



Investor Centre



@InvestCentreOz

Trading Work Book June 2016 Blog

June is normally an easy month to trade and we have historically had a good run in June with Day Trades and High Probability (HP) trades (Tigers). For those unfamiliar with Tigers HP trades – Tigers trade only non-standard days that have corralled market behaviour – when institutions will do something before or after an artificial line in the trading calendar. Traditionally one of the best HP trades is the 30th June where institutions move to take the index close to or higher than the previous value for the financial year.

This year is a more difficult year because we have a dual finish for the financial year. Some fund managers close off on the last Friday in June. Some finish with options Thursday on the last Thursday in June.

The BREXIT on the 23rd will create a FUD pattern that will see a very flat market leading into it and then likely strong rally for the end to the 30th. Remember – despite the gloom and doom – last week the FTSE was trading at 6300 and is currently back at 5900 (400 points down already). Despite a potential yes vote – the market has already heavily discounted the move.

Halifax and SPI CFD using Metatrader 4

Halifax Melbourne are offering Investor Centre clients an exclusive instrument to trade the IC 200 \$1 CFD that absolutely replicates the SPI as a direct market instrument. However, we pay brokerage of 1 point a side. To replicate the 14/14 open trade we will need to place a limit of 15 and a stop of 13. Otherwise if we go 14/14 and achieve 14 we get $(14-2=12)$ and if we lose we get $-16 (-14-2=-16)$.

Please note for June/July that all 14/14 orders should be 15/13

All 10/10 orders should be 11/9.

We will start advertising night market trades (NMA's) in July. It is recommended that you open an account because a major downturn in the market will see a tightening of licenses for derivatives. The link for a new Halifax account is:

<http://halifax.com.au/csa/referral.html?p=csa1075&w=csa>

City Index

City index has moved into the September contract and currently appears to be operating with a 2 point spread. We have asked for clarification on this. The Product information sheet now says spread day 2 points.

May Trades

Date	Open	Day Chase	10.30am	Informed drift	Mid Strad	Ambush	AST	Express	Tell	Summary	\$10,000
2/05/2016	14			-14						0	
3/05/2016	14			14		-14				14	
4/05/2016	-14	40		14	21					61	
5/05/2016	-14	-30		14	-14					-44	
6/05/2015	14	40			-14					40	
9/05/2016	-10				-15	-21			-3	-49	
10/05/2016	14	-30		-14	3					-27	
11/05/2016	14						10			24	
12/05/2016	14			14	5	14				47	
13/05/2016	14								21	35	
16/05/2016	-14		14		-14		-14	9		-19	
17/05/2016	7	10	-14					0		3	
18/05/2016	2		21		21	10				54	
19/05/2016	-10		-14			25				1	
20/05/2016	-14	3			-14				21	-4	
23/05/2016	14		-14	14	-14		-14			-14	
24/05/2016	-21	-24		14			-14		21	-24	
25/05/2016	14		14	14		-10				32	
26/05/2016	10			-14						-4	
27/05/2016	-10		-14							-24	
30/05/2016	-10		-14	-14	6					-32	
31/05/2016	14									14	
Total Points	42	9	-21	42	-29	4	-32	9	60	84	\$ 2,100.00
Total Trades	22	7	8	11	11	6	4	2	4	75	
Losses	9	3	5	4	6	3	3	0	1		
Accuracy	59%	57%	38%	64%	45%	50%	25%	100%	75%		

84 Points = \$2100.00 return on a \$10,000 account

May was particularly difficult with quite a few days where short or long with a 14 point limit would have lost. We would normally experience that 1 in 50 (2%) but we have had 3 in May.

Low volatility in the middle of May drained a lot of the trades and we saw a number of day trades reach expiry without hitting the stop or limit. This then forced us to do low volatility trades 10/10. Open trades sustained almost 60% for the month despite the poor profit of +42 points Nett.

Tell Trades continued to perform well with 75% accuracy and +60 points Nett total for the month.

AST's continued to perform poorly. AST's traditionally perform well in June.