Trading 2016\_12\_5

Political issue came out of Italy, XINA sold down and came back up.

This shows how important it is to keep light positioning on the weekend.

With a weak opening, we will need to look at what

After close:

Issue 1: heavy position on weekend.

XU down 1.5% due to italy. HK down.

VIX initially up then down. A was a bit oversold.

Currently, holding about 900k delta.

格力电器 -10%. Weekend risk was quite high. This explains the long term weakness in Friday rebound.

Issue with 美的 is the Friday started selling off, people lost 7% in this stock already. I am up 50 bps in it.

**This sheds light on Friday purchases.**

If Friday closes on the lows, that won't be good on Monday.

Friday F10>0 to trade Friday.

This means if any stock closes high on Thursday, have to liquidate on Friday, regardless of it goes up or down. For holding condition: low thurs close, Friday F10 is up. Any other case, cannot hold through Friday. What about buying on Friday? Logically this should be same with the holding condition. **Low close on Thurs and shooting up on Friday AM.** This is the holding-buying equivalence, which says that the reasons for buying a stock and holding a stock should be the same.

**For trading on Monday:**

F10>0 and trade on dips, if dayMax>dayMin then sell tomorrow AM. If dayMinT>dayMaxT, then the rebound next day is expected to be strong.

Tues:

Position mtm suffered mostly due to 掌趣科技 and 东方财富 and this was 5k. 伊利, 苏宁,美的 scored positive mtm. Valuation is changing towards stocks with real fundamentals.

今心乱. 下午至涌, 晴, 山险, 道皆滚石, 路满荆棘, 涌水至清, 崖下水粼. 有人船至礁.

烦因何事? 光弗足, 锻炼亦缺. 后需晨练. 市乱心, 为何? 市短不可控, 长则可预. 置心于此则乱. 入vix, 长则必振, 以全损之决心持之, 则心不乱, 市振弗乱心. 市有常律, 但情弗动者难, 预成此境必达. 市振为常, 莫能控, 万事常备, 市动弗扰情志. 市无论上下,避生喜忧, 操如机器, 无扰丝豪. 万事物极必反, 反前势猛, 回光返照, 愈猛者则愈惨败. 投机者,重必至之事, 但时量不定, 至前以全损之心完备一切妄动, 事终至前, 诸困兽斗皆无伤. 全仓重伤, 人损至弃则吾入. 平时需轻, 重时入. 无论损益为何, 勿动七情, 重法, 寻法之误, 改之.

心乱时益动弗益静. 炼, 照, 亲自然俱益心. 如常雨, 入滇, 泰, 星马, 屏, 无雨. 昔, 夏强冬弱, 04于温, 05于多, 06于多,10,11于美, 病皆因冷, 少光少动, 09冬至粤, 光足, 情志甚好, 地缘矣. 喜叻沙及肉骨茶. 今冬至星马, 避寒.

后需炼, 除烦稳心. 市重法不重果, 法正终成. 重质不重量, 微动弗扰心. 莫全力置一事. 细水长流, 心态常平, 心静重于皆他事, 无论益损, 勿扰情志, 彼非重矣.

养诸趣, 益心矣.

1. 单股弗超总10%, 剔个股风险

Wednesday, December 07, 2016

今抛盘损-3000, 买入+700, 共-2300, mtm+5, net +2.

Issue: 抛盘跑不赢收盘. 如果抛早的话,会损失所有mtm.

今天周三大盘收在高位, 盘尾悉数清仓, 明天收盘前可以买点.

3策, 1是早盘抢低开上攻, 2是下午追高, 3是尾盘追回撤.

流程细化:

925看高低开, 注意低开很多的.

930 低开上攻的买入, 拼速度.

高开不抢.

下午: 寻低开,正f10, 低点在开, 走势稳, 下午破高或近高. 买入.

收盘: 寻早强, 午后跌, 尾盘之前买入, 有拉升最好.

日间

Thursday, December 08, 2016

Did some analysis on GC001.

The opening percentileY of GC001 has an impact on the performance of index.

If high, that means people start parking cash early, this is very bearish.

The longer cash strain, that means the more interest in the stock market, the more likely for the rebound.

