



# Investor Centre

 @InvestCentreOz

## Day Traders Blog January 2017

Welcome to 2017 Day Traders.

In the cycle of 7 years we are in a 1 year which started in September 2016 and will run till August 2017. We are following the exact pattern so far that is up for the first quarter and then down in the second quarter, flat for the 3<sup>rd</sup> quarter and then rise up for the fourth quarter but not defeat the high of the first quarter. This makes this next period potentially bearish and we are seeing the signs:

- 1) Australian market has turned down in front of the world
- 2) Australian \$ rising
- 3) Commodities increasing

This will be an interesting period February through April. As a ONE year – this has all the major events well positioned with Easter in April, June 30<sup>th</sup> the last Friday in June, 4<sup>th</sup> July well positioned and even Melbourne Cup being run on the correct day (first Tuesday after first Monday in November). So far this year the Trading Work Book (TWB) has been up to speed with most of our trades above 70%.

### Halifax

Halifax Melbourne has separated from Halifax Sydney and is no longer a Halifax office. I have spoken to Halifax Sydney and they are happy to look after Tigers and are currently working on some additional products for us. We can continue using the Metatrader 4 platform.

We are currently in negotiations to have the SPI RAPTOR margins restored for day trading for those wanting to trade bigger parcel sizes (greater than 100 CFDs).

Accounts are with Halifax Sydney. After investigations, we believe that your funds are secure with Halifax Sydney.

### Trading School 2017

The first week long day trading course was well attended and highly successful. We had nearly 20 people attend and by the end of the week they were able to accurately execute and position every trade. The week course gave the attendees the opportunity to ask questions and get positioned hands on – doing all the trades every day with real accounts. As a bonus, most made between \$500 to \$2500 for the week while we were doing the trades.

This is by far the best course that Investor Centre has ever run and it got almost everyone off the ground and comfortable with the “business of Trading”.

The event was broken up into 4 hour modules:

- 1) Basic day Trades
- 2) Business of Trading
- 3) Tools of the Trade – City Index AT Pro- Setting orders and positions
- 4) Tools of the Trade – Getting the most from the IC software and TTWB.
- 5) Advanced Day Trading I – Daily Segments
- 6) Advanced Day Trading II – Conditional trades
- 7) Advanced Day Trading III – Day Patterns – Non-standard day profiles
- 8) Accounting and Management (Tax)
- 9) International Trading
- 10) Theoretical test.



40 Hours of training – More than 20 HANDS-ON Day trades, conditional trades, and international trades.

The course was highly successful and we intend to run another in March. If you are trying to derive an income from day trading – this is the place to start.

## January Results

The Day Trading Results are now available from the Investor Centre Web site under the Day Trading Menu

<http://www.investorcentre.com.au/dtresults.php>

## This year

Trades tracked will be:

SOS, Open, 10.30, 11.00 (informed Drift), Midday Straddle, Ambush, Fade, AST, AST SOS, Express, S&P Tell, S&P 21/42, S&P Other, FTSE.

Inverted buying at 10.30am will form part of the 10.30 figures.

We are currently looking at deploying the AST SOS as a separate trade this year.

We are currently looking at a 10.00am trade and will advise by bulletin if it can be deployed.

FTSE trades are currently tentative due to the poor result last year.

## The BUSINESS of TRADING

In the Trading School we emphasised the need to keep trading. If we have a sequence of winning trades – it does NOT mean we are hitting above average. If we are having a sequence of losing trades it does NOT mean we are hitting below average. The market will naturally have good months and bad months.

If you do all trades the last time we had a losing month (negative overall results) was May 2014. Prior to that it was in 2010. If we keep trading the rules and guidelines we make a profit every month. Some months like this month they are big, some months they are very small. This is the nature of our business.

- Modification Daily Chase had 4 losses in 1 month in 2016 and the adjusted average for Daily Chase 2016 is 63.34%.
- The 10.30 Straddle was deployed extensively in 2016 and this drew down on the overall accuracy of the 10.30 trade. This trade will not be extensively deployed in 2017.

This represents more than 7,000 trades over the last 7 years. Regardless of the year, these results vary with small differences. It also shows that the two common trades that Day traders leave out (Tell and S&P 21) hold the highest statistical accuracy on a regular basis.

The only trades that score higher than these are the SOS – not included because it is a rare trade, and the AST + AST SOS because the AST SOS is an arbitrary trade that requires trading the entire last 2.5 hours of the market.

In the last 2 years (2015, 2016) we have attempted to improve our systems with the direction of the Trading Work Book and our advanced model calculations.

Open trade has improved 1.5% overall

Daily Chase has improved 1.7% overall

Informed Drift has improved 1.3% overall

AST has improved 3.1 % overall

Tell Trade has improved 2.2% overall

S&P 21 trade has improved 4.4% overall.

10.30 Attack lost 3.9% accuracy overall.

What comes from this is the realisation for some of you that the trading system we deploy is highly effective over time and that the only reason for losing money is diverging from the money management and trade rule system.

The Equation for Success:

**If  $RRR \geq 1$  &  $W(av) > L(av)$  then = +\$per annum**

If your Reward is greater than or equal to your risk and your average number of wins in a year is greater than your losses in a year – YOU WILL MAKE MONEY.

If you are NOT making money then I strongly recommend you attend the Trading School – it is the single best course Investor Centre has ever offered.

## Changes to Day Trading Guidelines

All Open Trades expire at 11.30am

Midday Fade will now be a separate trade and will be deployed at a time as we have done successfully in the last 3 months. Its name will be changed to FADE from midday Fade.

The 1-2 Open trade will change its name to 1-2 Amb. (ambush) in the TWB.

The 10-20 Open trade will change its name to the 10-20 Amb. (ambush) in the TWB.

Night Market ambushes at 42 points above and below the market are scoring very well in the last 2 years and will be recommended this year.

Leap of Faith trade will be a recommendation this year. It is mostly deployed on a Friday or market holiday.

FTSE switchback will be deployed tentatively this year due to the new trades that will come out to current members shortly.

I wish you all a very prosperous Trading year in 2017