DTR TRADER RESEARCH LIBRARY

The DTR Revenge Trade Reset

Interrupt the revenge state before it converts a loss into account damage.

PURPOSE	FORMAT	USE
Traders who feel the urge to make it back immediately after a loss.	Research note, protocol, and field worksheet.	Print before the session. Mark up after execution.

Why revenge trades feel logical

The revenge state usually comes with a convincing story: the market is moving, the setup is still there, the loss was unfair, or you only need one trade back.

The problem is not that every recovery trade loses. The problem is that the decision is being made by relief-seeking, not process.

The reset sequence

Say what you want honestly: I want to make it back, prove I was right, avoid ending red, or catch the move I missed.

Remove the platform for five minutes. Do not stare at the chart while pretending to calm down.

Rebuild the trade from zero: setup, confirmation, invalidation, risk, and whether you would take it if already green.

The only two allowed outcomes

Valid setup, calm risk, defined invalidation.

No trade.

Anything else is account damage disguised as urgency.

Worked example

A trader loses $240 and wants to short immediately. After the reset, they realize the short only exists because they are red.

No trade becomes the profitable decision because it prevents the second and third emotional losses.

Operating note

A brief only matters if it changes the next decision under pressure.

Keep this document close enough to use before the trade, not after the damage is already visible in the account.

The standard is simple: fewer explanations, cleaner rules, and written evidence that your behavior is becoming more repeatable.

Field Notes

Right now I want to:

The story I am telling myself is:

If I was green, this trade would be:

The real setup is or is not present because:

My decision is:

References behind this framework

- **Day trading survival math.** Barber, Lee, Liu, Odean, and Zhang find that aggregate day-trader performance is negative and estimate that 97% of day traders are likely to lose money in the future.
  Learning Fast or Slow? SSRN
- **Loss aversion under pressure.** Prospect theory explains why losses often change behavior more than equivalent gains. That is the psychological root of revenge trading, stop-moving, and payout fear.
  Kahneman and Tversky, Prospect Theory
- **Trader self-coaching.** Brett Steenbarger's work frames trading performance as a process of structured self-observation, concrete goals, and daily behavioral change.
  Wiley, The Daily Trading Coach
- **Mental-game execution.** Jared Tendler's trading psychology work treats tilt, fear, revenge, and confidence as repeatable performance leaks that need correction systems, not motivation.
  Jared Tendler, The Mental Game of Trading
- **Prop-firm benchmark reality.** Public prop-firm estimates vary widely. Some industry roundups cite 5-10% pass rates and about 7% receiving payouts; harsher payout-rate estimates are far lower. The honest move is to cite the benchmark used.
  QuantVPS prop firm statistics
- **DTF internal launch-to-date snapshot.** Production data checked May 17, 2026: DTF's launch-to-date approved-or-better payout account rate benchmarks roughly 3x above the low-end public prop-firm payout estimate. The useful proof is the rate, not raw volume.
  DTF production data snapshot