2018/2/25

Role of futures

1. Futures delta should not exceed IB account liquidation value
2. No leverage going forward on futures
3. Bear market hedging
4. Trend exposure and overnight exposure cannot be full position.
5. Futures should be conservative and hedging
6. Keep 1/2 position at most. Keep position for agility.
7. Stock position.
8. When market volatility increases, you should hedge.
9. You should always keep track of the vol surface, when vol explodes.
10. Keep track of stocks that make new highs or rebounds earlier than others.

Hedging signals

1. Opens very high/very low, signaling a lot of external pressure
2. Futures at huge premium/discount
3. Market sentiment is in the extreme fear/greed category
4. Volatility spikes
5. Panic usually lasts 1-2 weeks

What to do during

**Work this week:**

Keep track of A50 volatility and term structure.

Keep track of 2823, 2822 volatility and term structure.

Keep track of HHI volatility term structure.