

## Understanding Emotions!

As any normal human being, I will feel emotions. Because of emotions, sometime I become irrational in my decision. This is especially bad for investment decisions as there is a high chance of making wrong decision when I am in an emotional state of mind. Making wrong decision in investment means losing money that does not appeal to me.

For example, when I see other people selling off their investment in a particular stock, I may become fearful and follow them by selling off my investment in that stock as well. Even though the trading system does not indicate that I should be selling off my investment, I will simply sell. I am not longer acting like an individual. Instead my decision is based on the herd instinct.

Since emotions may cause bad investment decision, I realized that it is important to master my emotions to a certain extent as the foundation for investment. I guess that is why the Rich Dad's Series by Robert Kiyosaki highlighted that emotional intelligence is essential for financial intelligence. After realizing the possible negative impact of emotions on investments, I decide to explore if there is a way to get around the issue. To do that, the first thing that I need to understand is what are emotions.

Based on my understanding, emotions are the produced by my mind as a natural reaction to the external events. For example, I am waiting for a bus at a bus stop. But the bus is delayed and thus I will be late. Anger may arise in me as a reaction to the delay in the bus.

The second thing about emotions is that they are not always present in my mind. They come and go like visitors in my mind. For example, I am waiting for a bus at a bus stop. The bus is not delayed. No anger will arise in me.

But if the bus is delayed and thus I will be late, then anger may arise in me as a reaction to the delay in the bus. But after the incident, my anger will be gone. In other words, anger is come and goes like a visitor in my mind.

The third thing about emotions is that they cannot be removed permanently. For example, if fear has not arise in me for a long time that does not mean that I have successful removed fear. It simply means that I have not encountered a situation that can cause fear in me.

The next thing about emotions is that the more I entertain them, the worst they become. For example, if I am feeling fearful and I focus on my fear, my fear will be magnified. This is because when I focus on my fear, I will think about my fear. When I think about my fear, I will create more thoughts about my fear and thus magnifying my fear.

To manage my fear when it arises, I should focus on other things that are not related to my fear. In this way, my fear will subside naturally since I do not entertainment my fear.

Also, emotions can be very fast and furious. For example, I can fly into a rage quickly and before I know it, I have hurt someone in a fit of anger. An untrained mind will not be aware of the emotions instantly. It takes a while before I realize that I am angry.

Awareness is the ability of knowing as it is happening. For example, if I close my eyes and raise my right hand, I know that I am raising my right hand. That is awareness of raising my right hand. Awareness can be trained by practicing meditations. A trained mind with strong awareness will be able to know an emotion has arisen. That means I can choose whether to entertain my visitor, the emotion. I can choose to ignore my emotion and focus on other things. Alternatively, I can let the visitor takes over my house that is my mind. When emotion takes over my mind completely, I will become irrational.

For example, if I can detect that anger has arise in my mind, then I can choose whether to let anger take over my mind. If I let anger takes over my mind, then I will fly into a rage.

Based on the above findings, I find that the only way to get around it is not to make any decisions when I am emotional. I will wait until my emotion has cool down or gone before I make any decision.

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