

# Catching the Open 2020

## A Comment on the Performance of Recent Day Trades

The return on recent day trading has been extraordinary due to the volatility. In April this generated a record month, \$17,925 on a \$10,000 account. However, in speaking to some Day Traders they did not realise a lot of this profit.

**Success or Failure came down to PSYCHOLOGY.** If the morning trades were winning trades, some less experienced Day Traders would be encouraged to do the rest of the trades. If the morning trades were losing trades, - they would not proceed with trades after 11.00am – being demoralised. The consequence was significant because most of our winning trades came after 11.00am in March and April.

Remember Day Trading is a numbers game – the afternoon trades generally improve their success % if the morning trades fail.



YTD

Results	1/01/2020	1/02/2020	1/03/2020	1/04/2020	1/05/2020
	\$10,000.00	\$15,025.00	\$24,875.00	\$40,625.00	\$58,550.00

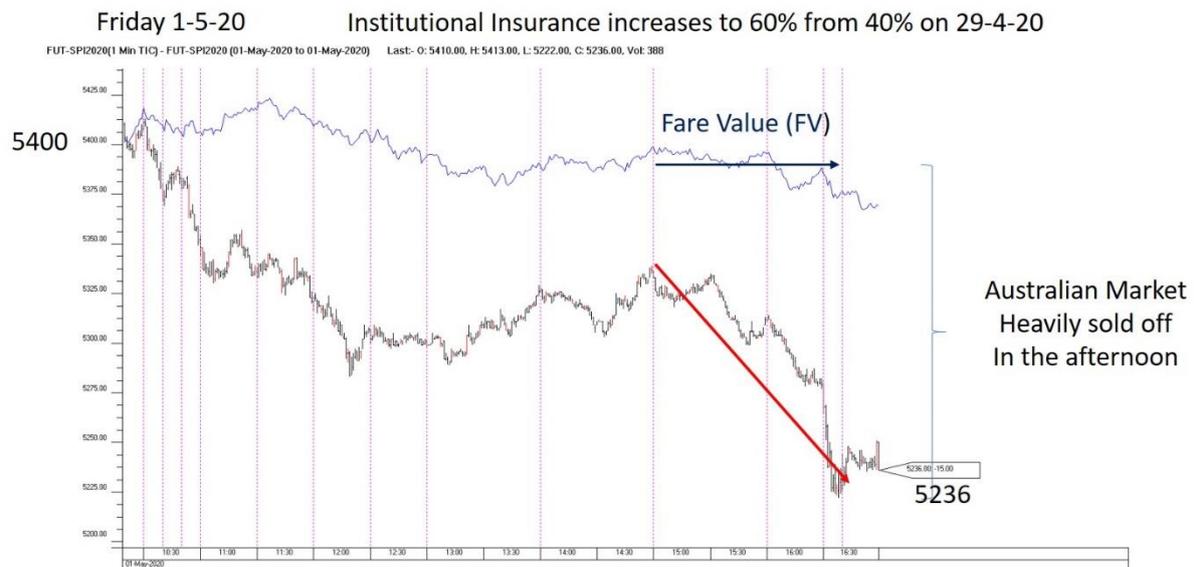
A full spreadsheet of every trade for the year is available from [trish@Investorcentre.com.au](mailto:trish@Investorcentre.com.au).

## Catching the Open with City Index

On Monday 4<sup>th</sup> May, we were set for an interesting OPEN at 9.50am

The Australian market had fallen 200 pts.+ on the previous Friday before the international markets on Friday night. The Australian market was carrying significant insurance at 60%+ up from 40% on Wednesday – indicating that the institutions were expecting a down market.

## Friday 1-5-2020



On Friday night the world market fell but the ASX 24 (SPI) had little reaction, closing at 5230 – just 6 pts down from the day close.

On Monday morning the world futures for Japan, US, and UK opened at 8.00am Sydney time – well down from the closes on Saturday morning. The S&P 500 futures had closed at 2835 Saturday but opened down at 2805 (-30) and then proceeded to fall to 2785 by 9.45am Sydney time.

This set our market to open significantly down from the close Saturday.

Monday morning is particularly difficult to get a trade placed at open with City Index as the market is likely to be highly volatile and the actual open is extremely hard to anticipate.

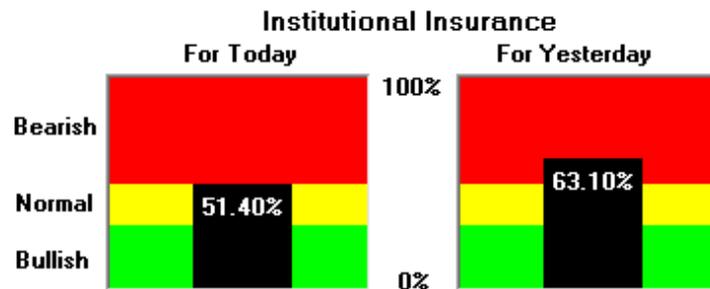
There were four (4) alternatives for positioning the Order pre-open with City Index using the AT Pro platform. These alternatives are different on different mobile systems.

### Alternatives:

- 1) Manual entry at Open.
- 2) Position an order LONG with NO STOP or LIMIT, just below the night market spread which gave an order of 5226.
- 3) Position an order LONG with NO STOP or LIMIT, at the TWB suggested entry price.
- 4) Position an order LONG with NO STOP or LIMIT, at the potential opening price at 9.45am.

