LONDON METROPOLITAN UNIVERSITY

PROFESSIONAL WORK PLACEMENT

Reflective Report

YOUR NAME:

_____YYYYYYY_____

PLACEMENT WITH:

_____Company YYYYY_____

DATES OF ENTRIES IN LEARNING LOG

_____

_____ _____

_____

_____

_____

*

Reflective Report
(complete both sides of this form)

For the period 04/07/2011 to 08/07/2011

What have I done? (Relate tasks to Learning Outcomes)

(LO1) – Develop computational statistical skills to monitor the stock market.
The first week of the internship was in-house lectures where we learnt, about technical tools that incorporate statistics. The reason being that they incorporate data of historical prices and used to predict future price movement. We learnt how to interpret simple technical tools, analysing several outputs and how one can trade using them. We were given exercises to get practice and we were examined on technical tools on day 4.

(LO2) -Gain and attain Knowledge about the Financial Market and Trading
I also gained knowledge about what affects the market and what external factors manoeuvre the market. We looked at examples that happened in the past and how the market reacted such as the market crash in 2008, Japan Tsunami and previous political decisions.

(LO3) – Explore Mathematical Concepts whilst working in Finance and Trading (Financial Mathematics)
I was introduced to Fibonacci retracement, which was related to a topic learnt in school called Fibonacci numbers in first year of my degree. I learnt how they are incorporated when analysing the market technically and the basics of trading with it.

(LO4)- Improve Time management Skills
I had to attend the lectures in time, which was around 4pm to 9pm everyday. We were also given group work to day, which had to be completed within a set time. I also had to mange my time efficiently so I can revise for the test that was on day 4 for the internship.

What I did well (refer to skills used)

Team working and Communication
I worked in a team well as a team when we had group exercises to do so such as paper trading and the spaghetti game, in which we had to work as team to build the biggest structure using spaghetti. All of this we had a set time complete. I was able to interact well with my colleagues, giving my input, which was also taken into account.

Time Management
I was able to every lecture and I also was able to revise vast amount of information, revise them within a short period of time and perform considerably well on the test. I was able to do the exercises that were due the following day in time and received full marks, also completed all the group work in time.

Listening and Writing Skills
Although there were lecture slides given, they were the main key points, which Piers Curran, William de Lucy and Andrew McAllister would expand on in the lecture. This meant I had to write down the information given verbally, which I believed were important for my understanding and for the test on day 4. This helped me to do well in the test and also in the exercise questions that were given.

What I could improve on (i.e. skills I want to improve)

Communication Skill
Since I was in a totally different and new environment, where most interns were students that were studying financial related degrees, I did not feel confident. Therefore, I did not partake much in discussions during lectures. I also did not ask questions in class as much, as I was nervous.

Preparation
On the first day of the Internship I was not prepared and had little knowledge on the financial sector. I was placed in a team in order to do a group task called the 'trading game.' This is a form of practice trading based on previous trading days, called paper trading, where we write down whether we will go long or short at a certain data release. Since I was not prepared I was not able to trade properly and the whole team ended up making a loss due to wrong decisions made. This was due to lack of preparation before the beginning of internship.

Action I can take to improve my skills and learning (make these "SMART").

Communication Skill
Goal – to improve my communication skills and be more confident in discussions so I can share my thoughts and opinions.
Action – get to know other interns individually so I would be more confident when speaking in front of them as a group. I also I will prepare in advance what I would like to say.
Timing - By the second day of the internship, 5th July 2011.

Preparation
Goal – to be prepared before I go on simulation where my trades will be monitored in real-time.
Action- Read up on how to trade financial data releases and previous data-releases and see how the market reacted to it.
Timing – second week of the internship is practicing how to use the CQG ladder which our trades will be made, so during that week I will get

For the period <u>11/07/2011 to 22/07/2011</u>

What have I done? (Relate tasks to Learning Outcomes)

(LO1) – Develop computational statistical skills to monitor the stock market.
For the last two weeks, since the previous entry, I have been trading in real-time. I was able to put into practice technical tools that involve statistics and analyse the behaviour of the market. I was able to study historical prices in order to determine the behaviour of the market at present. I used ProRealTime Charts in order to achieve this.

(LO2) -Gain and attain Knowledge about the Financial Market and Trading
I learned how to trade fundamental news releases such as Consumer Price Index, which makes the market volatile. I also learned about different sections of the financial market such as bonds. We also went to the London Metal Exhange (LME) to see how trades are being conducted, which is by 'outcry,' which is different than to how we trade using trading software called CQG ladder.

