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## **1. Investment Strategy**

My trading approach during the 2025 AIAC competition was a **multi-layered active strategy** combining **technical analysis, quantitative reasoning, macro trends, and behavioral/thematic insights**. This hybrid model allowed me to adapt to market volatility while capturing alpha from short to medium-term price movements.

### **Core Strategy Pillars:**

#### **1. Technical Analysis**

I used support and resistance zones, price level clusters, and breakout confirmations to guide entries and exits. For example, my re-entries into TSLA and exits from AMD and SMCI were based on observing clean technical structures and volume based.

**Results:** Reliable in identifying momentum continuation and reversal points.

#### **2. Historical Seasonality**

I evaluated seasonal price patterns using a 3-year lookback to identify recurring trends. For example, my entry into Domino's Pizza (DPZ) and Hilton (HLT) in summer months (Vacation Period) was influenced by historically strong Q2–Q3 performance tied to consumer spending and travel.

**Results:** Seasonality adds probability edge when aligned with fundamentals.

#### **3. Statistical Price Frequency**

I analyzed how frequently certain price levels occurred using a custom price histogram approach. If a price level was statistically rare or previously rejected, I saw it as an opportunity for mean reversion or breakout anticipation. This was key in trades like OXY and MCO.

**Results:** Rare price levels often signal undervaluation or a major shift.

#### 4. Price Action Logic

Beyond indicators, I relied on candle structures, failed breakdowns, and volume surges to confirm decisions. Tesla's breakout past \$300 and Visa's repeated rejections near resistance were both managed through live price behavior, not indicators alone.

**Results:** Price action gives real-time feedback, critical for active traders.

#### 5. Macro Context

My entry into energy stocks (OXY, CVX) aligned with rising oil prices and inflation data (ongoing War condition). I kept a macroeconomic filter on all positions to avoid entering weak sectors during tightening cycles or policy uncertainty.

**Results:** Macro alignment added conviction and filtered out bad setups.

#### 6. Thematic and Behavioral Ideas

I applied top-down thematic logic like buying Visa and travel stocks (HLT, DPZ) during the early summer surge in consumer activity. These themes were inspired by sentiment cycles, spending patterns, and cultural context.

**Results:** Institutional funds often follow similar themes, improving timing and narrative.

#### Strategy in Practice

- **GOOGL:** High momentum play, held through breakout continuation, backed by earnings and macro bullishness in tech.
- **TSLA:** Entered on strong technical and momentum; exited into strength using resistance-based targets.
- **KO:** Added as a defensive macro hedge but underperformed but played a stabilizing role.
- **OXY:** Timed with oil price trends and technical retest of historical support.

#### My strategy Overview:

- Quantitative pattern validation
- Macro filters for conviction
- Thematic and behavioral overlays
- Active portfolio rotation

## 2. Portfolio Allocation and Securities Selection

My portfolio allocation in the AIAC 2025 competition was a **dynamic, conviction-weighted model**, balancing high-growth opportunities with defensive support. Position sizes were determined by a mix of **technical setup strength, macroeconomic alignment, statistical rarity of price levels** and **seasonal/thematic relevance**.

I divided the portfolio across sectors and themes, while maintaining flexibility through a large **cash buffer (~44%)** for opportunistic entries or defensive rotation.

Asset Class	Allocation (%)	Strategy Rationale
Equities	55.89%	Active high-conviction positions based on real-time signals
Cash	44.11%	Preserved for volatility management and tactical rotation
ETFs	0.00%	Didn't use.

### Final Equity Allocation:

Ticker	Symbol	Weight	Entry Logic
TSLA	Tesla	31%	Technical breakout + macro-EV strength + price frequency rarity
KO	Coca-Cola	13%	Seasonal consumer defensiveness + dividend buffer
OXY	Occidental Petroleum	8%	Oil rebound theme + macro inflation hedge + support-level reentry

DPZ	Domino's Pizza	4%	Summer food-spending theme + seasonality + historical Q2 strength
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## Securities Selection Criteria:

### 1. Technical Price Action

I focused on names forming clean technical structures:

- **TSLA** broke out from a consolidation around \$295, with high volume and momentum.
- **GOOGL** was bought near support zones and exited near local highs after trend exhaustion.

### 2. Statistical Price Frequency

Stocks at statistically rare price levels (e.g., OXY at ~\$42, MCO at ~\$474) were prioritized. These levels often act as mean-reversion magnets or launch pads for breakouts.

This technique helped me re-enter names others might have overlooked.

### 3. Seasonal and Thematic Fit

- **DPZ, Visa, and Hilton** were entered as part of a summer consumption and travel theme.
- **KO** was added to anchor the portfolio during potential volatility, it was seasonal defensive pick.

### 4. Macro-Strategic Filtering

- I avoided sectors facing macro headwinds (e.g., semiconductors after negative data in June).
- I favored energy during periods of rising oil prices (e.g., OXY, CVX trades).

Example Allocation Decisions:

Trade	Reason
OXY Buy (42.35)	Rare price zone + oil momentum + inflation-hedge macro view
GOOGL Buy (177.89)	Retest of breakout level + historical Q2 seasonality in big tech
Visa Reentries	Price compression near resistance + volume clues + thematic fit

3. Performance Summary and Analysis

The AIAC 2025 competition tested participants across multiple dimensions on performance, risk management, and strategy robustness. My final return of **+16.31%** placed me in the **top tier (Rank #37 – under top 15%)**, significantly outperforming the benchmark index and division average.

