6.4

刚到青岛, 这几天重感冒, 很累.

主要原因是在烟台太热, 晚上住的酒店太差, 味道大导致没休息过来. 开窗户也冻着了.

以后一是关窗帘睡觉, 睡的越多得感冒的几率越小.

第二是开车需要能量的时候要喝可乐, 补充carbs, 防止抵抗力下降. 你看虚弱的病人都打葡萄糖.

先在青岛把身体养好. 然后去上海.

昨天在烟台和海阳, 感觉真是落后. 山东全省除了青岛可以不用再来. 封建愚昧, 这个词比较适合.

身体好了以后都要在苏杭等地逛逛.

感冒好预计还需要几天, 这几天现在westin.

Trading:

Today markets massively rebound.

Need to have a hedge remover in case market massively rebound.

* Remove hedge at low percentile

6.7

Change in positioning

1. 卖掉华大基因, 比亚迪, 万科, 因为市盈率高
2. 卖掉ETF, 因为跟fut完全1:1正相关
3. 卖掉工商银行, 规避地产风险, 保留业绩最好的招商银行
4. 买入格力, 加仓美的, 货币还要贬值, 这些可以对冲贬值
5. 喜欢低市盈率的标的.

现在持仓: avg weighted ptf PE: 20x.

美的 330k (17x)

长江电力 300k (33x)

格力 260k (13x)

茅台: 240k (29x)

招行 140k (8x)

平安 : 130k (11.4x)

五粮液: 80k (16x)

Overall: 1.5mm

Reason for adjusting position:

Stay away from property stocks. Banks+properties -> Ponzi scheme, relies on money printing. Stay on consumer durables. The excess money doesn’t go into bank/property stocks, but into consumer stocks.

Focus on low PE stocks with stable earnings.

If the business will grow, then it doesn’t matter how the markets are in general.

With inflation, earnings will grow and stock prices are bound to go up in the long run.

The company needs to grow at faster rates than the economy, because government prints m2 at the rate of economic growth.

In the next stock market turmoil, put on US positions.

Current exposure is short 70% of HK ptf, but 1/6 are used as margin, use 50% as a buffer, so you can invest up to 60% of ptf, invest about 200k USD.

China: long 1.5mm RMB

Offshore: long 1.2mm RMB US stocks

Offshore: short 1.4mm rmb of china futures.

Overall: long 1.2mm (about 25% of ptf)

Work on day cover trader, don’t short when T-1 was up.

6.9

Review:

Auto trading:

Inventory trades don't work

Stock position:

Got rid of properties and ICBC, and huada jiyin and BYD, and ETF.

Huada jiyin’s PE is 131, not worth holding due to valuation. ICBC has exposure to property, which I don’t want. Vanke is a property stock with unclear future. ETF is useless as it can be replicated perfectly with futures with cheaper funding. BYD has PE 333 and depends heavily on subsidies. Shanghai cars is a better stock with PE at only 10. Keep your eyes on good quality stocks as these will hedge inflation.

Kept Changjiang electric, which yields divs (how much?), moutai (PE 29), wuliangye (PE 17),

Gree (PE 13, good deal), Media (PE 17)

Shanghai composite has dropped to 5x earnings before, beware of another 80% drop. Flat position on the high levels, higher position on the low levels. This means asymmetric delta. Higher up delta limit with flat lower delta limit (done in practice).

Hedging will be important throughout, even though valuation may seem attractive but hedging is still a very big part of the game, to reduce volatility.

Fri:

Markets in the US are up again despite the fall in Asia. Asia underperforms US long term.

Weekly review:



Comments:

Fut trading resulted in loss due to buying too early on Fri.

AM delta needs to be controlled. PM delta needs to be big.

AM delta: open cover. That’s it. Bring delta to baseline. (cover condition: 9am open not 100%, level at lowest day percentile).

PM: let percentileTrader and MA trader take over.

Reviewing YTD performance:

Ytd: down 8% almost all was down during Feb.

Position was big and things were not automated.

Continue to work on auto trading to perfection.

How did the Huanfang guys go up 30x within a few months?

In very volatile markets, the bottom line is you gotta stick with