

Trade the Hot Market

- The easiest profits are found in the hot market
- Apply simple strategies to the right market at the right time

What Is a Hot Market?

- Trending
- Liquid
- Volatile
- Buzz

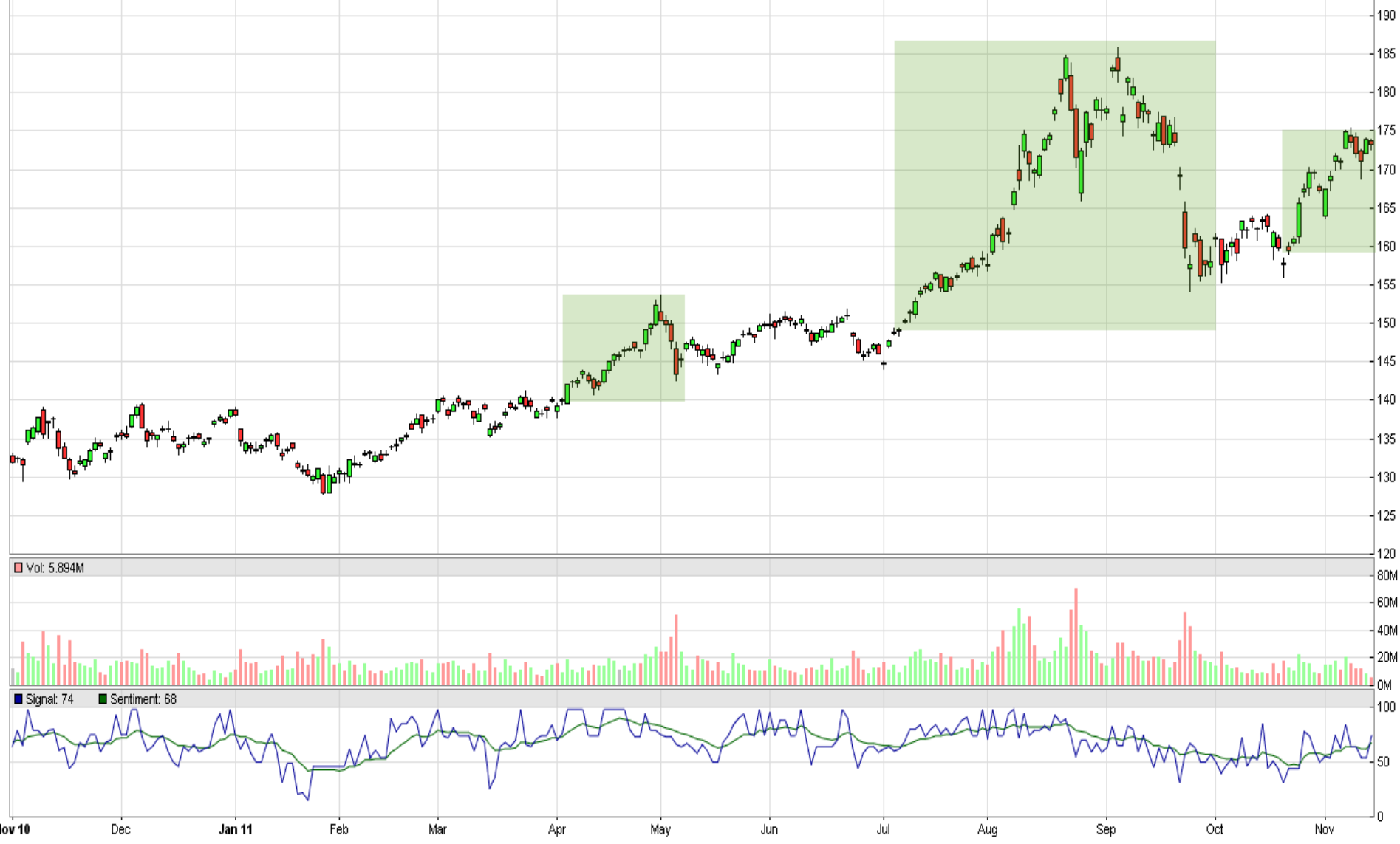


GLD - SPDR Gold Trust

Nov 14, 2011 - Daily chart

(c) Stockscores Analytics

Op:173.7, Hi:173.9, Lo:172.6, Cl:173.2



Vol: 5.894M

Signal: 74 Sentiment: 68

VXX - iPath S&P 500 VIX Short Term Futures

Nov 15, 2011 - Daily chart

(c) Stockscores Analytics

Op: 45.44, Hi: 45.82, Lo: 43.93, Cl: 44.1



What I Am Doing Now

- Trading volatility using VIX related ETFs
- New strategy
- Last week's gain: +19%

Nov 15, 2011

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History

- Account History
- Contribution History
- Order History

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Account Holder: C/O TYLER BOLLHORN Account Number: Account Type: Margin

Display Criteria

Show History for: Past 3 Months
Date Range: From: November 7 2011 To: November 11 2011 [Get History](#)

