

## Chapter 1 : Emotion and Psychology in the markets

*Abstract. Historical accounts of financial crises suggest that fear and greed are the common denominators of these disruptive events: periods of unchecked greed eventually lead to excessive leverage and unsustainable asset-price levels, and the inevitable collapse results in unbridled fear, which must subside before any recovery is possible.*

The Doom of Division; The Bloom of Union Posted on by Susan Greetings, after traveling and false starts with guest blog posts, and the whirligig of time. So many people gave me so much; I am a much richer person – rich with stories, and the connections they make. We are all rich with our stories. Every person and culture carries a collection of stories – a unique perspective. Storytelling connects humans and teaches us about our humanness. Sharing my Berkeley and Susan stories and learning Louisiana stories from hundreds of people helped us all make new stories, as we grow our story. I met linguists, playwrights, educators, speech pathologists, psychologists, English professors, parents, students, construction workers, ecologists, a physicist and a kyaker. They all had great stories, but often told them to each other, in the same field, the same department or to people who looked like them. We know growing hundreds of acres of the same plant is not as healthy as different crops together. How can we encourage people to cross the hall or walk to another building or eat in a different part of town, so we can share our stories, our knowledge, our skills, ourselves with others, and grow? Recently, I read many research articles from cognitive scientists and linguists, about the physicality of spoken language. Within a week, a kindergarten teacher was telling me about how using movement in her class helped many students learn better. If the cognitive scientists walked down the hill and gave a short lecture to teachers at a workshop, their research stories could show how movement helps all learners, even the ones who sit still, because of the way our brain is wired. Two days ago, I met a cognitive scientist who runs a research lab where a physical language, American Sign Language, is used to study how it affects the brain and learning. His subject is in a closet never opened by the cognitive scientists studying spoken language. I could describe many other examples, but you all probably have many in your heads, already. We need bridge builders, and many bridges. Bridge building takes bravery. People get comfortable on their islands or with their familiar closets. They, sometimes, see bridge builders as invaders. Louisiana stories were not all good. The unspoken one as a result of history, between people of light skin and those with darker skin, unnerved me more than once. I attempted many times to bridge a wide gap, and received strong messages to stay away. I noticed how a light skinned man went through a crowd of darker persons to reach me of lighter skin, to ask me a question about a bus. Most likely, those he past had the answer as they lived in the area. By approaching someone he perceived as more like him who was from out of town, he lost. Ironically, my trip was for bridge building. People loved the film. I only received positive comments. Ildefonso, the man, once without any word or sign, born profoundly deaf, and of dark skin, would not have been visited or approached by many who saw the film. However, they loved him and many were moved to tears. Thank you, Zack, you brave bridge builder. Your film unites a chasm, deep and broad, which few have crossed. Last week, you united hundreds of viewers in Louisiana to a once languageless Mayan, and I heard from many of them that they felt more human.

### Chapter 2 : "How Lawyers' Intuitions Prolong Litigation" by Andrew J. Wistrich and Jeffrey J. Rachlinski

*the extremes of fear and greed. I conclude in Section with some thoughts on the potential role that the cognitive neurosciences can play in financial economics.*

Use personally relevant threats not too small, nor too big. Personally Relevant Threats Of course, fear is contextual. In addition, vulnerable respondents had more positive thoughts about the action recommendation, regardless of argument quality and response costs. For example, smokers are aware of the dangers of smoking but generally make excuses, because of cognitive dissonance, that lower their own perceived risk. Otherwise, the fear appeal, instead of driving action, drives paralysis. If your message is sufficiently scary and seems easy enough to avoid, then you simply need to give your viewers a call to action, or a way to assuage the fear usually with your product or solution. Provide a Call to Action Assuage The Fear The less friction users have on the path to assuaging their fears, the more likely they are to commit the desired action. So make it clear and easy to take action. Also, be sure to tell them how effective your solution is when they hit the button! It could simply be making visitors aware of the negative consequences of missing out scarcity and providing a way for them to avoid those consequences buy now, or ship before Christmas: At the other side of fear, traditionally is greed or some would call it hope. Greed is Good? Greed is the second emotion included in old Wall Street quotes and advice. Perhaps it is even more famous, mainly because of the iconic Gordon Gekko speech.. Link Greed also has its history in financial market psychology. Wikipedia gives the impact on financial bubbles as an example: Investors becomes greedy, creating further greed, resulting in securities being heavily overpriced, which eventually created a bubble. The Power of Free Much of the emotional power of greed comes from a form of hope, where the expected reward far exceeds the expected time and cost to be invested. In the real world, this manifests itself in many ways, such as gambling, get-rich-quick schemes, and other forms of selling. There are case studies that support both sides. Free trials and freemium products have proven to be effective acquisition tactics. The key is to figure out when and how to execute.