Report Date :20200504 @ 09:00:00

- TW20200422.INI
- TW20200423.INI
- TW20200424.INI
- TW20200427.INI
- TW20200428.INI
- TW20200429.INI
- TW20200430.INI
- TW20200501.INI
- TW20200504.INI



Item	Value	Up/Dn	Item	Value	Up/Dn
SOS Trigger	-6	👍	Oil 9am	18.99	👍
SPI AM Close	5230	👍	Oil Movement	-0.07	👎
SPI Close Yesterday	5236	👍	Oil Probable Direction	Passive	👍
SPI Open Price Estimate	5166	👍	Gold 9am	1708.4	👍
SPI Probable Direction AM	Up	👍	Gold Movement	24.5	👍
SPI Average Range	128.64	👍	Gold Probable Direction	Passive	👍
SPI Estimated Range Today	112	👍	AUD/USD 9am	0.6449	👍
SPI Overnight High	5259	👍	AUD/USD Movement	-0.0008	👎
SPI Overnight Low	5188	👍	BHP London Movement	0.79%	👍
SPI Probable Direction	@4pm	👍	BHP NYSE Movement	-1.01%	👎
SPI Estimate 10:30	5271	👍	RIO London Movement	1.13%	👍
SPI Score	6	👍	RIO NYSE Movement	1.08%	👍

Comments:

FV 5299  
 O 5173 H 5271 L 5103  
 DC long 100/70; Open long below 5200 50/50; Open short above 5240 50/50; 11.00am Long below 5200 (MST) 70/40; 12.30pm Straddle 40/40; 2.30pm Straddle 40/40; 3.30pm AST 30/30; Tell Trade 30/30;

For the sake of the example – I decided to place small orders at all pts to demonstrate the outcomes.

- 1) The order OPEN LONG BELOW SPREAD requires NO STOP and NO LIMIT so that the system will interpret this as an Order for open below the spread. If the market opens above the Spread – then this will not fill. If the market opens below the spread, then I will be dealt the City Index Open (+spread). If I place a Stop and Limit at 5226 – then City Index will interpret that as an order to buy at 5226 and if the market opens below that – it will remain an order to buy until the market trades at that level.

- 2) The order OPEN LONG at TWB Open also requires NO STOP or LIMIT so that the system interprets this as an open order. The danger here is that the TWB is completed by 9.15am and the market can change after that which it did in this instance. At 9.15am the TWB reported the S&P down at 2790 but it fell towards 2780 after 9.15am.
- 3) The estimate for an open at 9.45am was 5150 and there is no easy way to do this without significant experience in the market. I placed an order at 5150 as a guesstimate.
- 4) MANUAL ENTRY occurs as a TRADE after the market opens. It is a gunslinging skill that develops over time. I have been doing it for many years and I am pretty good at it BUT it really is a question of reflexes, size of order, internet capability, and traffic on the City Index system as to how effective this can be. It is important to note that if the market had opened above any of the levels set in 1,2, & 3 above – they all would have required a MANUAL ENTRY. So I must be prepared to make a manual entry at open every day.

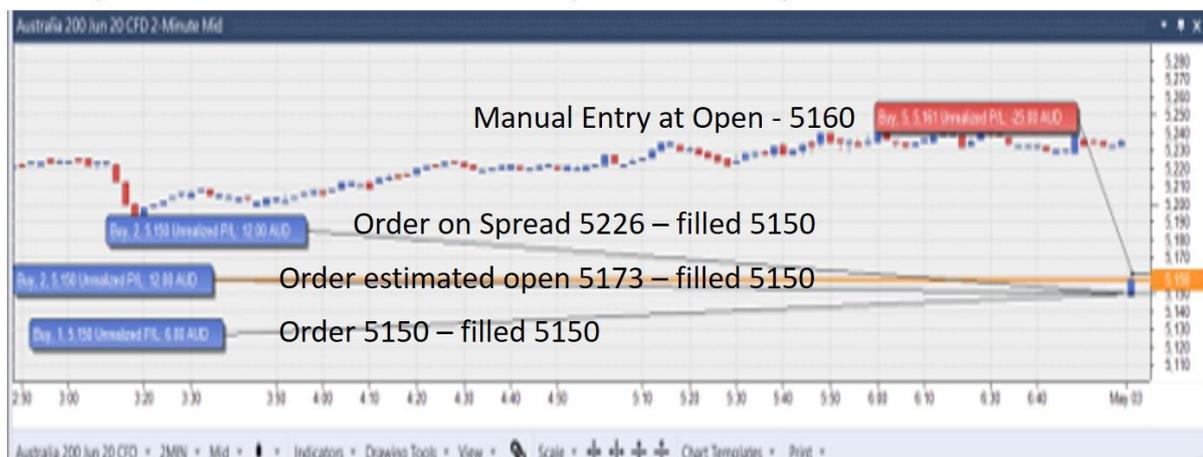
## Orders

Set up for OPEN Monday 4-5-20 – International markets down at 8.00am



## Results:

SFE Open 5145 – Filled orders with no Stop & limit at CI Open 5150.



The Market opened at 5145 and City Index opens about 2 seconds later as the live feed starts to roll out. City Index open was 5147 + spread (3 pts).

All 1,2 &3 were filled at the CI Open for LONG trades which was 5150. This included my order at 5150. The estimated order 5150 could have had a different outcome to the other 2 trades here but did not in this instance.

My manual entry was the best I could manage with my finger on the trigger at 9.49.59 with a ready go on Trade – BUY. As you see by the results here I was fitted 10 pts OFF the other 3 at 5160. Now in this current volatility, 10 pts is forgivable (about 10% of volatile expectation – 100+). In the manual standard volatility is 40-50 pts so +14 pts is acceptable. The Open trade limit for 5160 at 50 pts was 5210 which filled shortly after the true open trade at 5150.

## The Results for the Open Trade and Daily Chase for 4-5-20

1,2,3 Open (+50)

4 Open (+50)

Daily Chase (+100)

Not to bad for the first Monday of the month.

Good Hunting Day Traders