

Investor Centre

 @InvestCentreOz

Trading Work Book August 2016 Blog

July Debrief

July was a better month as we get back towards reasonable OPEN trade returns and an overall monthly return above 200+ points. At this level we are earning a reasonable monthly income for our efforts. The end of June saw an increase in volatility that continued into July. Unfortunately the volatility completely died out at the end of July and is expected to continue through August.

Date	Open	Day Chase	10.30am	Informed drift	Mid Strad	Ambush	AST	Express	Tell
1/07/2016	14		14		26				
4/07/2016	21	-30	14		-14			-14	-30
5/07/2016	14		14	14	10			6	21
6/07/2016	14								
7/07/2016	42				-14		14		
8/07/2016	-14		14	7	10				
11/07/2016	28	35	7		2				
12/07/2016	10	-10			-15				
13/07/2016	-14	-21			-7				
14/07/2016	-15		-7	14					
15/07/2016	-10		14	14	20	20			
18/07/2016	-10		-2		-15				
19/07/2016	4				-12				
20/07/2016	-14				7				
21/07/2016	-3	-3			21	28			
22/07/2016	14				21				
25/07/2016	10		14	-14					
26/07/2016	14	-8		-14	10				6
27/07/2016	-14		14		-15				
28/07/2016	0		0		-5				
29/07/2016	0				21				
Total Points	91	-37	96	21	51	48	14	-8	-3
Total Trades	21	6	11	6	18	3	2	2	3
Losses	8	5	2	2	8	0	0	1	1
Accuracy	61.90%	16.67%	81.82%	66.67%	55.56%	100%	100%	50%	66.67%

Total points for July +273

\$10,000 account trading 25 \$1 contracts or 1 \$25 contract would have made +\$6825 ROI.

Outcomes would be different for Halifax that requires a higher limit to match City index.

Open Trades sat above 60% this month and were let down by a string of consecutive losses from the 13th to the 19th in an otherwise good month of open trades. 91 points total for the month is still an acceptable outcome.

AMBUSHES – continue to be effective in a sideways down market and these will continue to be deployed until September where the market is expected to change its disposition.

10.30 attacks scored over 80% and were the most profitable trade in July with more than 80% accuracy and more total points than any other trade. August is traditionally a bad month for 10.30 attacks and we can expect this to drop off in August with a much lower frequency of suggested attacks.

Tell Trades have died off after Brexit with an extremely artificial environment being enforced in the US market that is likely to continue until September.

August

The run into the US election will likely set the pace for August and September. After Brexit we believe that the world bank made funds available for institutions to “stabilise the markets”. A US presidential year has a consistent profile.

The traditional pattern for a US election is:

