

## The Human Complex

[Before reading this paper, please read the research note, *The Observing Ego*. That paper is a good introduction to this research note. There's a link to it at the end of this paper.]

*This research note discusses the Human Complex. I'll focus on the work of [Carl Jung](#) and his ideas about the Complex. By studying this aspect of the psyche, you will recognize your own Complexes and act on them before making mistakes that can lead to large losses and mental drain.*

I want to make this note as simple as possible. The idea is to leave out hard to understand terms, and relate Jung's work and my experiences without difficulty to you, the reader. The easiest way to do that is to write from personal experience. If you'd rather read the technical aspects of the complex and skip the personal narrative, there are links and references at the end of this note.

The first and most important aspect of understanding your complex is having the ability to identify it. That's why I recommended reading the research note, *The Observing Ego*, before reading this note. You must be able to identify what is going on inside your head/body, or this exercise is fruitless. If you find identifying your behaviors difficult, perhaps you can start by identifying someone else's behavior first? Judging someone else is a part of human nature.

In fact, I just read the following on my new-most-favorite web site, [www.doctorhousingbubble.com](http://www.doctorhousingbubble.com) (really). I believe that something he wrote, in his most recent article, is pertinent to this discussion:

“...when we observe ‘others’ we like to attribute their problems to personality traits or factors in their control. Yet when we are asked to talk about our own situation, we tend to include environmental and also social influences in how we observe ourselves.”

The important words being, ‘*factors in their control*’. We don't realize when we look at our own issue that we have complete power to change the outcome. Sure, we naturally expect our significant other to change. Or, our boss or employee. The salesperson, support staff, the other driver on the road, and-on-and-on. However, can we look inside, identify, analyze, and change our own behavior? Sure we can. It simply takes practice. Daily.

One way to identify your Complex is to pick a frustrating situation in your trading-day. For example, when you feel like you are not in control while you're trading. Like there's forces in the market manipulating the price and volume. If you do this on a daily basis, or several times a week, then you're operating from your *Complex*.

I'm not speaking of the trader who identifies patterns in the market and takes advantage of them by trading them or by simply stopping trading because they don't understand what's going on. I'm speaking to the angry trader who believes there are forces beyond his or her control that have changed the market so ‘*I can't possibly make money*’. I'm

speaking to the trader that rants and raves. I'm sure I just hit a nerve with many of you reading this note. Please don't take it personally because...

Are you mad right now? If you are, you're in your *Complex*! Here's a way for you to learn and change your behavior. Ask yourself, *why am I mad?* Is it because you are a ranter/raver? Or maybe you are judging me right now, saying to yourself "*I've heard Jim go-off before, he's just as guilty!*" That would be your complex too. This is tough stuff. Hang in there with me.

If you had an emotional reaction to what I wrote above, you are in your Complex. Again, ask yourself why you are mad. Ask yourself why it didn't just roll-off-your-back? Don't stop asking yourself until you can make the answer about you, not the world as you perceive it.

Let's try another example. Perhaps you are a trader on a streak. Pick one, winner or loser. It doesn't matter because if you're on a winning streak you're thinking it won't last and if you're on a losing streak, you're thinking you won't come out of it. However, for this example we need to pick one. Let's take the losing streak.

The mental conversation going on in your head would look like this: "*No matter what I do, it's wrong. I've tried this, then I tried that, then I tried the other thing. I've read, gone to seminars, and tried standing on my head! Nothing works. If I get out of the trade it goes my way, if I stay in it, it's a loser.*"

That entire conversation took place within your Complex. You've painted yourself into a corner and see no possible way out. Therefore, you'll keep trading the same way you always have-been, because nothing works. The problem being, the way you've been trading doesn't work either. It's a self-fulfilling prophecy. ((I can hear the thoughts firing off in your head right now! "*Yea but... (fill in the blank)*". Guess what? You're in your Complex.))

Frustrating, isn't it? Believe me I know, I've worked through many of my own Complexes and they're still popping up. But, it's worth figuring it out.

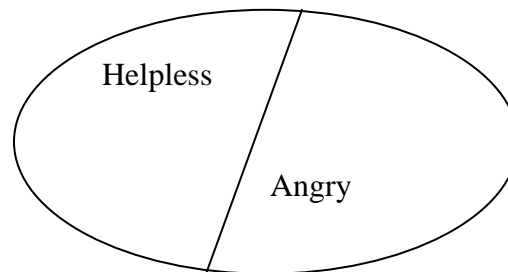
At this point in the research note we need to take this concept a step further. **This is where it begins to get quite fascinating.** Let's stick with the losing streak idea, from above. You want to change your losing streak so you talk to your trading buddy about the problem. Your trading buddy 'talks you off the ledge'. After the conversation you feel different. You feel angry at yourself. Perhaps some rage. You realize the error of your way and are now quite convinced that you've been acting like an idiot. Guess what? That's the other side of your Complex.

Newton said, "For every action, there is an equal and opposite reaction". This holds true for the human Complex. There are 2-sides to the Complex. They are mirror images of each other. The person who overeats and then crash diets is acting from a Complex.