This return was achieved through a strategy that integrated:

- Technical setups (momentum breakouts, support/resistance)
- Statistical price rarity
- Seasonal patterns
- Macro filters and sector rotation
- Behavioral/thematic conviction

Performance Highlights

Metric	Value
Total Return	+\$163,095.26
% Return	+16.31%
Final Ranking	#37
Number of Trades	55
Cash Allocation (avg)	~44%
Max Position Exposure	31% (TSLA)
Holding Period Range	1–52 days

### Top-Performing Trades:

Symbol	Return	Days Held	Strategic Rationale
SMCI	+28.31%	43	Trend-following momentum + bullish AI sector sentiment
GOOGL	+7.09%, +4.55%, +1.89%	13–52	Layered entries aligned with macro tech growth + price action on pullbacks
TSLA	+17.20%	Active	Rare price zone breakout + EV theme + technical confirmation
AMD	+10.84%	14	High-volume bounce from support, rotated out at resistance
CHTR/CRM/HLT	+3% range	< 18 days	Thematic: travel, subscription, enterprise IT and timed around seasonal/business cycles

### Underperformers and Risk Control:

Symbol	Return	Days Held	Evaluation
INTC	– 2.75%	8	Exited early — weak follow-through post-entry despite valuation appeal
LPX	– 0.32%	1	Quickly cut after failed support confirmation
KO	– 0.07%	Ongoing	Defensive pick — flat but purposefully held for risk dampening

### Performance vs. Benchmarks

Metric	Portfolio	SPY (Est.)	Division Avg
Return (%)	+16.31%	~9.5%	~7.5%
Volatility	Low–Mod	Moderate	High (typical retail behavior)
Consistency	High	N/A	Mixed
Drawdown	Controlled	~-1.5%	Higher

My results show a balance of **aggressive alpha-seeking** and **disciplined capital preservation** of professional-level portfolio thinking.

**Trade Frequency and Style:**

- **Average Holding Period:** ~15–20 days
- **Trade Clusters:** Periodic re-entries into names like Visa and GOOGL after confirmation
- **Sector Focus:**
  - Tech (GOOGL, TSLA, AMD, SMCI)
  - Finance (Visa, MCO, CB)
  - Consumer (KO, DPZ)
  - Energy (OXY, CVX)

I avoided overtrading. All entries were idea-driven, and most exits were based on technical exhaustion, macro shifts, or risk-to-reward deterioration.

**4. AI Application and Risk Management**

Although the trades were executed manually during the 2025 AIAC competition, my decision-making process emulated several AI-inspired principles, particularly in the areas of pattern recognition, data filtering, signal confirmation, and probability-weighted actions.

This hybrid approach combined human reasoning with quant-style logic, resulting in a system that mirrors how modern AI-driven trading models operate.

AI Concept	How I Applied It in Trading
Feature-Based Signal Filtering	Only entered trades when multiple conditions (technical + macro + thematic) aligned
Pattern Recognition	Identified breakouts, flags, failed breakdowns, rare price levels using visual scanning
Conditional Logic	Example: “If price = seasonal support <b>AND</b> macro trend is strong - Go Long”
Event-Based Reactions	Used earnings news, inflation data, oil price spikes as catalysts
Thematic Clustering	Grouped trades based on behavioral signals (summer = pizza, travel, Visa, etc.)
Statistical Edge Awareness	Avoided noise trades; relied on multi-year seasonal or price frequency context

## Risk Management Framework

### 1. Position-Level Risk

- Most trades were capped below 10% allocation unless conviction was extremely high (TSLA at 31%)
- Used technical invalidation levels (support breaks, failed moves) to exit
- Avoided averaging down, preferred re-entry on confirmation

### 2. Portfolio-Level Risk

- Maintained **~44% cash** as a shock absorber
- Balanced high-beta positions (TSLA, AMD) with low-volatility names (KO, DPZ)
- Rotated out of sectors facing macro pressure (semis in late June)

### 3. Psychological & Strategic Risk

- Avoided emotional trades or revenge entries
- Exited flat or small losers quickly (INTC, LPX) rather than hoping for recovery
- Never overloaded into a single sector despite repeated success (e.g., GOOGL and Visa were re-entered, not oversized)



Situation	Risk Detected	Action Taken
INTC failed to bounce	Weak price action + macro headwinds	Cut loss after 8 days; avoided deeper loss
TSLA near resistance	Risk of overextension	Exited after +17% gain using technical levels as target
LPX rare but flat setup	Entry lost momentum quickly	Closed position after 1 day on no follow-through
MCO near top of range	Reduced upside potential	Exited into strength before reversal

My exits were rule-driven, not emotionally delayed. My entries were high-conviction, not impulsive.

**I acted like an AI with a theme file:**

Example: “It’s June → people travel → hotels and Visa → enter Hilton and Visa with seasonality + price support.”

**I avoided overfitting:**

No strategy was used blindly. Technical levels only mattered if macro context and sentiment matched.

**Every decision was filtered through 3 lenses:**

Does this setup make sense technically?

Is it aligned with the macro/trend?

Is now the best time (seasonally or behaviorally)?

## Summary:

In short, I applied a clever, algorithmic approach to human-led trading. I worked through all trades through a logic-based checklist, applying pattern recognition with macro and behavioral overlays, and used a structured, risk-aware approach from start to finish.

I was using live AI technology or automation, my thinking and execution were representing the decision architecture of AI trading engines: data-driven, modular, and adaptive. This fusion of strategy and discipline allowed me to generate solid performance while protecting downside risk with the key feature of advanced and institution-level trading.