

Raretimetrader.blog: Trading record and article links

Here is a summary of the trades and articles since March 2012.

- For some winning trades, partial profit was taken before full closure
- All instruments traded are US listed

Total winning trades = 20 Total %age points gained = 149.3%

Total losing trades = 10 Total %age points lost = 48.9%

Gains : Losses = 3.05 : 1

Highlights by trade type/ analysis method

Please refer to the 'My methods' page for the rationale and entry criteria.

Articles can be found by selecting the relevant month in the Archives index on the right of any page.

RSI divergence trades

Trade	Date	Gain	About this trade
AEM v XAU	02/04/12	25.3%	Gold stock pair, an ideal trade
NBG v SPX	10/09/12	1/3 taken: 13.8% 1/3 taken: 45.9% Last 1/3: -2.2%	National Bank of Greece. Took some profit on 13/09, raised stop on 15/10, more profit taken on 29/10 on bearish divergence
AAPL	17/09/12	1/3 taken: 5.6% 2/3 taken: 13.2% overall: 10.7%	Showed price and relative divergences. Updated on 26/09 and 01/10, entered short position on 28/09. Partly closed on 15/10, remainder closed on 05/11
XAU	19/07/13	15.2%	Trade closed on 19/08 to avoid duplicating positions
DIA	14/08/13	1.8%	Follows weekly RSI and MACD divergences
WMT v QQQ	25/09/14	4.1%	Follows weekly RSI divergence. Closed at the mid October low
K v DIS	17/11/14	2.5%	Follows weekly RSI and MACD divergences. Didn't follow through

RSI divergence articles

Date	Subject
10/04/12	Natural gas : Bullish divergence & stock candidates to take advantage. None met entry criteria. Natural gas rallied 90.2% in 6 months from 19/04 low
28/05/12	Emerging markets ETF and EUR v USD : Daily divergences are OK for profit taking but not rare enough for entry signals. Similar article on 15/04/13
30/05/12	US T Bond yield : Bullish weekly divergence, follow up 11 June. Although broken slightly later that summer, that later low held until early 2015
10/02/13	Topix Index and USD v JPY : Daily RSI divergences & previous similar occurrences & overstretch of currency chart
18/02/13	Newmont Mining (NEM) v S&P500 (SPY) : Bullish divergence, gives entry criteria
15/04/13	Newmont Mining and biotechnology sector index : Shows how use of my entry criteria following divergence set ups reduces the number of bad trades entered
17/06/13	DJ Coal Index v S&P500 Index and SPDR Energy (XLE) : Bullish divergence, refers to set up identified in February. Low held for one year
05/08/13	Dow Jones Industrials : Bearish weekly RSI and MACD divergences, entry criteria, follow ups in the next two weeks
03/02/14	British American Tobacco (BATS) : MA crossover on price and relative: Shows contradiction with bullish RSI divergences on relative
24/03/14	Consumer discretionary sector v S&P 500 Index : Bearish RSI divergence, bearish Performance Ranking (PR) divergence and pending long term moving average crossover. Relative high held for one year
09/06/14	Washington Real Estate (WRE) v iShares Real Estate (IYR) : Bullish RSI divergence, moving average crossover and PR divergence. Progress update on 07/07/14
16/06/14	Vornado Realty Trust (VNO) v iShares Real Estate (IYR) : RSI and MACD divergence. PR divergence with entry criteria. Follow up on 07/07/14
11/08/14	Consumer staples (XLP) v NASDAQ 100 Trust (QQQ) : RSI divergence developing but weekly RSI not yet oversold
11/08/14	Dow Jones Industrials : Shows monthly RSI divergence and track record of these
22/09/14	Wal-Mart (WMT) v NASDAQ 100 Trust (QQQ) : Meeting RSI divergence criteria
04/11/14	Small caps vs. Large caps : Shows track record of RSI divergence of the pair and leadership by small caps at index lows

18/10/15	iShares Consumer Services (IYC) : Showed bearish divergence forming against the S&P500 Index and more defensive ETF (IYK) basing against it
14/02/16	Russell 2000 Index : Showed the bullish breadth and RSI divergences in the short term. Index rallied 10.2% up to 4th March

Performance Ranking divergence trades

Trade	Date	Gain	About this trade
NOV v IEZ	24/05/13	1.4%	Closed on failing to follow through
OI v XLB	30/08/13	1.1%	Closed early as results were approaching, shown to be correct
IFF v XLB	05/09/13	3.5%	Took half profit on a bullish RSI divergence, stop to break even
HES v XLE	28/10/13	2.9%	Short entered on 28/10. Closed on 27/01/14 before results
HRL v XLP	30/10/13	0.0%	Stop moved to break even on 18 Nov, then triggered by results
T v IYZ	14/03/14	8.4%	Stop to break even, then closed on bearish RSI divergence
VNO v IYR	17/07/14	0.8%	Entered on 17/07/14, half closed and stop to break even on 03/09/14

