12.3

Observations:

1. All hk positions are under water, stop adding to them
2. Net US positions are under water
3. Stock positions costing 70k
4. Future position: feb was long, sep was short. (both against mDev)
5. Shorting started in oct and things started becoming stronger in Nov, apple-fb spread fail. Short HK ptf of stocks fail.
6. Strategy was long china blue chips vs. short futures, blue chips were down 30-40% and futures were one big chunk which was not flexible.
7. Each stock should be treated on a yDev and mDev basis. Holding everything in 1 direction is not good.

Going forward

1. XU trading has advantage through dDev, serial negative correlation, grow on this advantage, futures costing -230k this year, most, stock costing -70k.
2. Observe opening to view strength/weakness
3. Overnight, overweekend delta control is important. Too many unknowns like policy changes or snapbacks

Tool building this week:

1. By tick, percentage of ticks above open
2. By minute end, percentage of bars ending above open

Markets:

1. 10:23 broke high, stop trading future
2. Most bars are below open, can liquidate at close
3. Don't add to hk short positions
4. Keep overall exposure small, keep note of mDev (all hk stocks were +mDev on nov)
5. Add risk when market is in favor.

key

1. No trading against dDev, mDev, yDev
2. Hk last month was up, shouldn’t add pos
3. Keep overall exposure small, don't go crazy
4. Don’t be ambitious, aim at riskless strategies.
5. Aim at not losing money first
6. Spend most time on looking at devs.
7. Current situation in HK: dDev up, mDev up, yDev down -> inconsistent -> no trading on HK positions until mDev is solidly down.
8. Adding against mDev on US positions is especially dangerous. AAPL was down 20% last month.
9. HK positions you were trading according to dDev but not mDev, these got killed last month.
10. XU trading according to stability above/below openlevel was useful last week, extend this strategy.
11. Intraday shorting: 1. Trade below open (once above open, stop) 2. Short on rebounds 3. Leave time in between 4. No change in direction intraday.
12. Position should not be so big as to produce pleasure on gains or negative emotions on loss (inconsequential daily PnL, one day does not make or break)
13. Each period is characterized by a direction (HK is on the way up, US down, China big caps flat, Position: short HK, US flat mishedged, china making money)
14. Today: positions were added too fast, 1. Add on rebound 2. Don’t add too close to one another 3. Add on uncertainty (below open) 4.
15. Markets are driven entirely by emotion. 1. Emotionless 2. Position sizing under control 3. No trading against dDev as emotions last in the trading session. Each asset’s overnight position doesn't exceed 10% of ptf, best if 5% ptf.
16. Each morning, write a morning diary on the mDev, yDev of markets and positions, and outline tradability of each.

12/3 Closing review

1. PnL: -35k, reason: hk 27 up 10%, -30k.
2. HK opened december up very strongly, H.S.I finished Nov +6%
3. Trading: shorted XU at the beginning and stopped once above open
4. Tradability this week: HK: no more shorting, closely follow the mDev. China Futures: no more shorting, follow mDev.

12/5/18

1. Markets are strong. Index 100% above openLevel.
2. Current level is high, from fri to mon jump up, now still way above last fri’s level
3. This wDev is down. mDev is down. yDev is down. dDev is up(no short against this)

Trading plan:

1. Hold hk shorts
2. Watch china closely. Short on weakness.
3. Short more US on rebound, fully hedge AAPL exposure, short some NASDAQ ETFs.

**Research results:**

From 9:30 to 9:50, observe % of time above openLevel.

This is positively correlated with the return between that time point to close.

The advantage is especially bigger if the prevailing direction is against ytd, and with level advantage.

12.6.2018

1. If yDev and mDev are correct, the positions are tradable, otherwise don't add.

2. Today opened down 1%, aboveO% around 50. There is no advantage. Either up or down is possible with equal probability.