

# ASX SHARE TRADING GAME UPDATE

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Wed 20<sup>th</sup> February 2019

# AGENDA

- ▶ ASX Game - Reprise History
  - ▶ Method & Results
- ▶ Lesson Learned & Adjustments
- ▶ Updated Strategy
  - ▶ Results to date
- ▶ Meditation - OMMmmmmmmmm!
- ▶ BOTOX - is it for you?
- ▶ QUESTIONS & EXAMPLES

# ASX TRADING GAME - Recap

- ▶ Game - 22 Feb 2018 - 16 June 2018
- ▶ Limited to 225 Stocks approx
- ▶ No more than 25% in one stock
- ▶ Can sit in cash
- ▶ \$50K trading money, \$20 per trade
- ▶ Trades mimic real market
- ▶ Daily reports \$ and rank (VIC & AU)
- ▶ Useful to test theories & strategies

# METHOD & RESULTS

- ▶ METHOD - Mechanical & Simple
  - ▶ Portfolio based on revolving strategy using TROC Score
- ▶ BUY:
  - ▶ Top ten by score
- ▶ SELL :
  - ▶ If triggered by TROC exit stop
  - ▶ If higher TROC score displaces one of the ten
- ▶ RESULTS
  - ▶ Good - in top 3% of players
  - ▶ Return - 13.4% in 11 weeks - 56% CAGR
- ▶ Looks like a viable strategy during a period of XJO uptrend
- ▶ Merits further consideration

# But What About XJO Down Trends?

- ▶ Continued to run portfolio after ASX Game
- ▶ Stocks got stopped out
- ▶ Replaced with best available TROC scores
- ▶ Returns dropped back

# Adjustments Made in Response

- ▶ Tighter stops introduced
  - ▶ More likely now to be stopped out by exit trigger rather than kicked out by better TROC score
- ▶ System ON/OFF switch introduced
  - ▶ Based on  $XJO\ EMA3 > EMA12$  - do not buy any NEW stocks when SYSTEM IS OFF - let held stocks run their course
- ▶ Improvements gave much better results
- ▶ 18% better than XJO - (104% vs 88%)

# NOW

- ▶ XJO is in uptrend since 14 Jan 2019
- ▶ SYSTEM is Open To Trade - using ASX 300
- ▶ Paper trading has its limitations
- ▶ Let's Do This For REAL!
  - ▶ REAL STOCKS
  - ▶ REAL TRADES
  - ▶ REAL \$\$\$\$
- ▶ Decided to invest \$20,000 per stock
- ▶ Total \$200,000
- ▶ Starting 16 Jan 2019
- ▶ Fingers crossed

# Revised Strategy

- ▶ USE SYSTEM ON/OFF Switch
  - ▶ BUY - only when SYSTEM is ON
- ▶ Select from ASX 300
- ▶ Use the tighter stops
- ▶ Add to portfolio if required from highest TROC score
- ▶ Minimum Entry TROC score of 70
- ▶ Be true to purely mechanical - no discretionary decisions



# Subsequent Actions











- ▶ **SYSTEM ON - Mon 14 Jan 2019**
- ▶ **Purchases (\$20K each)**
- ▶ A2M - 16 Jan 2019
- ▶ NEA & WTC- 17 Jan 2019
- ▶ PME - 18 Jan 2019
- ▶ NHC - 22 Jan 2019
- ▶ SAR & XRO - 4 Feb 2019
- ▶ APX - 6 Feb 2019
- ▶ BVS & NWH - 11 Feb 2019

# Trade Confirmations

Sort within table by: Time Frame:

Trade date ▾ This financial year ▾

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Code	Confirmation #	Type	Trade date ▾	Settlement date	Price\$	Qty	Brokerage\$	GST\$	Other fees\$	Consideration\$
and John Bleakley										
NHC	 6440378	Buy	22 Jan 19	24 Jan 19	3.8097	5,200	19.81	1.98	0.00	19,832.15
A2M	 6414245	Buy	16 Jan 19	18 Jan 19	11.3100	1,800	20.36	2.04	0.00	20,380.40
Bleakley										
BVS	 6546848	Buy	11 Feb 19	13 Feb 19	4.5973	4,300	19.77	1.98	0.00	19,790.30
NWH	 6543784	Buy	11 Feb 19	13 Feb 19	2.0700	9,700	20.08	2.01	0.00	20,101.09
APX	 6514881	Buy	06 Feb 19	08 Feb 19	17.3000	1,150	19.90	1.99	0.00	19,916.89
SAR	 6503415	Buy	04 Feb 19	06 Feb 19	3.3800	6,000	27.23	2.72	0.00	20,309.95
XRO	 6497070	Buy	04 Feb 19	06 Feb 19	42.9000	460	27.23	2.72	0.00	19,763.95
PME	 6427067	Buy	18 Jan 19	22 Jan 19	13.5353	1,500	20.30	2.03	0.00	20,325.33
NEA	 6419302	Buy	17 Jan 19	21 Jan 19	2.0050	10,000	27.23	2.72	0.00	20,079.95
WTC	 6419341	Buy	17 Jan 19	21 Jan 19	19.3995	1,000	19.40	1.94	0.00	19,420.87

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# Current Status

- ▶ **SYSTEM RUNNING** with \$199,921 initially invested
- ▶ **8 out of 10 stocks** are in front
- ▶ **None stopped out (yet)**
- ▶ **System is in healthy profit**
  - ▶ **But early days**
- ▶ **Show Me The Numbers!**



