



EQUANIMITY— The Perfect Balance

Ray Dalio founded Bridgewater Associates in 1975 and has had a series of ups and downs running the world's largest hedge fund – these ups and downs include a near collapse of the business in 1982 when he mistakenly bet on the next financial downturn – a moment he describes as “painfully humbling”.

In a recent interview, he was asked as to how he has coped up with all the pressure of wall street. He answers through building and practising equanimity (via meditation). *“It works because it brings you into your subconscious mind and it gives one an equanimity. In other words, a centered-ness, a calm centered-ness in the middle of a storm”.*

Practising equanimity also provides an opportunity for creative thinking which is vital for personal development.

So, what exactly is Equanimity?

Equanimity is a state of psychological stability and composure which is undisturbed by experience of or exposure to emotions, pain, or other phenomena that may cause others to lose the balance of their mind.

It is a higher state of happiness that is steady and long lasting. It is not based on the dualities of pleasure or pain, happy or sad, rich or poor. Rather than the ups and downs that come from a state of happiness based on desires, equanimity is a state of non-attachment based on acceptance of what is happening in the present moment — “good” or “bad,” “pleasure” or “pain” are all concepts created in our minds. With equanimity, all is good.

So how does anyone go about understanding and practising Equanimity. Let's see if we can get a better understanding of how to attain this state of balance / equilibrium from our ancient scriptures.

Samatva (समत्व)

Samatva occupies a high place in the Bhagavad Gita. Krishna in the context of metaphysical knowledge refers to it when he tells Arjuna that all feelings are transitory and fleeting, therefore ignore them for they have to be endured and that the wise are not tormented by these feelings. He once again refers to in the context of svadharma when Arjuna is told not to waiver in the performance of his duty, and to treat alike victory and defeat, gain and loss, pleasure and pain. For then, he will not incur sin.



योगस्थः कुरु कर्माणि सङ्गं त्यक्त्वा धनञ्जय ।
सिद्ध्यसिद्ध्योः समो भूत्वा समत्वं योग उच्यते ॥

"Perform your duty equipoised, O Arjuna, abandoning all attachment to success or failure. Such equanimity is called yog." – Bhagavad Gita (II.48).

This sloka delineates the process of practicing Karma yoga which is a part of human nature and promotes tranquility. Humans reach the ultimate state of unshakable stability through the constant practice of indifference to success and failure of actions. Action with selfish motive does not result in even-mindedness.

Thus, Samatva is the equanimity of work without caring for the rewards through the sameness of mind.

Upekkha (उपेक्खा)

Upekkha is the Buddhist concept of equanimity. Upekkha means non-attachment, even-mindedness or letting go. Upekkha does not mean indifference. It is the fourth element of true love and has its seed in the wisdom of equality that removes all boundaries, discrimination and prejudices while leading to the sublime unity where there is no self and no other. It grows out of mindfulness, then one becomes master of every situation no matter what the

situation is. Without it one cannot take anything in one's stride; its significance is that one really lives unconditionally. Equanimity of Upekkha carries the ability to take a larger view and to look over the whole situation not bound by one side or the other.

Thus, Upekkha is evenness of mind through unconditionality, the freedom of mind or a state of inner equipoise.

Samadhana (समाधानम्)

Samadhana, which develops mental concentration, is one of the six virtues that a seeker after truth is expected to develop and cultivate the attitude of detachment from all selfish ends; it develops the ability to hold the mind on a single point. This is achieved by the combination of the other five virtues – sama, dama, uparati, titiksha and sraddha.

Shankara defines it as a state of poise and tranquility that the mind gains when it is trained to revel continuously in the concept of a perfect ideal, at once universal and omnipotent.

सम्यगास्थापनं बुद्धेः शुद्धे ब्रह्मणि सर्वदा ।
तत्समाधानमित्युक्तं न तु चित्तस्य लालनम् ॥

"the perfect establishment of the buddhi always in the pure (nirguna) Brahman (free from all limitations) is said to be

samadhana, not the indulgence of the mind (not giving free rein to the mind to stray at will)" - Vivekachudamani (Sloka 27),

Thus, Samadhana is the single focus or pointedness of the mind.

Prakriti (प्रकृति)

Prakriti is "Nature". It is according to Hinduism, the basic nature of intelligence by which the Universe exists and functions. It is described in Bhagavad Gita as the "primal motive force".

Prakriti is the source of the five great elements-earth, water, fire, air, and ether (known as Panchamahabhutas). These five great elements comprise all material objects and the bodies of plants, trees, insects, animals, and human beings.

In the Yoga Sutras, *Prakritilaya* means those who are completely submerged with nature also achieve the same state of equanimity.

Thus, living with Prakriti or following the laws of nature is also living with equanimity.

Equanimity – A Traders Perspective

Let's begin with a simple question – Who is a Trader? While everyone of us will talk about someone who buys and sells financial instruments / other goods and services, is a trader. Absolutely correct, but this is the action reaction definition of a trader (the doer element of trading), it is not a complete perspective on a trader. From an inner self-perspective, ***being a Trader is ultimately an act of competing against yourself. It's about self-improvement; about being better than you were the day before.***

To become a trader is to study the self. To study the self is to forget the self. To fully understand this, have a look at the following statements:

1. The best traders are perpetual students of the markets
2. The first and best victory, for good traders, is not the money; it is to conquer the self
3. The source of our problems, as traders, is the very thing that is our greatest asset: Our minds! Taking a trade too soon; taking it too late; not taking a trade at all; not putting a stop in; moving our stop beyond our

comfort zone; not taking profits, or taking too little of it, all these trading errors result from our thoughts.

4. It is neither your analytical skills nor your chart reading skills that will make you a great trader. It is your determination
5. Trading success is never permanent, and failure is never final. Enjoy the journey!
6. Every success story in trading is a tale of struggle, reassessment and adaptation
7. Markets are responsible for 10% of what happens to you. 90% is how you respond to it. That's trading in a nutshell
8. Desire is what gets you started as a trader; discipline is what gives you results
9. When you embrace uncertainty that is when markets start giving to you, instead of taking from you
10. Do not compare your results to others. If you want to see your biggest competition, look in the mirror

We are sure that you will agree with the above and based upon your own experiences will be able to add to the above list. If yes, you are on your way to be a balanced trader.

While this journey of self is a very individualistic exercise, we recommend that all of us

- Focus on discipline and practice rational thinking by inculcating the same in our day to day life
- Observe our thoughts – make notes and understand the MAE and MFE of our emotions
- Remain free of prejudice by embracing all our thoughts
- Practice mindfulness though
 - o Breathing exercises (not just during trading hours)
 - o Meditation
 - o Workouts (to reduce stress by balancing cortisol)
- Embrace the universal law of impermanence

(Please also read the article "Maintaining Equanimity in Market uncertainty" by Kaushal Karia and Rushi Karia).

Equanimity is the central theme for this Edition of Win@ Trade. We hope that all readers agree that Equanimity is a perfect, unshakable balance of mind – which is what is required from all of us to succeed in the business of trading. We will like to end this article here by stating the objective of this theme, which we are sure will vibrate with all of us.

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