

THE HUMAN BRAIN

Nature vs. the Mapmaking of the Brain

First, humans do not have “a” brain; we have many brains. The right hemisphere, left hemisphere, and core are the main three brains.

The Left Hemisphere

You are using the left hemisphere of your brain, a.k.a. the conscious mind, to read this material. Of the three participants in your trading, this is actually the most “un-conscious.” It is the only part of your brain that ever sleeps or goes unconscious.

The biological purpose of the left hemisphere is to analyze and make *policy* and *judgment* decisions: what markets to trade, what type of money management to follow, how much time to spend in the market, and so on. It performs primarily a planning function, not a “carrying out” function. The left hemisphere makes the “what” type of decisions, not the “how” decisions. It is the *know what*, not the *know how* area. You could not ride a bicycle or even walk to the bathroom if you had only this brain. In trading terms, it is the left hemisphere’s function to decide on perspective. It is not the left hemisphere’s job to implement or find good trade locations.

THE CORE

Physically, the core consists of the limbic system, the reticular activating system, the thalamus, the hypothalamus, and the whole spinal section of the brain. The left hemisphere is analogous to a digital computer; the core is more like an analog computer. Our survey of research indicates that the core can handle from 500,000 to 3,000,000 bits of information per second, compared to the left hemisphere’s measly 16 bits per second. If you were

THE RIGHT HEMISPHERE

We know that the core is literally hundreds of thousands of times more powerful than our "conscious" left hemisphere, but no one seems to know the exact power of the right hemisphere. As for its function, the right hemisphere is the source for the three big "I's":

Inspiration

Insight

Intuition

When your right hemisphere is running the show, everything seems effortless. Instead of a struggle created by the left hemisphere or a roller coaster created by the core, the right hemisphere is just a "float down the river" (Figure 11-7). Life (the market) itself is a support mechanism. You seemingly can do no wrong. You need a downtown parking space and one magically opens up. Everything in life seems to be geared for

Putting the three brains into computer language, we would say that the left hemisphere is the programmer and the software, the core is the central processing unit (CPU), and the right hemisphere is a universal modem connecting this CPU to all the other CPUs in the universe.

The right hemisphere is the least known and least understood component of the nervous system. We cannot even begin to evaluate the power that this hemisphere contains. Its power seems almost infinite.

Its uniqueness lies not only in its power but also in its seemingly unlimited capacity for knowledge. Maybe this is