

Effective Trading Systems Notebook

FI 498S
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Ostinate rigore!

Conceptual bases
Aims--Goals
Objectives
Models
Theories
Progenitors
Ideals
Attitudes
Personal Considerations

Saper Vedere

Trading Rules, and Procedures

Entering

Exiting

Exit other wise (i.e., when a liquidation is not an exit)

Bail outs or exceptions

Exiting and reentering

Position building (positive) pyramiding (pejorative)

Errors

Circuit breaker rule, or quitting benchmark

Trade Management

Shift gears according to status of market

Trade instead of trend, or vice versa. Target trade. Snipe.

Select markets hospitable (user friendly) to style

Filtering criteria for market selection

Market Specific Considerations

What can be measured can be controlled

Risk Measurement and Management

Over all risk benchmark e.g. down 50%, get a manager or mutual fund

Risk per Trade

Risk of portfolio

Over Time

Risk Goals

Tools for evaluating

Portfolio Management or Pragmatic Portfolio Theory

Choice of markets seen as relationship of components

Constructions so as to create natural hedges

Measurement of portfolio risk

Capital management Formulas

Operations Procedures 4

Do not be deceived by any man!

Heads Up, alerts, warnings

Brokers

On line trading

Accounts

The safest road to hell is the gradual one...

Portfolio Analysis

Benchmark Portfolio Analysis Form FI498S

Statistics

Accounting

Vig

Review and evaluation procedures

Against Risk Goals

Against p/l goals

Against return goals

Research

Circuit breaker rule, or quitting benchmark

Milestones

Signposts

Journal—observations 6