Thinking (and Trading) Like a Machine

By Andrew Falde

The Hidden Discipline Behind Consistent Trading Performance

Most traders already have an edge. They've refined their ideas over years of screen time, pattern recognition, and market experience. But the difference between a trader who performs inconsisntly and one who can perform consistently (and scale) comes down to how clearly they can define what they see.

Top professionals don't just recognize opportunity; they define it so specifically that it can be repeated, tracked, and even automated.

That's what I mean by **"trading like a machine."**

It's not about removing intuition. It's about taking the logic you already use (the reasoning behind your decisions) and expressing it in a form that's objective, measurable, and transferable.

If you've ever said something like "I like to buy near support and sell near resistance," that's already a valid and time-tested framework. The challenge isn't the concept. It's the lack of definition.

Machines (or humans following rules) can't execute "support." They need to know what *exactly* that means in numbers, timeframes, and conditions.

So instead of "buy near support," you might define it as:

Condition: Price within 1% of the 10-bar low

Trigger: High greater than previous high

Action: Enter long or open a bullish spread

Same idea — but with clarity.

When your logic is written this way, you can analyze performance across hundreds of examples, or hand it off to a bot and have it executed flawlessly.

That's the advantage of thinking and trading like a machine:

You're not changing your ideas. You're removing the gray area that prevents them from being fully utilized.

From Words to Rules

When you start writing out your trading ideas in clear logic, you'll see an immediate benefit.

Even if you never automate a single trade, you'll notice that this process exposes gaps and assumptions that were invisible before. It forces every good idea to prove itself.

For example, two traders might want to trade a stock that is "near support." One is using the lowest low of the past 10 days; the other is measuring a 50% retracement of the last swing. Both are valid, but they're different strategies with different outcomes.

This isn't about changing *how* you trade — it's about defining *what you mean* so you can measure and improve it.

Once you get in the habit of turning phrases like "oversold," "trending," or "range-bound" into logic statements ("if, then, else), you begin to see markets the way top quantitative and systematic traders do — as a set of conditions, triggers, and actions that can be observed, tested, and executed without bias or confusion.

And when your ideas are that clear, automation becomes optional — not required. You can trade with discretion or let the system run it for you, knowing that either can follow the same logic.

The Logic Framework

Every professional trading process — from individual systems to large hedge fund models — can be reduced to a simple framework:

Condition → Trigger → Action → Else

That's the foundation of trading like a machine.

It's not tech jargon. It's how you make complex decisions *explicitly clear.*

Here's what each part means:

Condition — What must be true before you act.

This defines the environment. It filters out everything that doesn't fit your setup.

Example:

Price within 1% of the 10-bar low

or

Volatility below 40th percentile

If the condition isn't met, nothing else happens.

Trigger — What causes you to take action.

This is the moment of confirmation — what tells you the trade is ready.

Example:

High breaks prior day's high

or

RSI rises above 50

It's the *if/then* point — the line between opportunity and action.

Action — What to do when the trigger occurs.

This turns your logic into behavior.

Example:

Enter long debit spread >=45 DTE with .55 Delta long and .15 Delta short

or

Buy shares with 1.5 ATR stop and 3 ATR limit, with trailing technical exit

Every action should include enough detail to be executed by you, an assistant, or a bot without interpretation. (More than given here.)

Else — What to do when the trigger doesn't occur.

Most traders skip this step — and that's where inconsistency sneaks in.

Example:

Stay flat and recheck tomorrow

or

Check next asset with the same condition

Defining the "Else" prevents gray areas. It ensures you know what happens *if not.*

Why This Works

When your logic fits this framework, you gain three key advantages:

1. **Testability.** You can backtest and forward test performance and understand edge, not just intuition.
2. **Delegation.** Anyone — or anything — can follow your instructions precisely.
3. **Scalability.** You can manage multiple systems simultaneously, each running by its own clear rules.

The best traders don't rely on perfect timing or emotion control.

They rely on structure — and the structure starts here.

Exercise: Write a Logic Statement

Take one of your go-to setups and express it as:

IF (Condition) AND (Trigger), THEN (Action), ELSE (Alternative / Wait).

For example:

IF low ≤ 10-bar low AND high > prior high

THEN buy debit spread

ELSE stay flat until condition repeats

When you write your logic this way, you're no longer just describing trades — you're building a system that can be improved, optimized, or even automated later.

This is the mindset shift that top traders use to scale their edge — from ideas that live in their head to processes that can run continuously.

From Logic to Leverage

Once your trading logic is defined clearly, you can decide how much of it to automate.

Automation isn't a single switch — it's a spectrum.

The goal isn't to remove your control — it's to remove the tedious and time consuming tasks that stop most traders to consistently executing an edge they have.

Here are three simple ways to apply the framework:

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1. Conditional Orders — Basic Execution Automation

The simplest way to automate is with conditional or contingent orders in your broker platform.

If your **Condition** and **Trigger** are objective — for example,

"If price crosses above yesterday's high and Volume > 20 Day Average Volume, then submit order to buy this call spread,"

— you can pre-set that order once, and let the system handle execution when conditions are met.

This removes the need to watch every tick while still keeping you fully in control of your logic.

But this is a one-time automation.

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2. Alerts — Manual Execution, Automated Awareness

If you prefer to make the final decision manually, use alerts as an intermediate step.

Define your **Condition** and **Trigger** in the alert itself, so you're only notified when both are true.

Instead of "notify me if SPY moves," you'd say:

"Alert when XYZ closes above the 10-day high *and* volatility drops below 25%."

This makes your alerts meaningful, not noisy — and reinforces disciplined, rules-based execution.

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3. Automated Systems — Repeating Continuously

Once you trust your logic and data, you can let systems or “bots” execute it for you. Over and over again.

The same framework applies — only the “Action” step is automated *each* the condition is met in the future.

The benefit isn’t just saving time; it’s more than that.

A well-defined bot doesn’t forget, hesitate, or get distracted — it simply follows your structure.

This is the natural evolution of clear logic:

- You design the reasoning once.
- The system handles the repetition.

It’s how modern traders manage multiple symbols, strategies, and timeframes simultaneously — without diluting their process.

When you think like a machine, your trading becomes scalable.

Whether you implement manually or through automation, every decision comes from the same source: defined logic.

That’s what takes you from working harder to working smarter

Clarity Creates Equanimity

When your trading logic is defined, the market stops feeling personal.

You’re no longer trading to be *right* — you’re trading to follow a process.

The constant self-inflicted stress of judging every trade as a success or failure disappears, because each outcome is simply the result of conditions playing out.

That state is called **equanimity** — mental steadiness, even when the market isn’t steady.

It’s not detachment from results; it’s objectivity in the face of them.

You know your logic.

You know the parameters.

You allow the system — not emotion — to decide what happens next.

This mindset dramatically reduces **decision fatigue.**

You're no longer re-evaluating every signal or re-arguing with yourself about entries and exits.

You define the logic once, test it, trust it, and then let it run.

Each trade becomes feedback, not judgment.

Each result adds to data, not doubt.

That's equanimity in action — confidence through structure, calm through clarity.

Thinking like a machine isn't about removing humanity from trading.

It's about reclaiming objectivity — freeing your focus to improve the logic, not wrestle with it.

When you reach that point, you're no longer chasing certainty in every outcome.

You're executing a system with discipline and composure — and that's where consistency truly begins.