(LO4) – Improve Time Management Skills
I was required to log in to the HotComm Room Monday to Friday, from 9am to 5pm., on time. I had to set up the ProRealTime Charts according the trading strategy sent by email one for the Euro vs. Dollar which I received early in the morning and for the e-mini S&P 500 which I receive around lunch-time, before the US market opens at 2pm. The trading strategy shows possible entry and exit points, which we had to pot. This meant I had to set up both charts according to it, especially before the US market opens in time, as there will be increase volatility and volume of trades at the time. I had to be ready to trade fundament news releases and read up on them to see whether they can affect the market. I also had to read the lectures sent by email, which was quizzed on by the end of the trading day, to test our understanding. This meant I had to manage my time between trades and revision.

(LO5)- Improve Computing Skills
I became familiar with new software's such as the CQG ladder, which is a computer-based trading platform, in order to execute trades. I also became familiar with ProRealTime Charts, which had several functions. I also became familiar with the Hotcomm room, where I became familiar with some of its basic functions.

What I did well (refer to skills used)

Preparation
I was able to prepare well compared to the first week, as I would do my research before every trading day, which included reading financial news from CNBC and Bloomberg. I also wrote down reminders the times of fundamental news releases so that I will not miss them, for every trading day. I was also able to se my ProRealTime Charts every morning and before the US market opening. I also prepared myself well for tests and quizzes and received good scores.

Communication and Team working

I was able to achieve my target or communicating with others in the internship and I became more confident in discussions about the behaviour of the market and the possible reasons why.

What I could improve on

Computational Skills
I found it quiet difficult to trade using the CQG ladder, as the market was quiet volatile and the prices will fluctuate a lot, therefore I had to be fast to enter in a long or short position at the best point. This lead to mistakes by clicking on the short button by mistake, which was costly. This was known as 'fat finger' mistakes.

Trading Skills (Technical and Fundamental)
I was not very familiar with the technical tools in practice, although I know the theory of it quiet well due to the quizzes and test. Technical tools help you analyse the market, and also used to predict market movement. The lack of practical knowledge using technical tools in trading meant I made wrong trading decisions. I still have not overcome the problem of trading fundamental news properly, as even there is good news the market sentiment was bad, due to uncertainty caused by the US and Eurozone deficit. This resulted to wrong trades made that were costly.

Action I can take to improve my skills and learning (make these "SMART").

Computational Skills
Goal – to become fluent using CQG ladder and ProRealTime charts.
Action – practice makes perfect, practicing using the ProRealTime Chart on my own time, after the trading sessions. I also have to be more careful using the CQG ladder. I can also ask questions to my mentors if I have any problem using the CQG ladder or using ProRealTime Charts.
Timing – By week 4 of the internship, 25/07/2011.

Trading Skills
Goal – Learn how to trade using technical tools and fundamental news releases whilst trading, appropriately.
Action- Research the fundamental news releases, see how the market reacted in the past and learn to analyse the market sentiment, by reading the financial news. Also, learn using the technical tools appropriately. If I have any doubts, I can ask the technical analyst in the Amplify team, to explain what the technical tools indicate in real-time.
Timing – By week 4 of the internship, 25/07/2011.

For the period <u>25/07/2011 to 01/08/2011</u>

What have I done? (Relate tasks to Learning Outcomes)

(LO1) – Develop computational statistical skills to monitor the stock market.
I continued to use technical tools and technical analysis techniques to monitor the market. I learned new more advance techniques such as Moving Averages and Boiling Bands, and had to lectures to trade with them. I learned how they were calculated which all make use of historical data and used to predict future movement. I learned how to interpret the outputs. We were often quizzed on the technical tools and analysis techniques and we had an ' End of Month Quiz,' which the score was a satisfactory 15/25.

(LO2) -Gain and attain Knowledge about the Financial Market and Trading
We continued getting daily briefing informing us any financial news that have came out. I also go insight about different parts the financial market such as the Bonds and how their prices affect the overall financial market. We learned key terminologies, theories such as the Super Cycle and Emerging Market Theory about the financial market. We also continued to learn financial data releases (fundamental news).

(LO3) -Explore Mathematical Concepts whilst working in Finance and Trading (Financial Mathematics)
Expanded on the Fibonacci Retracement levels technical analysis technique and learned about Elliot Wave Theory. This theory suggests that the market has a cycle, which produces waves caused by the mood swings of the market sentiment. There is pattern and this pattern lies within the Fibonacci retracement level. We also learned calculations on Hedging and Investment, taught by Andrew McAllister.