# What Next?

- ▶ **Keep On Running System for Real**
- ▶ **Stay rigidly to mechanical system**
- ▶ **Look for minor tweaks (or major stuff ups)**
- ▶ **If XJO turns down**
  - ▶ **Stop buying NEW stocks**
  - ▶ **Allow system to wind itself down through stops**
  - ▶ **Wait for System to turn back ON**
  - ▶ **And start all over again**
- ▶ **Continue to “Do the Numbers”**
- ▶ **Also trade in USA Market**

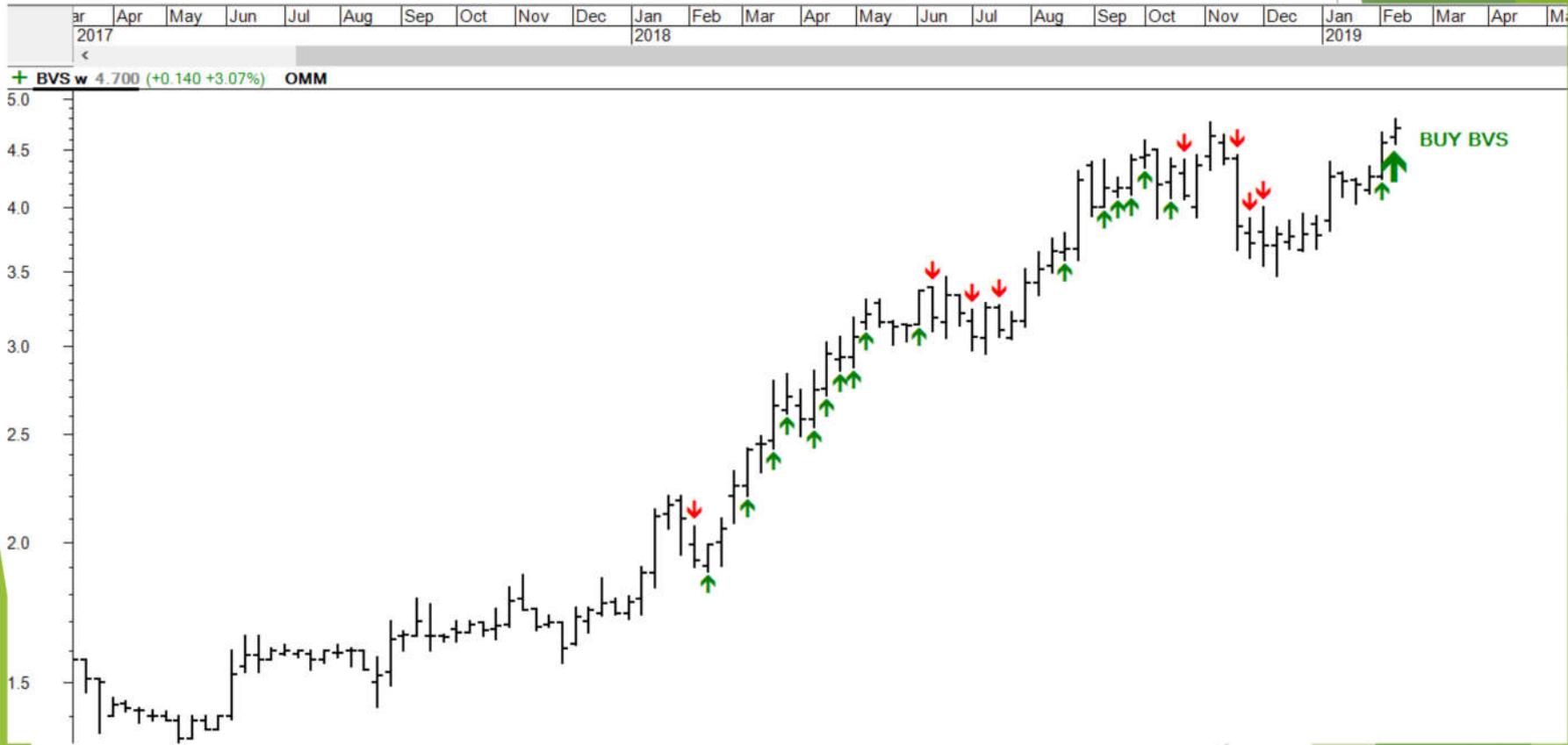
# Meditate - “OMMmmmm”

- ▶ Spend less time on this stuff
- ▶ Use mechanical system approach to help
- ▶ Use Bull Charts to facilitate this
- ▶ Introducing the

## ONE MINUTE MANAGER - OMM

- ▶ No thought - easy life

# ONE MINUTE MANAGER - ASX



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# ONE MINUTE MANAGER - USA





# BOTOX EXPLAINED

## (Best Of Three On eXit)

- ▶ The EXIT is the most important and most difficult part of Trading
- ▶ EXIT - BOTOX - Best Of Three on eXit
  - ▶ Simple MA5 Down Once
  - ▶ Exponential Smoothed (10) ROC(52) Down Once
  - ▶ Happy Face Nearby (within 6 bars)
  - ▶ Any Two of these triggers EXIT
  - ▶ Don't exit on an up tick
- ▶ ENTRY
  - ▶ Not an exit condition
  - ▶ Simple MA5 Up Twice AND Simple SROC up Twice
  - ▶ OR - MA5 Up Once & SSROC UP Once & Bell (ROC14) nearby
  - ▶ Don't enter on a down tick, or on a New Happy Face
  - ▶ SUPER ENTRY - All of these conditions - Highly Credible Trade

LOOK FOR PATTERNS

We Often See Things

Double Top Hump with Neck Cup & Handle



# LOOK FOR PATTERNS



The background features abstract, overlapping green geometric shapes in various shades of green, creating a modern and dynamic feel. The shapes are primarily triangles and polygons, some with gradients, set against a white background.

# QUESTIONS & EXAMPLES of STOCKS?