1.29

Fut expire on Jan 30 (tomorrow).

Build pos/roll.

5 futs remaining on expiring future.

Cut pos for a bit. Need to do intraday trading.

On Expiry: make sure

1. Expiring fut wtd pnl needs to be correct

1018

Positioning on alcohol bit heavy. Don’t have extra capital to trade intraday for stocks.

Not a good situation.

Fut position is much more comfortable.

Futs start having a big premium at 70 bps ~ 1%, it was a misjudgment of the market today.

1123

Markets crash into morning close.

1/3 position max reached on day trading. Plenty of trading today.

Trend pnl turns very negative following last thur’s crash and rebound.

Selling started about last Thursday where morning crashed.

If trading position remains negative, don’t trade for this week.

1349:

Markets start to adjust abruptly. Trend pnl is destroyed while there are no one picking up in the PM.

People start to cut position here.

January recap:

Started rallying aggressively without allowing for any correction, straight up for 10+ session. There was no place to add position. As soon as markets slow down and you start going in, it would be already correcting. Under this framework, you have to fight for position when it just starts moving.

Markets are volatile in the short term but long term it is the fundamentals that matter.

Keep long term position.

Position adding was late and it already started correcting once you add position. This means in the long term you need position on if you trade trend pnl.

1.30

Currently hold about 4mm delta on futs. During confusion period sell down to half position, (about 1.5mm) with a profit. PM increase delta to full.

PD trading rationale:

1. Futures reflect future price movements
2. Futures are subject to day trading and more intensified emotions
3. On T, futures usually sell into discount to reflect global market weakness, because markets are correlated
4. Short term day traders who aggressively sold need to cover their position (provide liquidity to them)

Lunch break:

Futs closed at lows. PM exposure about 5.8m.

Close action:

Futs: bring down to about half position. ( -> 1.5mm delta)

Stock: no need to touch.

**Close:**

There was no pmcl.

Holding 6mm delta.

The rise since year beginning was a bit much. Tuesday rebound even doesn’t have strength here.

Stock cutting: end of march (2 months after)

Future cutting: natural expiry.

Monitoring changes: Open and close.

Trading: Halt.

Reason: Rally was too aggressive, which broke the rhythm of the market. (15 ups in a row)