(LO4) – Improve Time Management Skills
I continued to research on the financial market in order to prepare for the next trading day. I also was on time for every trading session, which I have not missed. I also continued to set up my ProRealTime charts on time before the US market open at 2.30pm. I also had to manage my time in order to revise for the quiz and the 'End of Month Quiz.'

(LO5)- Improve Computing Skills
I continued using the ProRealTime Charts and learned how tot set up different technical tools and change the layout in order for me to easily analyse the market. I also continued to use the CQG ladder and learned how to trade with two contracts with Euro vs. USD, as I was only used to dealing with one contract.

What I did well (refer to skills used)

Trading Skills
I was able to overcome the problems mentioned on the last log and I was able to trade well financial data releases. I was also able to trade using more advance technical tools. I also became confident using two contracts to trade with in Euro vs. USD and was able to make profit, rather than with two.

Communication

I was able to communicate comfortably with other the interns, and now they shifted us from the beginners HotComm Room, with the other traders across the world interact with eachother, that belong to the Amplify Trading Team. I was able to communicate with them in a professional manner.

What I could improve on

Preparation Skill

Since the market was so volatile during this period, I neglected some of my revision time for the End of Month Quiz. I was too drawn to trading the real-time market, always monitoring the market looking for an opportunity to trade. Although I was able to perform well on the mini-quiz. I did not achieve well on the End of Month Quiz, which involved everything we have done, although I received a satisfactory score.

Trading Skill

Although I was a making profit, but whenever I was a making a loss, I would jump back into the market by putting in a trade, hoping that I will make back the money I lost. However, this led to more loss, as I would get back in without analysing the market before hand. Trading is not like 'gambling,' there should be a logical reason why I put the trade. I also sometime trade without a loss stop so if I was in a trade and the market was going against it, i.e. making a loss, I would wait until the market will change direction so I can a profit. However, sometimes the market does not always change its direction so I take a bigger loss, especially if I don't put a stop loss, which is designed to limit the loss. Therefore, I should become more self-controlled and accept a loss in order to be a good trader.

Action I can take to improve my skills and learning (make these "SMART").

Preparation Skill
Goal – Find time for revision and trade only when needed.
Action – Revise in the morning before the US market opens, where there is high volatility and high volume in the number of trades.
Timing – By the following week, the 22/08/11.

Trading Skills
Goal – Become self-controlled when trading and to accept loss.
Action- Trade with a stop loss at all times and do not attempt to trade just to make my money back, there should be a reason behind it. Therefore, I should always analyse the market before I trade.
Timing – By the following week, the 22/08/11.

What have I done? (Relate tasks to Learning Outcomes)

(LO1) – Develop computational statistical skills to monitor the stock market.
Learned more advanced technical tools such as RSI and MACD also learned how different markets are correlated to each other. For example the US dollar is always inversely correlated with commodities. Studying the correlation of the market enabled me to make successful trades.

(LO2) -Gain and attain Knowledge about the Financial Market and Trading
We continued getting daily briefing informing us any financial news that have came out. We learned about the commodities market and also learned about Monetary policies and how they affect the market behaviour. I also traded fundamental data releases and had lectures based on it order to master the most volatile data releases such as Non-farm pay roll and trading techniques. I also traded when Barack Obama was making a speech regarding the US deficit, which made the market very volatile due to uncertainty of the US economy. I was also given a title for the individual report 2011 Japan Tsunami.

(LO4) – Improve Time Management Skills
I had to manage my researching time, as I had to research about current world affairs, financial news and for the following day about any data releases and how they can affect the economy. I also had to a lot of research in order to start doing the assignment. I also had to set up the CQG ladder and ProRealTime Charts on time before 2.30pm, which when the US market opens. I also had to revise for the quizzes that took place towards the end of the trading day.

(LO5)- Improve Computing Skills
I continued to use the CQG ladder, ProRealTime charts and also used Microsoft packages that are Microsoft Word and Microsoft Excel to do my individual report. I also was surfing the web frequently in order to do research.

What I did well (refer to skills used)

Preparation and Research
I researched well before every trading sessions that I was able to trade appropriately and make a profit. I also was able to do a vast amount of background research for my individual report so I was able to begin with the report. I was also prepared for the quizzes so I was to answer well, and received good scores.

