week.
- Every trade has a hard stop in the system before entry. The stop may be moved closer to lock profit. It may never be moved farther away.
- No trade below a predefined reward-to-risk minimum.
- Never add to a losing position unless that exact behavior is written into the plan before the session.

These rules exist to protect you from the version of yourself that appears after two losses or one large win. That version is not wiser. It is louder. A trader who cannot survive ten ordinary losses in a row does not have an edge. He has a fuse.

CHAPTER FIVE

Process Integrity

Justice, in Stoic terms, is giving each thing its due. In trading that means giving your own written plan its due — every time, with no exceptions.

A rule you break "just this once" is not a rule. It is a suggestion your emotions are free to ignore. The market does not grade your feelings. It grades your consistency.

Rules

- If the setup is not on your written list, it does not exist.
- Missing a move is not a loss. There will always be another setup.
- After a win, the next trade is sized and selected exactly as if the win never happened.
- After a loss, the next trade is sized and selected exactly as if the loss never happened.
- Do not invent a new setup during the session. Invention belongs to the weekend review.

The standard of a good day

A good day is a day in which the plan was followed. That definition is uncomfortable because it can make a green day a failure and a red day a success. That discomfort is the point. As long as P&L is the moral judge of the session, the mind will bargain with rules.

CHAPTER SIX

Amor Fati and Review

Amor fati means love of fate — not passive resignation, but the decision to use whatever happens. A loss is not an insult. It is information. A win is not proof you are special. It is a temporary outcome of a probabilistic process.

Rules

- Journal every trade with two scores: Process (1–10) and Outcome (win or loss). The first number is the only one that matters for improvement.
- Weekly review asks only: "Where did I abandon process?" Never "Why did the market do this to me?"
- Treat a perfectly executed losing trade as a success and a sloppy winning trade as a failure.
- Do not delete losing trades from screenshots or memory. They are the curriculum.

A simple journal

Four lines are enough if you write them every day:

- What did I control well?
- Where did I chase an outcome?
- What is the one adjustment for tomorrow?
- Process score for the day, 1 to 10.

Over months this practice rewires the nervous system. The equity curve becomes a byproduct instead of the object of obsession. That is equanimity.

CHAPTER SEVEN

Daily Stoic Trading Routines

Philosophy that is not scheduled does not survive the open. The routines below are short on purpose. Length is the enemy of repetition.

Morning — ten minutes

Read one short Stoic passage. Write the two control lists. Visualize the worst realistic day and your calm response to it. If the mind is already agitated before the open, reduce size or stand aside.

Pre-session

Complete the four-point Pre-Trade Protocol. Confirm risk limits. Mark the levels that belong to your plan. Close anything that is not required for execution.

During the session

Execute or stand aside. There is no third option. When emotion rises, return to the breath and the written rule. If you notice an urge to "make it back," the session is already over for the day.

Evening — fifteen minutes

Journal process quality. Note one thing you controlled well and one thing you will control better tomorrow. Close the platform.

Weekly

Review the journal. Adjust rules only in writing, never mid-week. Count process breaches. If there are more than a few, the next week's work is discipline, not a new indicator.

CHAPTER EIGHT

Stoic Responses to Common Failures

Name the pattern. Apply the rule. Do not add a story.

Revenge trading

You are trying to control the past. The past is not up to you. Close the platform. The next valid trade is tomorrow's problem.

FOMO

You are treating a missed move as a loss. It is not. The next valid setup is the only trade that exists.

Moving the stop farther

You have switched from process to hope. Hope is not a strategy. The original stop was the price you accepted when you were sane.

Increasing size after a win

You have begun to believe the outcome was personal. It was not. Size returns to the written number.

Trading when tilted

The session is already over. Tomorrow is a new series of independent events.

Overtrading boredom

Activity is not virtue. Standing aside is often the highest-integrity action available.

Abandoning a plan after two losses

Two losses are a sample, not a verdict. The plan is judged across a series, not across a morning.

Your Personal Stoic Trading Plan

A philosophy without a plan is a mood. Complete the lines below in writing. Print the page. Keep it next to the screen.

Markets and sessions I trade

Exact setups I am allowed to take

Risk per trade

Daily loss limit

Weekly loss limit

Minimum reward-to-risk

Stop-loss rule

Maximum trades per day

Pre-trade protocol I will use

Journal questions I will answer every evening

What I will do when I hit the daily limit

What I will do after a process breach

If a line is blank, you do not yet have a plan for that part of the work. Blank lines are where improvisation will enter under stress.

CHAPTER TEN

The Only Edge That Compounds

Strategies decay. Edges erode. Market regimes change. The trader who remains equanimous — who sizes correctly, follows the plan, accepts the outcome, and reviews honestly — keeps participating.

Over years that simple persistence is the largest edge available. It does not photograph well. It produces a career.

You will not control the market. You can control whether the market controls you.

That is the entire book.

Return to Chapter Two when you notice yourself arguing with price. Return to Chapter Three before the sessions that scare you. Return to Chapter Four when size starts to feel like a personality. The chapters are not information. They are tools.

APPENDIX

Quotes, Checklists, Reading

Key quotes

"You have power over your mind — not outside events. Realize this, and you will find strength."

MARCUS AURELIUS

"Make the best use of what is in your power, and take the rest as it happens."

EPICTETUS

"We suffer more often in imagination than in reality."

SENECA

"If it is not right, do not do it. If it is not true, do not say it."

MARCUS AURELIUS

One-page pre-trade checklist

☐ Control check — process, not outcome

☐ Acceptance check — full loss already accepted

☐ Process check — I would take this trade knowing it can lose

☐ Perspective check — this trade will not matter in five years

☐ Size and stop already in the system

☐ Daily loss limit still intact

☐ Setup is on the written list

Further reading

- Meditations — Marcus Aurelius
- Enchiridion and the Discourses — Epictetus
- Letters from a Stoic — Seneca
- Trading in the Zone — Mark Douglas

End of the first edition.
Trade the plan. Leave the outcome alone.