Behavioural Traps

Money

The mistakes investors make repeatedly, and the defences against them.

Well-documented behavioural patterns.

Trap	What happens
Loss aversion	Losses hurt about twice as much as gains please
Recency bias	Recent performance is over-extrapolated
Herding	Buying because others are
Overconfidence	Believing you can time or pick
Anchoring	Fixating on the price you paid
Action bias	Doing something because waiting feels passive

The defence is a written plan made calmly, followed mechanically. It exists to be obeyed when you least want to.