US vega rebalancing risk has spread to all of the world.

China gets sold off quickly.

Few things.

1. Keep your distance from the markets, don’t get roiled by the emotions of the market. Don’t follow closely like crazy.
2. Don’t get annoyed by the mark to market of the portfolio.
3. Treat stock like property investment. Hold longer. Trade less.
4. Lever and relever positions slowly. Don’t panic or greed buy/sell. Levered up too much in Jan.
5. Don't worry about money. Adopt an “asset” view. Holding an asset that generates value.
6. Have confidence in the stocks you are holding. As long as fundamentals of the companies don’t change, hold it.
7. Only follow earnings in investment. Nothing else.
8. Stay away from leverage going forward, markets can get very volatile as shown in Feb 2018. It impacts mood, sleep and lifestyle.
9. Life is short, noone needs that stress with high risk associated with leverage. Making money is secondary to living a good life.

Buffett:

On Long term capital management:

**To make money they didn’t have and didn’t need, they risked what they did have and did need.** That’s foolish, plain foolish doesn’t matter what your IQ is. If you risk something that's important to you for something that is unimportant to you, it just doesn't make any sense. If you hand me a gun with 1000 chambers, 1 million chambers in it with one bullet in it, and put it against your temple and I’ll pay you, I am not going to pull it.

You can name any sum you want it doesn't do anything for me on the upside and the downside is pretty clear. I am not interested in that kind of a game yet people do it financially without thinking about it very much.

The downside is not only losing all your money but the disgrace and humiliation and facing friends whose money you lost. 16 guys with very high IQ and very decent people entered into that game. It is madness. It is produced by overreliance on things, you know, those guys told me that a 6 sigma wouldn’t touch us, they were wrong. **History does not tell you the probability of future financial events happening.** They had a great reliance on mathematics. They felt that the beta of the stock tells you about the risk of the stock but it doesn't tell you a damn thing in my view. **Sigma doesn't tell you the risk of you going broke.** We really have a blind spot about something that’s crucial because we think we know a lot about something else. People who go broke are of two types, people that knew nothing and the ones that knew everything.

I never borrowed money, I had fun all along. I was going to do the same things when I had a lot of money as when I had very little money.

Buffett:

1. “Anything can happen in stock markets and you ought to conduct your affairs so that if the most extraordinary events happen, that you’re still around to play the next day.“
2. “You shouldn’t own common stocks if a 50 per cent decrease in their value in a short period of time would cause you acute distress.“