8-21

Physical condition is bad since Jun, ways to combat

1. Sleep more
2. Deal with better people. Quick to ditch anyone who is causing negative utility. Never hesitate
3. Quick leave place that are causing negative utility. There are too many places causing negative utility.
4. Same with stock positions.
5. Trust ur instincts. If something feels wrong, it is wrong. Life is too short to deal with those.

Jun:

1. Don’t be monopolized.
2. Make sure there is no rumination
3. Do things directly, don’t do too much talking.

Ptf:

Structure your ptf to take on min pos this week.

One week resting was done last week.

Slowly put on some pos.

Friday, August 25, 2017

Morning is strong.

AM is the real strength, PM oscillates based on trading position.

AM position should be based on AM continuation and whether AM keeps breaking range.

The obvious issue this month was heavy positioning when markets were in adjustment and low positioning when market is rebounding.

Using R to run a few tests of strength indication:

1. Weekly sharpe (from mon open, close to open included (penalize stocks that have big OPCs)

Compensation is for holding long term with short term retreats.

Got thrown out in a 5% adjustment.

Trading skills facing a small reset is not good.

On the stock side, stick with highest sharpe ytd stocks. Cut whichevers’ had a big reset.

510050 was never a good sharpe stock.

Short term correction in the market is common.

Keep doing T on high sharpe stocks.

Few areas that need special consideration

1. Stock universe selection
2. How to handle a correction (did badly on this in early Aug)
3. Fut Strat

Look for stocks that have better Sharpe than the ptf. Keep track of ptf sharpe.

For bear market, hedging of AM delta is key as AM corrects, for bearish periods, wed-fri AM delta is all poisonous.

You need to have a function that maps from observable market/ptf characteristcs to a position sizing strategy. This includes the recent need to hedge AM, AM sharpe, ptf AM loss, ptf max drawdown,

**Loss control is much more important than profit making.**

Week cumulative sharpe.