Performance Ranking divergence articles

Date	Subject
06/05/13	DJ Food Index v S&P500 Index : Introducing the method of looking for Performance Ranking divergences
06/05/13	Energy sector : Applies method to sector ETF constituents with stock vs. sector relative strength line
13/05/13	Oil service sector : Past and present examples
03/06/13	DJ Food Index v S&P500 Index : Update situation and update the oil service sector examples
12/08/13	PPG Industries (PPG) v SPDR Materials (XLB) : PR and RSI divergences, sets the entry criteria. Entry given a few days later (see above)
02/09/13	Examples from S&P100 Index : Followed up on 14/10/13
21/10/13	Hess Corporation (HES) v SPDR Energy (XLE) : PR and RSI divergence & entry criteria
28/10/13	Hormel Foods (HRL) v Consumer Staples (XLP) : PR and RSI divergence & entry criteria
02/03/14	AT&T versus iShares Telecom (IYZ) : Bullish divergence setting up, also Telecom sector breadth and PR amongst sectors. First shown on 05/01/14, then updated
29/06/15	AT&T versus S&P100 Index : Showed the improving ranking of AT&T and the bullish RSI divergence against the S&P100 Index. Improved PR led to outperformance from November 2015

Bollinger Band trades

Trade	Date	Gain	About this trade
KOF v EWW	16/04/12	14.0%	Mexican stock pair. Position entered on 11/05, four weeks after set up identified
XLV v TEVA	14/05/12	4.2%	Good trade. Closed half, stop to break even asap
GS v EWZ	27/08/12	4.9%	Entered on 03/09. Revised view on short side & closed it (10/09/12)
KUB v NTT	19/11/12	20.0%	Based on anticipated Yen weakness. Closed half on 24/12, remaining half on 07/01, based on overextension of Yen
XLF v XLE	17/12/12	0.0%	Entered on 21/12, stop loss moved to break even quickly on 13/01 and hit on 18/01
XLV v CBS	06/07/15	4.8%	Took the weekly break higher and closed it on 21/07 earlier than needed due to divergences and other distractions

Moving average crossover trades

Trade	Date	Gain	About this trade
Auto Retailers v Utilities	25/09/12	0.2%	Three separate trades, same rationale: A sector pair with long term MA crossover. Stop loss moved to break even (30/10/12), then two stopped out and the third closed with it. Trades reviewed on 14/01/13 (see articles below)
Restaurants v SPX	18/12/13	4.5%	Long term crossover shown on 04/12/13, then trade entered on 18/12/13. Closed on a bullish daily RSI divergence (03/02/14), followed up 29/09/14

Moving average crossover articles

Date	Subject
23/04/12	USD v JPY : Long term base, before the crossover occurred. Led to Japanese stock pair (KUB v NTT) on which 20% gain was made
14/05/12	Gold Bugs (HUI) v SPX : Identified negative crossover for relative strength. Correctly highlighted near term reversionary potential within this due to RSI divergence
27/08/12	Utilities v auto retail : Long term sector rotation with stock examples. Updated on 25/09 and on 15/10
22/10/12	Banks v railroads : Been under a moving average pair for years, now crossover occurring. Updated on 19/11 with entry criteria
03/12/12	DJ Food Index v InterActive Corp (IACI) : Follow up on 13/01/13, showed progress of the base
14/01/13	Utility v auto retail : Show that MA crossovers work but take time & don't have defined entry criteria
28/01/13	DJ Food Index v InterActive Corp (IACI) : Show the 25% gain & probable reversion

04/02/13	Limited Brands (LTD) : Likely to form a MA crossover on price, has done so relative to S&P500 and financial sector ETF
26/03/13	Kimco Realty (KIM) v Post Properties (PPS) : Forms a long term base
15/04/13	Washington Post (WPO) vs. SPDR Consumer Discretionary (XLY) : Long term base. Follow up on 12/08/13 showing the 18.8% gain
17/06/13	iShares Corporate Bond ETF (LQD) & iShares Emerging Markets Bond ETF (EMB) : Long term crossovers forming
12/08/13	Banks v railroads : Follows up on 22/10/12 article. Applies Bollinger Band technique to stock example to identify it breaking higher
10/10/13	British American Tobacco (BATS) : Long term MA crossover on BATS v UK large cap peers. BATS moving to underperformance
04/12/13	SPX 500 Restaurants Index vs. SPX : Long term MA crossover, ending the outperformance. Shows some sectors vs. restaurants
13/01/14	British American Tobacco (BATS) : Update 10/10/13 posting. Pairs with GSK and some banks turning against BATS. Updated further on 03/02/14, showing MA crossovers don't correspond with good trade entry times
24/10/14	Health Care Eqpt vs. Media : Long term sector index pair. Then show examples of potential trades using Medtronic (MDT) using Bollinger Band breakout method. Followed up on 24/11/14
05/01/15	US Dollar : Show that despite Dollar Index RSI divergence, more to go in the long term
23/02/15	S&P Commercial Services Index vs. SPX : Long term MA crossover, ending underperformance, continued basing and new rel high by March 2016
14/09/15	US sectors : Showed long term MA crossovers (or weakening MACD) on 5 sector indices. All but one still holds as of 07 March 2016
13/03/16	NASDAQ 100 Index : Showed the long term MA crossover on this index, first since 2009. This crossover did not hold