## Chapter 3 : List of cognitive biases - Wikipedia

*A mathematician plays the stock market Jealousy, and Market Sell-Offs -- Fear, Greed, and Cognitive Illusions -- Averaging Down or Catching a Falling Knife.*

He mapped strategies for physicians, international negotiators and accelerated learners. In after years of observing the decision-making strategies of successful traders such as Richard Dennis , Pete Steidlmayer , Jim Rogers , Paul Tudor Jones and Tom Baldwin , Faulkner decided to become a trader, himself. Schwager included his profile in *The New Market Wizards*: He, along with other NLP trainers, has modeled successful strategies for overcoming challenges in a wide range of industries including rehabilitation, finance, medicine, sports, and bereavement, as well as others. Career[ edit ] Faulkner studied NLP with its co-founders. He taught this model together with NLP, to a group of teachers in Japan that same year. The result of this work was the founding of *Learning How to Learn*. By adopting new metaphors, an individual can create new pathways to transformation. Hence, conscious desires with functional qualities have parallel metaphors that sustain them. Modeler[ edit ] In the s, Faulkner honed his expertise as a modeler. He completed *Perpetual Cybernetics*, which differentiated the seven "worlds of subjective experience" that NLP uses as a basis for its presuppositions and techniques. In , together with golf pro Mark Staples, he co-founded *E. C Golf* by modeling the internal and external behavior patterns of outstanding golfers. This work subsequently spawned several more models, including: *The New Technology of Achievement*. He encouraged fellow traders who were breaking into the industry to use positive statements when journaling. Otherwise, a trader may wind up unconsciously setting in negative trading patterns. He said in a *Futures* magazine article, "When you recall something, you reinforce it. In time, the trader will notice certain patterns of how, when and where he receives intuitions. Moreover, a trader can see what happens when he follows an intuition, andâ€”interestingly enoughâ€”what happens when he purposely makes a decision that goes counter to his intuition. The counterintuitive strategy of trend followers is highlighted by seven general principles: No one can predict the future 2. If you can look at "what actually is," you have a big advantage over most human beings 3. What matters can be measured, so keep refining your measurements 4. Prices can only move up, down or sideways 6. Losses are a part of life 7. There is only now Faulkner illustrates each principle by referring to the strategic mindsets of top traders such as John W. Specifically, successful traders know how to: If game sounds too flippant, then you have to meet their values. Have to meet their standards of evidence. Paul Tosey and Dr. Jane Mathison, [29] the latter of whom was one of the first people ever to earn a PhD in neurolinguistic programming. The session was entitled *Metapatterns: Worlds Within A Word: The Metaphors of Movement. The Mythic Wheel of Life: Finding Your Place in the World. An Inside View of Your Mind. The Essence of Intuition.*

### Chapter 4 : The Doom of Division; The Bloom of Union | Susan Schaller, et al.

*Fear of Magic Phobia - Rhabdophobia* Published by Jacob Olesen *Rhabdophobia is the fear of rods or being beaten by rods but in this article we are going to talk about Rhabdophobia as the 'fear of wands or the fear of magick'.*

