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Some insights on investment:

1. 调整的时候不介入
2. 盈利为负的时候不补仓
3. 下跌过程中的仓位要小于上升过程中的仓位。
4. 盈利股票分档：一部分是收益率10%以下的股票，占60%，一部分是收益率占10%以上的股票，占40%。一旦一直股票涨超过8%，它就会被归类为强股，预期收益率就会晋升到15%左右。
5. 票自己会self-identify。强股自己会晋升为强股。看收益率足矣。
6. 用sharpe来identify入选股，用盈利来决定仓位。
7. 强股：尾盘做T
8. 弱股不动
9. 升速不能过快，不能见光（媒体中没有）。一旦见光危矣。（moutai 10月30日这一周展开了一轮很差的行情， 主要因为曝光死）.(low profile. Noone talking about it)
10. 大市值，估值稳定，有流动性，好进好出 (High market cap)
11. 低换手率，价值投资较多，游资不参与 (low turnover)
12. 在不同版块之间分散风险，不在任何一个版块上承担太多版块风险或个股风险 (sector diversification and stock diversification)

这些理论也适用于期货。8月初亏损即可以归咎于过早补仓。下跌过程中仓位高于上升过程中的仓位。期货每月自动到期，可以视为时间止损或止盈。上午连续砸盘之弱势表现下应该谨慎做pmcl，上午强势上升时应该做尾盘调仓。

Misc:

茅台6day 换手 is 2%, not good. People are getting out.

工行换手stable at 0.6%.

海康6 day huanshou @ 3.2%.

Markets:

晨鸣paper : freeze position, no need to cut (PE is low)

恒瑞，伊利，隆基，美的，永辉 can increase pos.

长江电力，工商银行，hold position.

Max should be 10% of ptf at 230k. 5% for small caps so at 120k.

砍掉：今世缘，reason: annual sharpe 0.8. 酒业已经有配置了，砍掉多余配置。Buying this was a mistake due to failing to meet ytd sharpe requirement.

Fut and financials:

Still getting dumped. Wait until position turns positive or suspend trading. Note that position cannot exceed 4 lots since it is the position when markets were upwards.

工商银行 doesn’t offer very good return for the delta. But keep it for diversification reasons. Also its PE is low, for index to continue rising the banks need to perform. Keep exposure to banks and insurers to benefit from blue chip internationalization.

11.7

凯乐科技：don't add.

Only 2 stocks are down this week out of 18.

Looking back at early Aug, markets adjusted for a mere 4.5%, cost me 170k.

Delta progression should be rather smooth. But there were a lot of sudden up and down of delta in jul-aug. Now the delta is stably heading up, which corresponds with an upward trending portfolio.

You were moving too much too quickly in early aug also it was with leverage. Index correcting for 5% should not be a big deal that destroys your portfolio.

Moutai, ICBC losing weekly sharpe.

Top sharpe: 海天味业，永辉，长电，隆基。Add delta on 海天，永辉。

恒瑞 rose too hard, broken.

茅台 & ICBC too much attention on these. (no more pos on these)

Position needs to be built up for the smaller names.

**11.9.2017**

Ytd markets took a deep dive into the close, followed by today’s rebound.

The buying trades at the beginning of the day proved to be profitable.

Understanding of pmcl justified some buying in the PM in futures, which turned out well.

In terms of tool building, having 5 minute wtd graph is useful as it allows for more full view.

HistChinaGraph allows for looking at am/pm pnl and breakdown of trading/mtm pnl.

Future inclusion into the tool is also beneficial.

AM buying is rarely warranted in most conditions unless previous day closed at a panicky low and continues to head lower fast.

Mostly trading pmcl for stock or when fut trades at post-crash deep discount levels on T.

Improvements:

For selling: still sell at the close, there is no statistically better way to sell. Selling pnl since inception is still negative, bringing this figure to as close to 0 as possible would be good.

Sizing: current sizing is comfortable, less than 1/3 of overall position. Sharpe is high. (Since Sept 1, the sharpe has been at a staggering 9. Portfolio has been low vol and this is the best way to do it with no pressure.

There is no need for super high leverage. Let 1/3 – 1/2 size chug along.

Reflecting on the loss in early Aug, building pos too quickly was the reason. Markets adjusted for 2 weeks, you need to prepare for longer streaks of adjustment than that.

There was not much idea about plan B if it didn’t rebound the way you expected it to. Thurs crash followed by a Friday crash knocked you out already. There was not supposed to be a forced liquidation under those circumstances.

Leverage was being put on for both stocks and futures in a hurry at beginning of Aug. Those kinds of trading of course didn’t work.

Liquidation should be natural when future expires. Nothing needs to be done and put on less position for the next month. Elder has the 6% rule which says if losses exceed 6% you should liquidate. You should have position at 1/3 so if market drops 20% against you in one month then you liquidate, that has been extremely rare.

You should have position in some equities as well. Since you only need 10% of capital to be margin.

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Weekly recap

**Stocks**

Trade: +3

MTM: +54

Total: +57 (AM: +46, PM: +10)

AM strength is still there.

**Fut:**

Trade : +3

Mtm: +10

Net : +13 (AM: 9, PM: 4)

**All assets:**

Trade: +6

Mtm: +63

Net: +70 (AM: +55, PM: +14)

Comments:

Markets were strong this week. Trading generated 6k pnl, 3k from stocks and 3k futs.

Mtm was strong on all stocks. Most stocks closed at weekly highs, except ICBC which closed at 0p. Moutai up 6%, haikang up 10%, dazu up 15%. Longji gufen up 22%. Pingan up 8%.

Massive reevaluation of blue chips.

Consumers are leading the way to push up the indices while world markets are making fresh highs. Note if that the index is supposed to break the previous highs, heavy sectors need to revalue. ICBC down 5% this week, and pnl on it is down 1%, delta sitting at 220k. No need to add to this now. Since markets are going up too fast, keep positioning here.

Delta:

500k on futs. 1.5m on stocks. 45% of the total ptf. Daily avg gain this week is 0.33%, annualized stdev is 5%. Stdev under 10% annualized ytd is comfortable, it means ptf does not swing more than 30k per day. Control risk first. Early Aug has seen days with -70k, huge delta was in place with leverage, should never do that again.

Trading a balanced portfolio is definitely better than changing entire holdings everyday as it cuts down the cost of trading.

Brokerage paid: 90rmb. Controlling brokerage by minimizing trading is important to keep costing low.

Which are better trades?

In the earlier part of the week.

1. Wait until big drop on Wed and people got washed out, enter on thurs morning panic
2. Fut: trade at the lows (下影线进入). Two longs traded this week were good trades.
3. ICBC has lost its tradability due to pnl sinking negative. A50 was negative for Oct30 week and not trading that week was a good call. ICBC had really lousy rebound on Fri as well. Focus on stocks which is currently profitable.
4. Selling at PM close is still the safest thing to do if you want to sell anything.
5. Buying: generally at 2 day lows then average down slowly.
6. That wed pm crash in market really cleanse the market well and prepared well for thurs.
7. Buying should be slow and cautious. Split it small shapes and enter into market without impact. Now 10k (0.5% is an comfortable size). Daily delta increase should be capped at 5%.