2017\_1\_3

Tuesday, January 03, 2017

Worked on a few strategies this morning. Mostly pm gen strategies based on breaking amco or amRange. Breaking amRange has a better Sharpe, general SR around 15. Throw away entrance after 14:35, focus on 13:40~14:35 to maximize upside/downside deviation ratio.

Entry condition: amco>0, enter when pmco>=amco, return is pmco-amco

> latest[retAMCO>0 & retPMHO>retAMCO, calcSharp(retPMCO-retAMCO),keyby=list(weekday) ]

weekday mean cum max min sd ud dd dd2 dd3 sr sortino1 sortino2 sortino3 sortino4

1: 1 0.0026 1.4784 0.0201 -0.0270 0.0057 0.0038 0.0044 0.0047 0.0042 7.2543 9.3651 8.8951 9.9198 13.1019

2: 2 0.0027 1.6205 0.0511 -0.0297 0.0088 0.0082 0.0058 0.0061 0.0055 4.9403 7.4689 7.0470 7.8295 9.7113

3: 3 0.0027 1.6052 0.0480 -0.0235 0.0085 0.0080 0.0046 0.0052 0.0050 4.9843 9.1529 8.1506 8.3553 11.2355

4: 4 0.0009 1.1737 0.0329 -0.0252 0.0085 0.0071 0.0049 0.0067 0.0054 1.7013 2.9690 2.1486 2.6733 2.9371

5: 5 0.0013 1.2985 0.0248 -0.0411 0.0070 0.0043 0.0059 0.0069 0.0054 2.9064 3.4465 2.9767 3.8098 4.2251

Then this was examined: whether it is a better idea to enter when pmco breaks amho or amco. Found out that breaking amco is sufficient.

> latest[retAMCO>0 & retPMHO>retAMCO, calcSharp(retPMCO-retAMCO), ]

mean cum max min sd ud dd dd2 dd3 sr sortino1 sortino2 sortino3 sortino4

1: 0.0020 5.8607 0.0511 -0.0411 0.0078 0.0065 0.0053 0.0060 0.0052 4.0368 6.0165 5.2900 6.0712 7.3087

> latest[retAMCO>0 & retPMHO>retAMHO, calcSharp(retPMCO-retAMHO), ]

mean cum max min sd ud dd dd2 dd3 sr sortino1 sortino2 sortino3 sortino4

1: 0.0017 2.5440 0.0472 -0.0335 0.0072 0.0059 0.0053 0.0059 0.0049 3.8115 5.2109 4.6552 5.5773 6.5179

amRange break point optimized at 1.1\*amRange, sharpe ratio around 7.

amco break point optimized at 0.5~1.3 range, sharpe ratio around 4.

It seems that trading pm range breakout seems to be a better strategy, strategy being entrance whenever retpm>1.1\*amRange, the return until the end of the day is retpmco-1.1\*amrange.

Breaks from 13:56 to 14:35 is good, before 13:42 the downside deviation is quite high.

pm was flat. 辽宁成大 was the only noticeable stock.

Saving is not robust. Think of methods to increase robustness of the saving mechanism.

**Wednesday, January 04, 2017**

US etfs rose and discounts improved by about 1%.

Closed at abs highs, trade max 25% ptf, put 1.4m in cash.

@1104

am open strat: pmY weak(-pmcoY / -pmChgPY / low pY/ -chclySum), opc low, f1>0/f10>0. Entry point low (cp. closeY).

am gen strat: none so far. (not stable thru pm)

pmOpen: pmf10 up, break amH, with high vr/vrP%/vrPM10Ratio (大小,位置,速度)

pmGen: pmF10>0, entrance @ breaking amRange/amco multiple

Good sharpe strategies:

pmGen : breaking 1.11\*amRange, hedge next opc w/ fut.

Did 2 amOpen trades, traded one too early (end up with –f1 & -f10).

Am trading : sharpe notorious.

@pm Open

Idx closed at highs, see strength and change towards bullish positioning.

pm open not strong, limit delta uptake to 25%.

GC rate getting crushed as money flows in.

Today pm strat weak.

When amF1 is strong, need to participate in F10>0 stocks with VR.

**Thursday, January 05, 2017**

Increase portability, prepare for departure.

Morning tasks

Thursday, @915 shorted 2 units. Short more depending on f10. Positive side of ytd was that it was a bullish move, not a pullup. US etfs are trading at a premium for the first time since 15 days. On the ss side, keep trading, but keep position hedged with futs. Short @ 60bps premium.

@ market close

Notification mechanism changes: less popups, higher quality.

More computation, less refreshing. Popup needs to be prime time. This ensure time advantage.

Threshold for popup is stricter.

Only first time popups are allowed. Simple high breaking is not allowed.

Refreshing graph when click, don't graph the whole thing.

@after market analysis

Trading around 2, big size, breaks amRange (breaks around 2pm), f10>0 or amco>0, vr>1, vrP>70, vr.

This is a pm gen strategy, fine tuning the parameters.

Today hot themes include 三一重工,振华重工, 下午开盘医药, 高铁, 最后是中国联通和中集.

Stocks that perform well in the am, performed poorly in pm.

you need to know whose money you are making and whose money they are making. A long term viable ecosystem needs to ensure that everyone makes money, or the ones that are not making money, either they are have utility rushes from variability of returns, but they need to pay the market to play the game.

For pmGen strategy, you are utilizing technology to spot movers. People who generate these moves are making money off you, you are paying them. Later, people that chase are looking for the high opc, and they will be paid by whoever chases high volume/high open in the morning. On average, the chasers will lose money, but the adrenaline rush keeps them going.

And the reason big funds start the moves late in the afternoon is to wait until most people have traded, tired and waiting to go home, a lunch and the increasing sleepiness is causing people to move slowly and be unreactive. When index holds flat, it is time for them to make that move. Once a move is made, traders with the best technology will become next-in-line to share in the pie. Then it is people with better information. Traders who don't use computers cannot use this strategy because they have no way to actively screen for these stocks. So the key is to be faster than traders staring at his screen of listed stocks that include this stock.

So this ecosystem works because everyone is getting something out of it, either utility or money. Losers will quit the market and new ones will come in. Surprises, emotions, swings, create utility like gambling. Gamblers don't need to win to want to gamble, it is an addiction to variability.

At the current stage, you need to become second-in-line for the trend-starters, to be as close as possible to the top of the echelon.

AM/PM times

AM: check 1020>0, if yes, hold pmco. (Am no trade)

PM: check 1313>0, if yes, hold until end.

Friday, January 06, 2017

first minute strength important. (巨龙管业 today), better to see a very strong rally (esp with respect to range ytd).

Solid am1 of 中信银行 and ytd am strength helped it rally towards the close.

pm very weak, fut still trading @

Selling: wait until 9:40.

Buying: today traded mostly amOpen, pm gen didn't work due to weak index, which closed at the lows. Index was supposed to drop ytd pm, but got delayed until today. Weak pm10 should be taken as a sign to reduce pos, neg pmco was required to take on position.

**Weekly review:**

Strategy diversification is key.

AM open strat is refined to strong f1 with good vr, ytd condition is strong am and weak pm. (巨龙管业)

AM gen is buy on dip for stocks that had a strong f1 & f10. (中信银行)

Pm gen is limited to amco>0, need this for ok performance holding until tmr close. Range breaks (@1.1x amco), this needs index support @ pmf10>0.