Displaying: Transaction history from 11/07/2011 to 11/11/2011

Trade date	Settlement Date	Transaction Type	Description	Market	Quantity	Price	Commission + ECN	Net Amount	Currency
11-11-2011	11-16-2011	SELL - STOCKS	CREDIT SUISSE NASSAU BRH VELOCITYSHA	US	-40,000	5.62965	-24.23	225,161.77	USD
11-10-2011	11-16-2011	SELL - STOCKS	BARCLAYS BK PLC IPATH S&P 500 VI	US	-3,000	45.54333	-12.58	136,617.42	USD
11-10-2011	11-16-2011	BUY - STOCKS	BARCLAYS BK PLC IPATH S&P 500 VI	US	3,000	46.37733	-9.95	-139,141.95	USD
11-10-2011	11-16-2011	SELL - STOCKS	CREDIT SUISSE NASSAU BRH VELOCITYSHA	US	-40,000	5.29	-14.02	211,585.98	USD
11-10-2011	11-16-2011	BUY - STOCKS	CREDIT SUISSE NASSAU BRH VELOCITYSHA	US	80,000	5.3098	-29.85	-424,813.85	USD
11-09-2011	11-15-2011	BUY - STOCKS	PROSHARES TR ULTRASHORT QQQ NEW AS A	US	6,000	44.22416	-19.90	-265,364.90	USD
11-09-2011	11-15-2011	SELL - STOCKS	PROSHARES TR ULTRASHORT QQQ NEW AS A	US	-6,000	44.941	-15.13	269,630.87	USD
11-09-2011	11-15-2011	BUY - STOCKS	BARCLAYS BK PLC IPATH S&P 500 VI	US	3,000	47.71766	-9.95	-143,162.95	USD
11-09-2011	11-15-2011	SELL - STOCKS	BARCLAYS BK PLC IPATH S&P 500 VI	US	-3,000	48.69466	-12.76	146,071.24	USD
11-09-2011	11-15-2011	BUY - STOCKS	CREDIT SUISSE NASSAU BRH VELOCITYSHA	US	10,000	5.858	-9.95	-58,589.95	USD
11-09-2011	11-15-2011	SELL - STOCKS	CREDIT SUISSE NASSAU BRH VELOCITYSHA	US	-10,000	5.77	-11.06	57,688.94	USD
11-08-2011	11-14-2011	SELL - STOCKS	PROSHARES ULTRA QQQ ETF AS AGENTS, W	US	-3,000	89.89	-15.13	269,654.87	USD
11-08-2011	11-14-2011	SELL - STOCKS	BARCLAYS BK PLC IPATH S&P 500 VI	US	-12,000	42.60778	-69.52	511,223.94	USD
11-08-2011	11-14-2011	BUY - STOCKS	BARCLAYS BK PLC IPATH S&P 500 VI	US	12,000	41.56549	-59.70	-498,845.66	USD
11-07-2011	11-10-2011	BUY - STOCKS	PROSHARES ULTRA QQQ ETF AS AGENTS, W	US	3,000	87.35866	-15.00	-262,091.00	USD
11-07-2011	11-10-2011	BUY - STOCKS	BARCLAYS BK PLC IPATH S&P 500 VI	US	5,000	44.308	-24.90	-221,564.90	USD
11-07-2011	11-10-2011	SELL - STOCKS	BARCLAYS BK PLC IPATH S&P 500 VI	US	-5,000	43.486	-29.08	217,400.92	USD

1 Week Performance

- 9 Trades, 5 Winners, 4 Losers
- Largest position \$498,800
- Disnat allows for 3 to 1 margin
- Capital required - \$166,266
- Profit - \$31,400
- Gain of 19% on required capital
- \$19 for every \$100 of capital

Losing is Part of Winning

- Controlled losses are a cost of doing business
- Judge performance after a large number of trades
- Trade for small losses and occasional big profits

Strategy Development

- Idea
- Test
- Refine
- Trade

Idea

- Trade short term channel breaks using intraday charts

VXX - 30 min ARCX L=46.90 2.77 6.28% B=46.90 A=71.19 O=45.53 Hi=46.62 Lo=43.85 V=26,342,768



Volume () 5841866.00

5,841,866
3,500,000

10/24 10/25 10/26 10/27 10/28 10/31 Nov 11/2 11/3 11/4 11/7 11/8 11/9 11/10 11/11 11/14 11/15 11/16

Test

- Hundreds of hours to find a set of rules
- Seeking a positive expected value
- October test period positive
- Strong trend and high volatility

Reference

- What works in a computer may not work in real trading
- Emotion plays a role
- Find rules that work for your emotional state
- Changed rules to take out emotional judgment

Trade

- Be comfortable with risk
- Start slow to build confidence
- Always look to improve performance

The Volatility Trade

- VXX goes up when market goes down
- VIX goes up when market goes up

The Trade

- Entry and Exit point
- Reward for Risk

Trade Smart

- Trade the hot market
- Trade a proven, simple strategy
- Don't let small losses turn in to big losses
- The profit is in the patience
- Trade with discipline