Nov4

Trading was very difficult today. Was offside on XU the whole day and it never even had a decent retrace.

Sold futures @ 9970, covered 2% higher.

Hedged with 2000 shares of 2823 and 2822 each.

Today is all day up day.

Recognize that everything can happen.

Procedure going forward:

**Short case:**

Start with -50k delta. Lose 1%, cut 25k (buying 25k ETF), -25k remains. Lose another 1%, cut all position.

**Long case**

Start with long 25k delta, morning drops 1%, adds 25k delta.

Lessons:

Shorting in a rising market is very intimidating. Was able to hold for 200 points against trend. The 200 point stop loss was pre-planned. Always remember the market can do anything it wants and it can remain crazy longer than you can remain solvent.

Reduction of risk: when market trend is moving against the position, cut position to avoid a catastrophic loss. Net 25k long would have resulted in a +1000 today.

Once losing on intraday futures trading, need to stop futures immediately. Today the second and third futures were traded still being biased with the original (short) bias.

Today should run 50k delta, lose 500 (1%), cut to 25k, lose 250 (1%), stop trading futures. Now net long 55k delta. 1% additional rise will make back 550. If going down, cutting position to 25k. Hold until next day.

仓位：

Net delta should not exceed 10% (25k) overnight and should not exceed 20% (50k) during the day. Cut position immediately when losing 1% or more. Need to prevent from being completely wiped out in a case of up or down 10%.

Case of up 10%.

Short. Lose 1%, cut delta to 25k, lose another 1%, flatten futures position, net long 55k)

Case of down 10%.

Long. Lose 1%, cut/keep delta at 25k. Lose another 1%. Short (at this time, short 55k)