For Email Marketing you can trust Privacy ensured, unsubscribe anytime. See the Testimonials - the things that people say about the Toolbox and more. The toolbox is an arsenal of weapons to help you tackle the share market. See a list of contents on the Toolbox Gateway page. The Share Market - more information about the market and investing and trading. And whatever you do, beware of the sharks in the ocean! Introduction People participate in the financial markets for a variety of reasons. Some do it only for the profit, and some because they enjoy it. They have an opinion about the value of the shares. Prices of financial instruments such as shares, commodities, currencies, etc. If only the market participants and retail investors in particular could understand more about these underlying emotions, it would help to make more sense of the market movements. And if the investors can be more in control of their own emotions, then their investment decisions can be made more calmly, with a cool head, without undue influence, and with a greater chance of success. A simple test for you Just by way of one small example, how observant do you think you are? Watch the video and follow the instructions. The mind can easily play tricks on us, and sometimes, what we see is not what we think we see. Some people refer to them as cognitive distortions. Here are just some of the more common ones: Recency bias - The tendency for investors and traders to place more importance on more recent trades and to place less importance on less recent trades. This can lull us into a false sense of security, and overconfidence in our ability. It impacts on many aspects of our lives. Anchoring bias - The tendency to "anchor" rely too heavily on one piece of information when making a decision. Confirmation bias - The tendency to look for information that confirms our existing preconceptions, making it more likely to ignore or reject information that is not in line with our beliefs. Familiarity bias - This is based on the idea that people feel more comfortable with something which is familiar, rather than something which is not. This can refer to investing in some particular companies in preference to others, or in one sector in preference to other sectors. The easiest person to fool is yourself! Without realising it, the average investor can easily fall for any number of these biases. There are many different cognitive biases, emotional biases and behavioural biases. And depending on which reference material you read, there can be an overlap in these categories, and some biases might fit into two categories. Nevertheless, what is important to the average investor is that they are aware of these biases, and understand something about them so as to be able to avoid falling victim to them. If only we had have stayed cool-headed, and not got carried away. Emotion - Fear Many investors have experienced that feeling of fear in our investing. Emotion - Hope Hope is the third emotion that is worth mentioning. Hope causes investors to look at possible outcomes from the top down and ask: People participate in the stock markets of the world for a variety of reasons. For some explanatory comment about this chart and the horizontal lines drawn on the chart, see the Technical Analysis page Prices of financial instruments such as shares, commodities, currencies, etc. If only the market participants could understand more about these underlying emotions, it would help to make more sense of the market movements. And if the market participants can be more in control of their own emotions, then their investment decisions can be made more calmly, with a cool head, without undue influence, and with a greater chance of success. To understand more about how to read the emotions in the charts, and how to more accurately anticipate future price movements, see the details on Technical Analysis More information As you read more on this subject, you will probably come across a number of similar or related terms including: For more information on this topic, see the details above right. The information presented herein represents the opinions of the web page content owner, and are not recommendations or endorsements of any product, method, strategy, etc. For financial advice, a professional and licensed financial advisor should be engaged.

### Chapter 5 : Fear and Greed: What Drives Human Behavior?

*fear, greed (or, its close complement, pleasure), risk preferences, rationality, and the various combinations of these elements. In Section 3, I describe fear learning and the amygdala.*

### Chapter 6 : Fear, Greed, and Financial Crises: A Cognitive - Lapidarium notes

*Rhabdophobia, or the fear of magic, is a highly personalized phobia that means different things to different people. Some people are afraid only of magick, the purportedly real version in which spellcasters make things happen according to their will.*

### Chapter 7 : Charles Faulkner (author) - Wikipedia

*Fear and greed are two of the three great forces in the world, according to Einstein (the third is stupidity). They're also two triggers that direct marketers and copywriters have been well aware of for years. That's because they are powerful emotions that, when used properly, drive people to.*

### Chapter 8 : Sensual Illusion, Fear, and Optical illusions | Computers for The Rest of You

*Psychology is also the basis for a wide variety of human errors that stem from perceptual illusions, overconfidence, overreliance on rules of thumb, and emotions.*