10.15.2018

After market:

Changes to the strategy/reflection  
In the first 10 months of this year, no profit was made, lost 600k.

The performance is very bad. Now the strategies are not scalable, and no position can be put on.

Use 2 figures: month to date dev and week to date dev.

When they agree, then trade big size.

When they don’t agree, weekdev dominates.

Currently, monthDev <0, weekdev <0, so be net short .

When they don’t agree, you should use meager size.

When they do agree, you should use bigger size.

You should keep track of mtd figure (of index)

10.16

Long term feasibility strategy:

1. Choose a stock
2. Examine if it is below or above its MONTHBEG level
3. If below, enter short position, if long, enter long position and keep acc/decu trader
4. The key:provide liquidity to market. This will be rewarded.
5. Provide liquidity on a number of stocks, this will hedge away the idiosyncratic risk
6. All delta position reflects if above or below month begin line.
7. Aim at long term feasibility. Aim at 0 manual intervention.
8. Adding position: at week high or lows
9. Take profit/loss: on Friday, bring back to default delta.

10.17.2018

* what if below monthbeg and above weekbegin
* how would you adjust the position?
* The net delta should be hedged. (across asia and world)
* Across asia, should hedge
* Across US stocks, should hedge.
* First, construct hedged portfolio, second, implement auto accuDecu trader
* Pnl comes from position day trading (auto), mtd dev
* When wtd dev disagreed with mtdDev, this is an uncertain situation, you should not overtrade it.
* Safe scenario is when wtd agrees with mtd dev.
* Mtd is more stable than wtd.
* Mtd gives you general direction.

10.19

Rebalancing strategy

Goal: sustainable, automatic, rebalancing strategy

Stock universe:

Source of profit

Key advantages:

1. Overall position is delta neutral
2. Short stocks < mOpen, long stock > mOpen
3. Auto rebalancing algorithm (do close rebalancing)
4. Auto day trading
5. Source of alpha: day trading, strong-weak premium, momentum premium
6. Diversified worldwide risk,
7. Long term feasibility and scability.

* Close rebalancing
* Below mOpen: main strat: short, add short on high close,
* Above mOpen: main strat: long, add on short close.
* Rebalancing time: US close. Reason: chinese close: US might impact, chinese open: expectation might mess with it.