They're acting on behaviors that are opposite. The same can be said for the many other human behaviors that are bad for us physically and mentally.

Let's go back to the example I used above about the trader on a streak. I'll name the behaviors of that Complex. It will make it easier to identify the behaviors. We'll call the part that can't make money *the helpless part*. We'll call its opposite part *the angry part*.

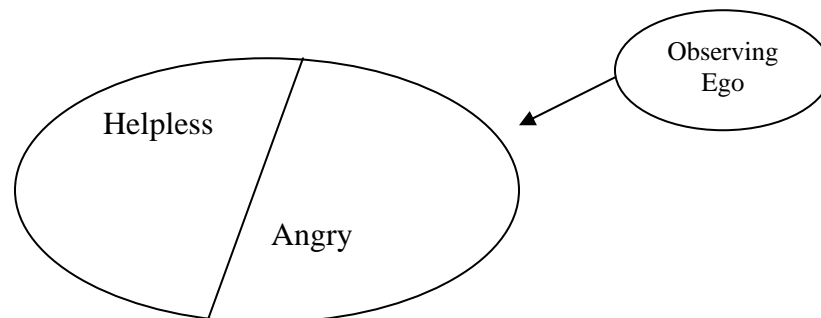
The following is a diagram of the trader's Complex.



The angry part is simply the mirror image of the helpless part. Once you have moved into the angry part you'll take on the roll of bullying yourself through the markets and 'take no prisoners' along the way. That doesn't work. Eventually you'll lose money, while you try and bully the market, then, you'll flip back into the helpless trader stating, "See, I told you nothing worked".

**You operate from your Complex 99% of the time.** The problem is it's not working and you need a new strategy. I want to provide you with the tools to come up with a new strategy. First-things-first: you need to identify the Complex. The only way you'll be able to do that is to 'step out of the Complex' and observe it. To achieve that we'll use the tool *The Observing Ego*. (Again, that's why you need to read the research note, *The Observing Ego*.)

This is how it looks in a picture



Once you step outside your Complex, you're able to make a change. By changing the behaviors within your Complex you'll immediately see a result in your PnL because you've 'stopped the bleeding'. The next step is to work on catching yourself and stepping into your observing ego, when one of the old behaviors manifest.

You simply need to identify your negative trading behavior, then, match it with its opposite and you've identified your Complex. Below is a list of feelings we often encounter during the trading day. Find the feeling you most identify with, then, it's opposite.

<b>FEAR:</b>	<b>SAD:</b>	<b>HAPPY:</b>	<b>CONFIDENCE:</b>
tense	dejected	cheerful	assured
anxious	depressed	delighted	sure
afraid	sorrowful	glad	certain
nervous	dismal	pleased	positive
worried	blue	elated	safe
scared	down	thrilled	stable
insecure	gloomy	humor	balanced
	glum		grounded
<b>GUILT:</b>	low	<b>LOW SELF- WORTH:</b>	brave
ashamed		rejected	proud
judged	<b>LONELY:</b>	worthless	<b>UPLIFTING:</b>
damned	empty	useless	height
convicted	abandoned	unimportant	towering
condemned	void	ignored	overhead
undeserving	hollow	left out	elevated
sentenced	nothing	humiliated	lofty
disgrace	alone	pathetic	magnificent
villain	sunken	shy	surpassing
remorse	desolate	timid	sublime
contempt	bleak		glorious
	withdrawn		grand
	detached		transcendent
	distant		

Perhaps you can't find the feeling that fits, above. It may not be there. I encourage you to find that feeling by researching it, on the Internet. Then, find the feeling's opposite.

## Conclusion

If you can identify a behavior that is self-sabotaging, observe that behavior and its antithesis, you'll be one step closer to success as a trader. I can't say enough about this tool. It's helped me personally and professionally in numerous ways. My hope is that you'll find it useful also.

Thank you,  
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## Further Reading

1. One Map for Mystery, by Brenda Donahue (Charles C. Thomas Publishers, LTD)
2. The Portable Jung, Edited by Joseph Campbell
3. The Ego and the Id, by Sigmund Freud
4. Lists of Human Emotions

- a. <http://www.buzzle.com/articles/list-of-human-emotions.html>
- b. <http://answers.google.com/answers/threadview?id=283841>
5. Academic web sites for Carl Jung
  - a. <http://facultyfp.salisbury.edu/iewhite/Carl%20Jung.htm>
  - b. <http://webspace.ship.edu/cgboer/jung.html>
  - c. <http://www.muskingum.edu/~psych/psycweb/history/jung.htm>
6. *The Observing Ego*
  - a. <http://www.jamesgoulding.com/researchnotes.htm#May>

The book by Brenda Donahue, above, explains Jung's work in lay terms. I can't recommend it enough. If I had to pick one book from the list I'd pick hers.

List of feelings that I used in this paper come from

<http://www.buddhamind.info/leftside/actives/drama/key-word.htm>

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