Up in December

Down in January

Up into April

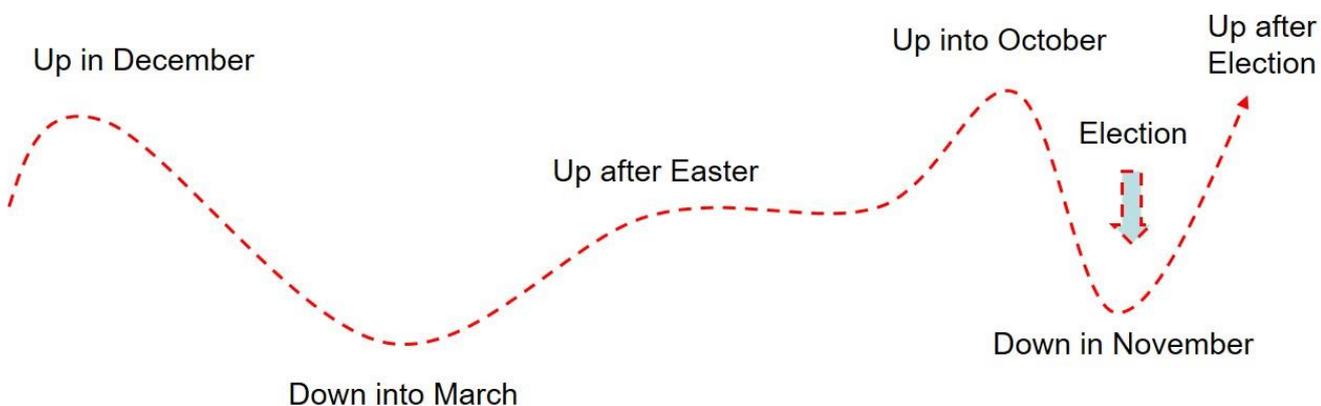
Flat into June

Up into September

Down into Election

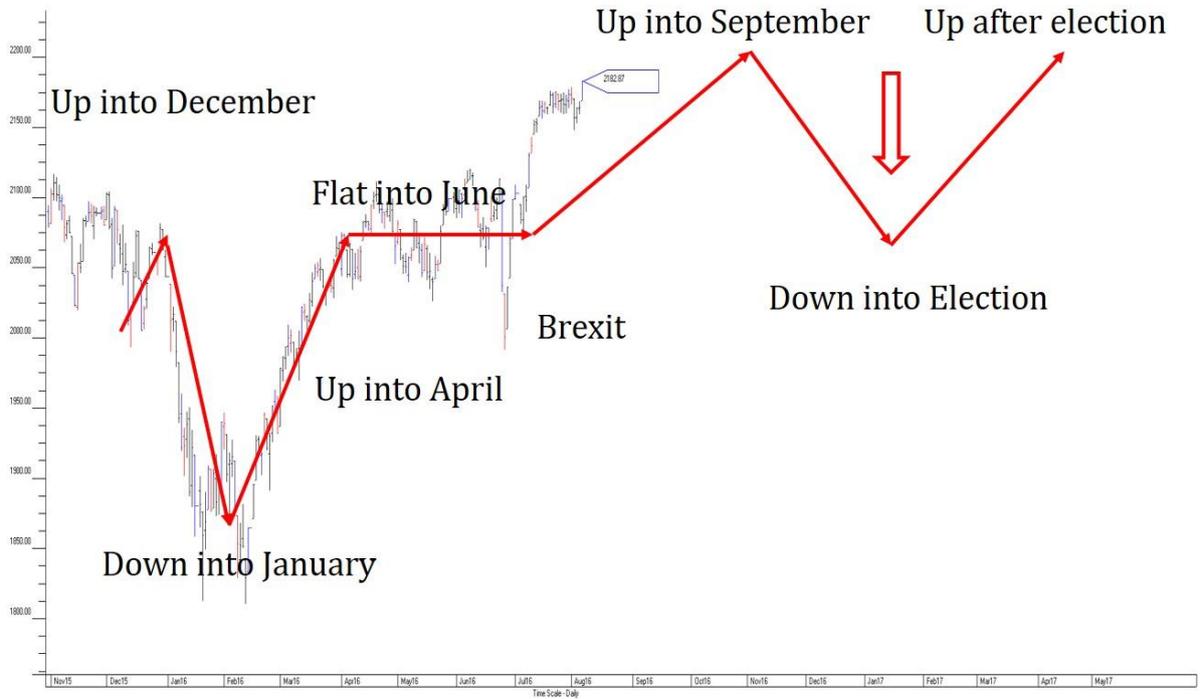
Up after election

This pattern retains an 80% accuracy from the last 10 elections (40 years).



History shows that the market will rise regardless of which party Republican or Democrat win

Current market



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The pattern is very similar but the length of each leg varies from election year to election year.

The sudden escalation of the markets after Brexit changed the curve for the climb of so that the market escalated quickly to the current resistance level of 2185 on the S&P 500. The S&P is currently expected to break 2200 towards the end of August or 1st week in September. We can expect our market to resist falls in September while the US market commences a run down.

Currently Inversions are not recommended for day traders. However the potential for profit – long the US short the AUS at a ratio of 3:1 is working quite well.