Trading 2017.2.20

A50 strong. Brokers weak with some exposure.

Focus on trading +amcoy –pmcoy. Industry wise better. 家电 good example.

Broker bought on the high out of reach. Focus on pm downs.

**Tuesday, February 21, 2017**

Consumer goods were bid up due to solid earnings.

Wine has had a good run as well.

Extra liquidity will flow into actual assets. Earnings will go up with inflation.

1:39

coal.

Wednesday, February 22, 2017

No index support.

Wine led the way high followed by cement and ceramics

Thursday, February 23, 2017

Some thoughts:

Need scalability and better upside to downside deviation.

Strategy needs to focus on am buy on dip with strong opening.

Physical health is not at optimal level.

Friday, February 24, 2017

Strategy needs to go back to first principles. Current methodology is hard to put big position in due to downside deviation. If stuck it is stuck at the top. The SD is too high to take a big position in it. It can easily lead to inability to ascertain costs. Focus on buying on dips for the next little while.

**Friday, February 24, 2017**

Buying dips worked better today. All three stocks gained.

Keep using this strategy as a baseline strategy. PM trading at low percentiles with strong y-am.

All chasing strategies this week didn't work.

**Sunday Feb/26/2017**

Go back to index based first principles trading (accumulate-disseminate model).

Buy strong sectors on fall back with weak ytd.

TR reversion is key, no chasing at top tr%.

Lots of day traders, chasing mostly loses money with a small chance of gaining big.

Downside variance control is key to scale up, so strategy must have a lower variance.

Need to apply knowledge gained through data:

1. two day afternoon negative corr,
2. two day percentile close corr,
3. amf10's impact
4. ammint > open.
5. previous day HOY and CHY
6. index support.
7. HO's positive.
8. PM return positive and better Sharpe.
9. AM not good Sharp.

This all leads to no chasing sectors which closed at a high ytd and examine opening performance. In jan bought stocks which had good HO-CH but opened weak and it wasn't based on sectors, the sector was weak. Small stocks got killed across the board in a slew of management selling. Instead of buying @ am940, should buy at the second break or wait until afternoon to buy other sectors which had a strong amho-amch ratio.

Sector trading chasing high is quite not good. Buying at the high in the pm means the next day theres a risk of readjusting. It would open low and never recover this point. The downside risk is high regardless of market conditions.