2 effects of gc001:

1. reflects the general liquidation conditions of the market (Opportunity cost of holding stocks)
2. reflects market mentality (measure of risk aversion, lower rates means higher risk aversion)

Mon: Effect unclear.

Tue: A higher rate implies willingness to hold stocks and Tue-Wed continuation.

Wed: Higher rate implies willingness to hold stocks, positive.

Thu: A high rate on Thursday close is positive for Friday, this means people are willing to carry stocks into Friday.

Fri: if gcRetCO>0 on this day, this means there is shortage of liquidity and this is not good for the next week. Also if rate is very low, this means theres ample liquidity on Friday and this is a good sign for the market.

Tue-Thurs, it is a measure of investor sentiment and Friday it is a measure of liquidity conditions.

**Friday, December 09, 2016**

Issues:

missed trades.

1. morning size pickup (中信银行)
2. ratio pick-up (

identify ratio changes, assume that this proceeds price move/in tandem with price move.

OPC<0.

The addition of CYAMPY to the selection criteria. (Need CYAMPY floor.) Especially for Friday.

Keep track of index f10 to gauge the trend of entire market, this controls the position sizing.

Strategy refinement:

On Friday, the main strategy used was open chasing. Yesterday criteria was minTY>maxTY, amMaxT, relaxed amfirst10Y (> -1), high CYAMPY, pmmaxt, open < minY, f10>0. Focus heavily on stocks where people have lost a lot of money. Stocks that are at multi-day lows

Selection of stocks which had a lot of activity. Size -> good.

Heavily focus on developing indicators with size in it. Change in total size, compare with average size, using normal distribution to select the outliers, volume spike with a new high.

Wed I followed 2 stocks that broke daily highs.

Lost money on Monday due to mtm on 东阿阿胶. Wednesday selling was too early. Should sell in closing auction. Thursday selling at am open is correct.

Saturday, December 10, 2016

Monday amfirst10 has an important bearing on the rest of the week. Heavier position on stocks/indices with positive Monday open, this sentiment will last a while.

Monday and Thursdays are the days where max/min are likely to happen.

Sunday, December 11, 2016

Highlights

1. tue/wed can use big positioning
2. mon if start strong can use positioning
3. thurs if previous two days are down can use positioning
4. fri if thurs down and start up can use minor positioning

When can you NOT use big positions?

1. Monday opens very low such that ammax has no chance of reaching closey, this scenario index will sell off
2. tues when mon closed high
3. wed when pm closed > 95%
4. thurs when wed had a high retcl
5. fri when thurs was f10 is down + thurs closed high

simple strategy based on retcoy that guarantees good return

1. long Monday if fri retco>0
2. long tues if Monday retco <0
3. long wed unless tues percentile > 0.95
4. flat thurs
5. long fri if thurs is down big and f10>0 (and Monday f10>0)

The impact of Monday f10 on the rest of the week:

correlation of mon f10 and tues closing percentile is significant.

If mon f10>0, weekmin is likely to be Monday>Fri>Tue>Thur>Wed

If mon f10<0, weekmin is likely to be fri>mon>tue>thurs>wed

If mon f10>0, weekmax is likely to be fri>thu>mon>tue>wed.

If mon f10<0, weekmax is likely to be mon>fri>tue>thur>wed.

MF10 affects Tue percentile close most, 0.69/0.51, affects wed(0.58/0.57) and fri(0.56/0.54) a bit, thur : 0.507/0.497, mon: 0.57/0.53. **Use MF10 as a confirmation to trade Tuesday.**

Strength of low open and heading up, Tue>Wed>Thu>Fri>Mon SR (5.8/5.1/3.4/2.9/2)

Implication for position sizing: Tuesday and wed first tier, Thurs second tier, Fri and Mon light positioning.

Mon strategy? Not sure.

Wed and Fri: retPMCOY<0, amMaxT1Y > amMinT1Y. This means that tues and thurs morning strength is needed for a well-functioning wed/fri.

Volume strategy:

needs to steadily break highs

Break 1 needs to be fast.

range needs to be bigger than rangeY quickly.