Trading\_2016\_11\_14

Monday, November 14, 2016

A lesson from commodities market : leverage is risky, it magnifies greed. Whenever stuff hits the news, it is time to cut position because commoners know. Trade in stuff that very few people know and are aware of.

Don't trade whatever is in the news. Information source needs to be self-manufactured, not depending on the news.

Focus on average return across sectors and stock types. Do not over position on any particular stock/industry. Portfolio needs to stand systematic risk.

@1238

Today in the morning, experimented with buying stocks with low percentiles.

A few potential issues with today's trading is

1. today is Monday, and there is Fri-Mon continuation
2. Stocks with bad amfirst10 has the potential to drop back down.

Actual trading results is a testament of whether a strategy works. This is the AM open trading strategy.

There is also the PM strategy which takes into the account the same parameters, plus amFirst10, amMaxT, amMinT and amClosePercentile and pmFirst10.

Keep trading these two methodologies to see which one works better.

@1449

Monday trading was overzealous. Stocks lacked rebound potential and traded slowly. 长久物流 is bad. Now position on each stock is about 50k, 10 stocks. The PnL on each is within tolerance. Today it basically shows that Monday trading is risky and that stocks with min at the open cannot be expected to have a good rebound.

Keep testing AM strategy, but keep in mind that PM trading will generate more profits and less stress than AM trading. AM trading is tentative whereas pm trading is better, with better Sharp overall.

Tuesday

Yesterday bought a whole bunch of stocks which are not working.

The reason is yesterday was Monday and a lot of low performing stocks were bought.

Going forward, use light positioning on Monday. Use stronger criteria to screen out weak stocks.

Amfirst10 and ammax should be used.

Should be more parsimonious with stock selection instead of broad.

This morning, picked some stocks that closed at the lows and heading down. Easily getting killed with bad stocks.

长久物流 is pretty shit.

Tuesday, November 15, 2016

Yesterday's position suffered a net loss until today mostly due to the fact that these stocks were losing stocks at Monday's open.

Going forward,

1. staggered buying instead of buying at once
2. Fri-Mon light positioning
3. Buy from late am to pm.
4. Buy lower percentile (but also preferably low O%Y)
5. 中化国际 was had a ammax which was out of true range, this was a mistake.
6. 圣农发展 was a good since it is a reversal to true range.
7. 欧菲光 was

Trading 11/17

Yesterday's total net pnl was -3194.

Today net realized + unrealized pnl was down -5k. (

Mark to market of yesterday's position : -1556.

Trading pnl is -200.

Problems:

Buying:

Good: 中国交建, has 0.4 first ten, high at 1005, low at 935, and a decent afternoon rebound. Open doesn't matter. Yesterday's close didn't matter. But this one has CHY+CLY > 0 which is not what I want.

Selling:

Friday, November 18, 2016

Be careful of Friday-Monday continuation. Don't buy stuff that negative 10.