10.1

Trade XU,US.

HK and China is closed.

China reopens in one week. HK has today off.

US trading:

A lot of orders weren’t filled, check out why.

US criteria:

1. Abs(Ytd change) > 5%
2. Market cap > 1b
3. Choose 2 from riser and 2 from fallers

10/2

1. Add ryan air (RYAAY) (reconsider, lower IV)
2. Add Tilray (TLRY), IV > 150%
3. Removed all chinese ones. (not volatile enough, need 10% + move)
4. Medical stocks very volatile.

Trading platform stability:

1. Sometimes gets cut – can consider using VPN during US session and monitor breaks
2. Can use IBGateway, but GUI needs to be massively improved. A lot of orders were not filled last night – need to investigate in TWS.
3. Stick with 2 stocks first, cannot handle more than 2 now

HK morning trading:

1. 1548 lot size is 2000, put in 1000, buy order was bad. Short -2k and buy 2k got accepted.
2. 3333: ok
3. 1293 : shares couldn’t be located
4. Overall connection is better (no break ups)
5. Fees: 20 bps one side. If size is 10k, 20bps to enter, 40 bps to flip, 40 bps to flip again, 20 bps to close. 1.2% is the cost in fees to carry out this strategy.
6. With no flip, 80 bps to carry out the strategy. (open close open close)

**HK criteria: (based on the positive autocorrelation of volatility, GARCH(1,1))**

1. Go to 东方财富, 港股主板
2. Rank by highest traded size
3. Find the most positive/negative returns.
4. Pick 1 most active upper and 1 most active downer, 新奥能源 (downer),

Second Method:

1. Rank by 涨幅, pick the largest traded $
2. Rank by 跌幅, pick the largest traded $
3. 1548 and 2688 are ones that meet the criteria.

HK pm trading:

1. HK safety margin was too aggressive at 1%, sold 1548 too early, revised margin just to cover round way trading cost. (50 bps) US safety margin -> 50 bps, XU safety : 30bps
2. 3333 made money. 1548 would have made money if filled properly. 1293 广汇宝信 has no volume, after acquisition of Evergrande, its below pre-announcement levels.
3. Liquidated all HK position -> no point holding long term.
4. Added 2688 (新奥 energy into trade list)

US trading:

1. NIO: clean and good. (1 hilo trade)
2. QTT: open dev lost money, hilo profit
3. PDD: too many trades. Stop openDev, space out hilo, make wait time longer.
4. NBEV: nice cut at the end.

Overall:

1. Trades are too close to one another.

5:28 recap

1. QTT: there was a bug in Post cutoff trader (stopped cutting at am End -> change this to pm end, 2% margin)
2. NIO: this is a good trade
3. PDD: too many trades clustered at open. (Mostly due to 10s:60s/10s, change this to 60s:300s/10s)
4. NBEV: am liq was good. Revised safety margin to 2%. Opening too much overtrading. Stop NBEV - not volatile enough, is also the weakest of the Marijuana stocks.
5. General: decommission open deviation. Only keep hilo, flip size. Keep max size fixed at 4. (if too many flips -> nothing done. Look at XU today, nice market conditions should be 1 trade)
6. Before sleep, change TWS to IBGateway to ensure no interruption.

On XU:

1. Restart had a bug, direction was not set. The reason might be due to that hiloDirection got set faster than data was loaded. A way to resolve this is when firstKey of futdata < 9:01 am, don’t set direction, this will wait until loading finishes.

On HK:

1. 2688 has no volatility.
2. 1548 order couldn’t fill.
3. globalTrading off -> should NOT affect all the liquidation traders.

10:25

1. morning was buggy. XU short at lowest level, there was no hilo set registration, covered at 10 (post Cutoff)
2. hk size was too high on xin ao energy , costing too much (18 bps as trading cost each way, 36bps in total, 1.2% hilo, costing 1.5% of 120k (1800)) Trade friction is too high. Order filling is not guaranteed. Not good.
3. TIF day is bad. No fill is guaranteed. IOC is not allowed.
4. In the long run, HK intraday trading will be eliminated.

Noon on XU:

1. Implemented half hour trader.
2. 2 each half hour. Max 16 trades.
3. Previous hilo 4 trades, openDev 4 trades, overally 8 trades.

US:

1. Experimented with relative profit taker, halfhour trader.
2. Tomorrow keep experimenting with XU profit taker & half hour trader

10.4.2018

This morning is about testing quarterHourTrader.

problems

1. Position accumulation (should you cover entire position or just trade 1 lot in that)

After market. XU

1. First few trades made money
2. Later trades were almost all KO’ed
3. Positive PnL overall which is good.
4. Going forward, skip lunch session.
5. Surprising: lunch contributed pnl.
6. AM:77.5, Noon: 15(3 trades), PM: 50 (21 trades)
7. The stability of the strategy across all 3 sessions raises the question whether this is copyable onto US market.

10/4 US trading:

1. NBEV needs a profit taker
2. This needs to always take profits
3. Extremely volatile, always give back position.
4. Think carefully how to mingle profitTaker and quarterhourTrader.
5. If profit has been taken,

10.5.2018

1. Volatility is too low. Markets are not moving -> results are not good.
2. For XU, interval from 9am to 3pm would be enough.
3. Strategy only works on super volatile stocks, can take profit
4. For US volatile stocks, you can let interval -> infinite small and either gets KO’ed or it moves and there will be a profit taker.

US plan

1. Locate very volatile stocks
2. Start with 15 min interval, gradually reduce to 5 min, then instantaneous interval
3. The idea is, take profit as soon as there is break and retreat, otherwise pay flat in-out fee
4. Index fut is usually very slow. Almost moves nowhere, no much point trading it. Index fut is only used as a tool to calibrate the stock trading tool. Index: super large, liquid, not volatile. Stocks: smaller, not as liquid, volatile. Since this is a long volatility strategy. You must trade volatile stocks.
5. 一直在动的股票, highly volatile, offers opportunities. Up or down are both good.
6. Trading a stock that doesn’t move is enervating and tiring. 兵闻拙速, 未闻巧之久也.
7. Ytd index moved 2%-> made money, today index moved very little. Look for stocks that move about 10% daily. Autotrade these stocks
8. big institutions can’t scale the return in these stocks, not enough meat on the bones to be attractive.
9. Ditch any slow moving stuff -> slow stuff not worth the time.
10. 大象踩不死蚂蚁 – futs are where big institutions play. Focus on smaller arenas, ones that cannot hold enough liquidity.
11. Trade in retail dominated stocks -> fully automate

10/5/18

22:25 US trading

1. Experimented with 1 minute trader. Mostly knocked out
2. Every level is random, there is almost no volatility at the end.
3. Buying and selling randomly, with KO rates about 95%. Not a viable strategy.
4. Each tick is independent of each other and it is a random walk.