Trading
I have become confident with my trading technique and made good profit. I received positive feedback from my mentors. I also improved on my trading discipline, as I did not go over my daily stop limit as much as I used to.

Computational skills

I am confident in using ProRealTime Charts and the CQG ladder, as I do not make any accidental errors and I also can set up ProRealTime Chart fast when I receive the trading stat edgy. This also helped in my preparatory skills, which in turn helped with the trades that were executed.

What I could improve on

Trading

(1) I still have room for improvement in my trading skills. Now that I am making profit, I expect more profit I will wait longer in trades, even when I was making reasonable profit. Since the market was volatile it did not have a definite trend, so it can reverse and hence I did not take the maximum profit I could have taken, but less or even a loss. Therefore, I should not be too greedy and exit the market appropriately.

(2) Also, I still have problems trading in a very volatile market, since the financial market was in turmoil due to the budget deficit problems in US and Europe.

Action I can take to improve my skills and learning (make these "SMART").

Trading (1)
Goal – to become even more disciplined in trading.
Action – when trading when I see substantial profit I should simply take it, rather than hoping for more profit, as the market is very volatile.
Action- from next week, the 22/08/11.

Trading (2)
Goal- Improve on trading when there is unpredictable market movements and high volatility
Action- Research on past economic problems such as the recession and examine the market movements also receive advice from the experienced traders in amplify trading, including the mentors.
Timing- As from next week, the 22/08/11.

For the period 22/08/2011 to 26/08/2011

What have I done? (Relate tasks to Learning Outcomes)

(LO1)- Develop computational statistical skills to monitor the stock market
I am confident in trading using technical skills, which incorporate statistical skills, and able to predict and anticipate market movement in which I can make a profit from. I have learned how to incorporate different technical tools altogether and see whether if both technical tools indicate the same future market movement, if at least three indicators expect the same market movement I can execute the trade with confidence.

LO2)- Gain and attain Knowledge about the Financial Market and Trading
I have been trading for 7 weeks approximately. I also continue to receive debriefing sessions on the current economic outlook. I continue to trade fundament news and I by completing my individual report I was able to attain additional insight of the financial market.

(LO3)- Explore Mathematical Concepts whilst working in Finance and Trading (Financial Mathematics)

Learned other techniques to calculate the volatility of the market, which is the standard deviation of the closing prices, known as the historical price. This is used to anticipate the risk of trading in the market. This means the higher the volatility, the higher the risk, implying we can make either a big loss or a high profit. We also expanded further calculations on Hedging and Investment, taught by Andrew McAllister.

(LO4) – Improve Time Management Skills
I logged into to the Hotcomm internship sessions on time and I trade in appropriate times and managed to research about the current financial market as well researching for the individual report.

(LO5)- To improve my computer skills
I continue to use the CQG ladder and the ProRealTime charts in which I have become fluent with. I have also used and plotted graphs on price movement of different markets on excel, in order to examine and explain the different market movement s that occurred during Japan tsunami 2011.

What I did well (refer to skills used)

Trading Skills-
I have become more disciplined in my trades were able to make substantial profit without making a loss that exceeds the daily limit loss. I am able to enter and exit the market at the right moments. I can also analyse the correlation between markets and anticipate the market movement. I also incorporated technical tools well in order to

make trading decisions. I have developed my own trading-style and I more of a fundamental trader as I can make substantial profit during fundamental news releases.

Computer Skills-
I can use the CQG ladder comfortably as well the ProRealTime charts in order to trade also, by completing my individual assignment I am confident using MS Word and Excel and produce a report that is presented nicely.

Organisation and Time Management-
I have not missed a single trading session so far and I have always been on time throughout the internship and be prepared before the market opening. I was able to also hand-in my individual assignment in time,

What I could improve on (i.e. skills I want to improve)

Organisation and Time Management-
Although I have done a lot of research for the individual assignment, I only completed it on the day of the deadline and hand it in on time. I did not plan the structure of the assignment and this meant I had to do a lot of restructuring on the last day when I have completed the content of the assignment, which took a lot of time to do, as it was a totally new topic.

Action I can take to improve my skills and learning (make these "SMART").

Organisation and Time Management-
Goal- Complete the assignment before the day of the deadline
Action- Prepare the structure of the assignment before beginning the assignment, as the content may take a lot of time to do and hence the structure of the report will be left in the last minute.
Timing- Since it is the last week of the internship I will incorporate this in my university studies and future projects.