Trading 2016\_11\_21

Trading from last week had a pnl of -9k. Reflect on the reasons:

1. buying on Monday open lows. Monday open low is usually a sign of weakness

Theories from last week

1. there is a real reason behind why Thursday is weaker than the rest of the days. GC001 has the highest rate at Thursday close because people don't want to buy it because they would be unable to withdraw the cash later. In the same sense, buying stocks on Thursday also will cause them to be unable to withdraw cash. That's why systematically the selling pressure is high. (No buying and only selling, especially on high Wednesday closes).
2. Very little trading on Friday due to people's desire to avoid what happens in the weekend.

Rectification in Strategy

1. Buying in Monday afternoon after dayminT>dayMaxT, this makes a Tuesday rebound more likely.
2. Previously the strategy was buying for an intraday rebound. However, you won't be able to sell it on the day
3. When buying, put on the restriction of amMax>940 to ensure there was some losers averaging down their cost. If it is a downright liquidation you might fall into a trap.

Technical Issues:

1. saving protecting and automation. Losing too much data too frequently.
2. When saving, need to protect against the overwriting current data. Have a static member called load data last entry time (LDLET). You cannot save a file when it has less data than the current file system. In the same way, you

Misc:

1. You need to understand whose money you are making
2. You need to understand what is the motivation behind a market move, whether it is a real structural move or a panic.

Oil expired, there is no reason to buy that now. Lost about 15k on that trade. There was no advantage in that trade at all. Except for the US dollar which was a safe play. The concept of long run assuredness is important. VIX will rally sooner or later.

Not rolling it cost me $400. Make sure to check expiries. Not rolling that. No view on oil and that is not my area of expertise.

Wednesday, November 23, 2016

Got ass kicked today.

Primary reason is a super aggressive Monday+Tuesday. Don't lose common sense.

Index research is the most noteworthy research as of now.

Main reasons are trading stocks that have negative amfirst10, ammax at open.

Market closed at 100% percent yesterday, today would be understandably weak, trading with low positioning is a must.

Going forward, better safe than sorry, avoid all open selling stocks. First10>0 requirement. If no stocks meet this requirement then don't trade.

Yesterday the closing percentile was 100%. Trading today is not recommended and I am stuck with bunch of losers.

Use light positioning when index research indicates so.

Today the buying pressure is completely subdued by the index performance.

**Thursday, November 24, 2016**

Holdings tanked towards the Am close.

For holdings on Wednesday, sell them if the Thursday am is weak, because Thursday weak AM will likely lead to weak Friday, which exposes some weekend risk.

Issues:

Top losing stocks: Mostly are recent IPO stocks. Overexposed to new stocks which haven't shown its true color, don't trade any recent issues.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Net Pnl | B | S |  |  |
| 新华文轩 | -4001.46 | -8224.63 | 4223.169 | weak | IPO 16/8/8 |
| 山东黄金 | -3577.74 | -4549.48 | 971.7368 | weak | Macro bet |
| 安图生物 | -3572.86 | -4701.04 | 1128.174 | weak | IPO16/9/1 |
| 崇达技术 | -2834.53 | -4347.16 | 1512.636 | weak | 16/10/12 |
| 长久物流 | -2173.01 | -3545.72 | 1372.701 | weak | 16/8/10 |
| 欧普照明 | -1714.05 | -4092.66 | 2378.606 | weak | 16/8/19 |
| 无锡银行 | -764.013 | -785.284 | 21.2708 | weak | 16/9/23 |
| 万丰奥威 | -657.369 | -657.369 | 0 | weak | Misc |

Strong stocks: consumer durables, environmental protection, electronics manufacturers, shipping, software. Mostly well known stocks. Quality stocks show its true color this week.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 三聚环保 | 745.3628 | 4193.633 | -3448.27 | strong |
| 格力电器 | 307.15 | 3865 | -3557.85 | strong |
| 中化国际 | 492.4692 | 2212.839 | -1720.37 | strong |
| 皖新传媒 | -494.807 | 2093.437 | -2588.24 | strong |
| 美的集团 | 22.24 | 2054.616 | -2032.38 | strong |
| 上汽集团 | 239.7558 | 1958.912 | -1719.16 | strong |
| 巨龙管业 | 87.581 | 1832 | -1744.42 | strong |
| 苏 泊 尔 | 479.5008 | 1478.004 | -998.503 | strong |
| 华域汽车 | 13.386 | 1392.89 | -1379.5 | strong |
| 天神娱乐 | 181.733 | 904 | -722.267 | strong |
| 老板电器 | 201.3956 | 897.8116 | -696.416 | strong |
| 海虹控股 | 176.945 | 790 | -613.055 | strong |
| 东华软件 | 385.464 | 742.998 | -357.534 | strong |
| 中海发展 | 277.0587 | 474.565 | -197.506 | strong |
| 万 科Ａ | 722.016 | 444.704 | 277.312 | strong |
| 贵州茅台 | -516.054 | 432.6912 | -948.746 | strong |

Lessons:

Stock selection: older, well tested stocks that break market highs. For unfamiliar stocks trade little or none. The new stocks don't trade according to old research patterns. There are no rebounds.

Trade time: Mon/Tue/Wed better. Thurs and Fri light positioning.

Market move during the first three days and are usually weak on Thurs.

Friday, November 25, 2016

Markets dipped initially and had good rebound. Market had a positive first10 and quickly panicked, mostly due to smaller caps.

Stock list needs to be redone.

Drop speed is fast.

Bought Gree but in small size. Be more aggressive next time in times of panic. Keep polishing the current method of buying low given yesterday's /\ performance.

Keep lighter positioning on smaller stocks.

Chase if you want, but chase early in good size and disseminate later.

Weekend Review:

1. bigger size begets better returns
2. Focus on stronger stocks
3. If weak on Wednesday
4. Trade more aggressively when percentileY low.
5. When stocks are weaker than index, don't expect it to rebound more than the stronger stocks, it will usually underperform the strong stocks.