Breadth

I have set out in detail what I can do with breadth analysis, covering two areas:

- 1 Broad market indicators: on exchanges & capitalization size groups
- 2 Custom indicators on any stock group, using **FIRE**, the Metastock analysis software add-on

Date	Subject
07/05/12	Introducing breadth data
07/05/12	New highs and lows data on the NASDAQ and NYSE
18/06/12	What is the best breadth indicator for the broad market?
25/06/12	The makings of a customisable market breadth product
25/06/12	Exchange wide breadth indicators: how good are they?
25/06/12	Weekly breadth data: how does it differ and what does it tell us?
25/06/12	How does market breadth vary by capitalisation size?
02/07/12	Show past examples of breadth divergence marking turning points
04/07/12	Reconsider 25/06 article on breadth by capitalization size
16/07/12	Introducing FIRE : A package of breadth indicators on any stock group you like
16/07/12	Show breadth divergence on consumer staples stocks, identified using FIRE
27/08/12	Update on consumer staples breadth
16/10/12	Showing breadth divergence on S&P 100 Index (large cap stocks)
16/10/12	Coinciding breadth & momentum divergences: a hindsight example using the mining sector
22/10/12	Range bound breadth indicators - breadth extremes & turning points using oil service ETF
10/12/12	Are gold stocks oversold on breadth? Show difference between 50 day moving average breadth readings and 200 day MA breadth
28/01/13	Highlight that as shown on 10/12/12, gold stocks were not oversold on the long term breadth indicator and are still not oversold
18/02/13	Show the breadth and RSI divergence on the SPDR Health (XLV). Define trade entry criteria
25/02/13	Show gold stock breadth is zero but historically a delay between this and a price low
29/04/13	Show breadth of stocks above 50 day average weakening for the S&P500 Index and cumulative breadth divergence being negated
05/01/14	Show breadth for the Telecom sector using components of iShares US Telecom (IYZ). Show RSI and Performance Ranking situations for the sector and AT&T within the sector
16/02/14	Housing breadth is weak - London focus contrasts previous nationwide rally

16/09/14	NASDAQ 100 Index: shows bearish divergence on 50 day moving average breadth. Index fell 300 points (7.4%) over the next month
09/03/15	NASDAQ 100 Index: showed another bearish divergence on 50 day moving average breadth, which marked a consolidation but not a peak
15/06/15	Showed NYSE Advance - Decline line divergence of May and compared with 2000 and 2007
29/11/15	Showed significant breadth narrowing for Consumer Discretionary ETF, which then fell 15.9% to the February low
14/02/16	Showed the bullish breadth and RSI divergences in the short term on the Russell 2000 Index, which then rallied 10.2% up to 4th March

Miscellaneous

Date	Subject
04/11/14	Small caps versus large caps at market lows
19/01/15	Does cheaper oil make airlines a good buy?
24/01/16	Does a 20% drop always mean a bear market?

Losing trades

I will own up to the losing trades. Lessons learnt from each, prompting adjustments to the methodologies.

Trade	Date	Loss	About this trade/ lessons/ methodology changes
RSI divergence			
RIMM v NDX	24/04/12	-13.0%	Divergence failed to hold. Position closed on 03/05/12. Single news sensitive stocks may not be the best for picking divergent lows, indices may be better
AEM v SPX	16/08/13	-9.3%	There was another move down to another divergent low
IYR v IAI	20/09/13	-1.5%	Consider other factors for each pair component against the market, not just finding a pair that matches entry criteria
Performance Ranking			
PPG v XLB	15/08/13	-3.9%	This breakdown just didn't hold
Bollinger Bands			
IAI v EEM	26/03/12	-6.5%	Led to requirement for a breakout in the direction of a clearly trending moving average
ADM v SLE	03/04/12	-5.0%	Entered on 13/04. Exited on 08/05. Review point is that each side of a pair must be justifiable against the SPX, not just used because it fits the entry criteria
X	14/05/12	-1.1%	Short trade entered on 18/05, closed shortly after on 28/05. Saw contradiction of a consolidating stock in a market uptrend (Bollinger Band contraction) being oversold against the market
NVS	14/05/12	-0.5%	Similar story as for X (above)
WFC v BXP	26/11/12	-2.1%	Entered on 21/12 but lacked an external driver like the Yen (see KUB v NTT) and so didn't follow through. Took a small loss on a move back below the upper band on 08/01/13. Review point is that the best trades will have an external driver
Moving average crossover			
NASDAQ 100	29/04/16	-6.0%	The market did not sustain its decline after Brexit, the crossover did not hold

12 March 2018