The Importance of SOP in Trading

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Axcelearn
首席讲师

Keith Lim

毕业于多媒体大学电子电子工程学士。
他曾在马来西亚以及新加坡担任半导体电子工程师，并开始接触数据分析的领域。
基于对投资的兴趣，在担任工程师的大概6年期间，开始自修投资知识。
随后转行投入投资行业，于盈资环球执教技术分析课程。
获得了由大马证券委员会颁发的股票从业员考试资格。
拥有10年的实战经验。
擅长对投资大数据的分析，数据回测，以及制定投资策略，交易系统。
擅长程式化交易(Algorithmic Trading)。

Course Outline

At the end of the session, you will understand...

- S.O.P in trading.
- How to reduce risk in trading.
- Winning Percentage(%) in trading.
- Trading phycology.

交易的 SOP

S .O. P

Chapter 1 Chapter 3 Chapter 2

Chapter 1

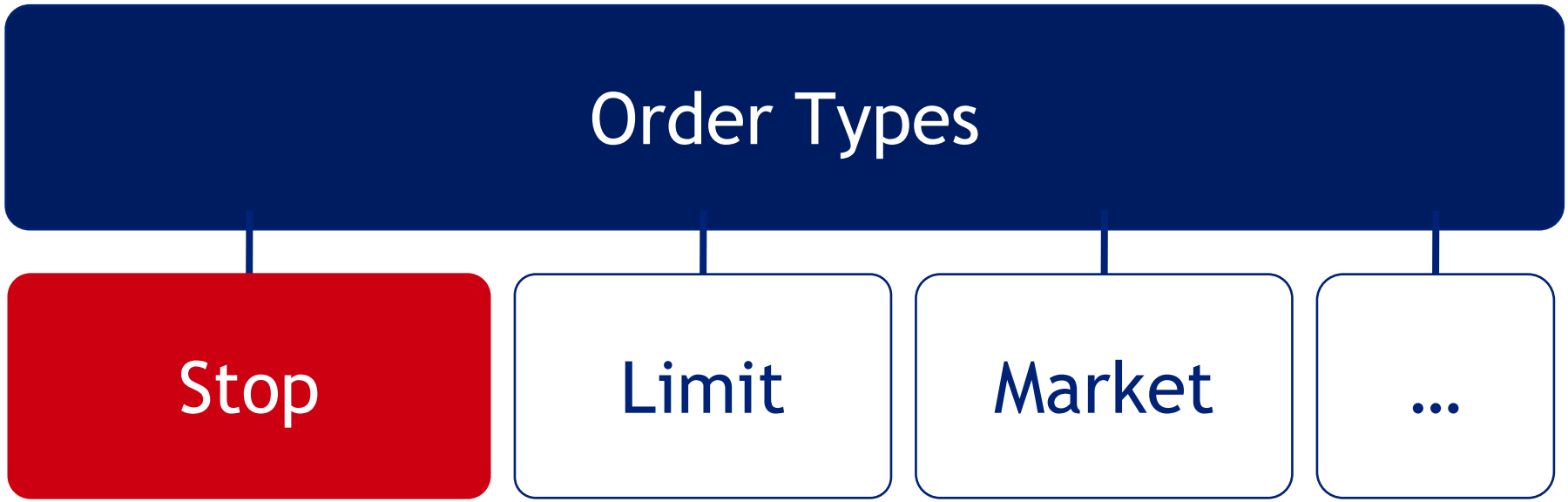
S.O.P in trading

S .O. P

Stop

Order Types

Order Types

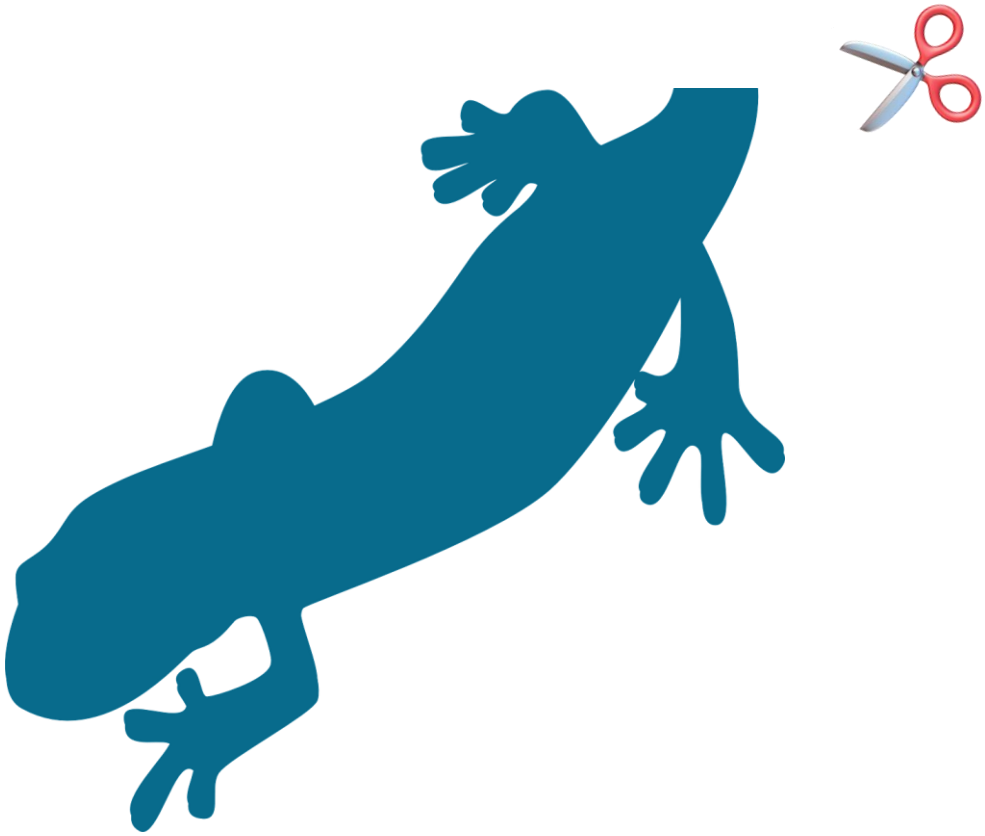


Main Function

Cut-loss

What is Cut-loss?

What is Cut-loss?



Protection Mechanism

Protection Mechanism

How to Cut-loss?

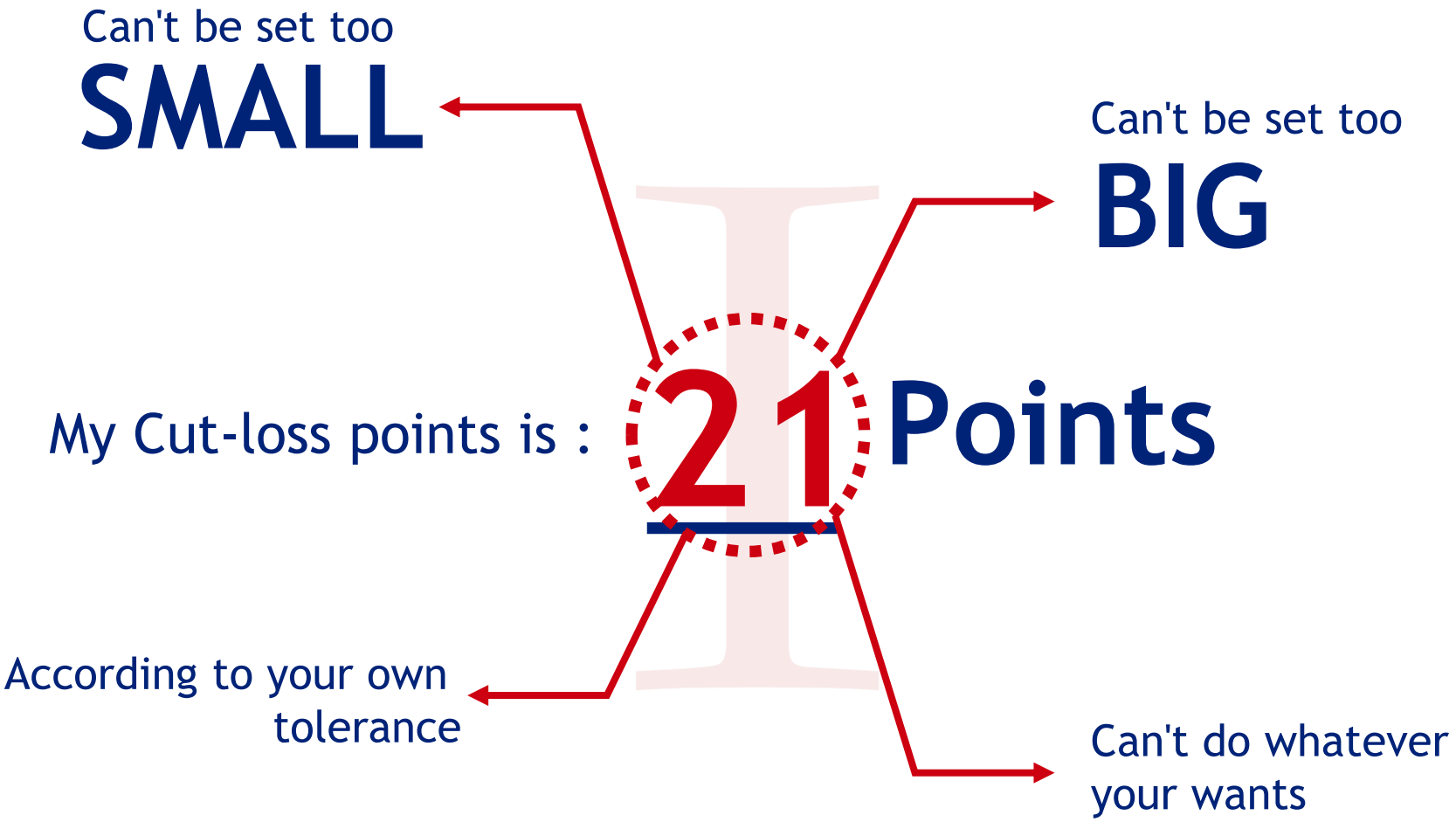
How to Cut-loss?

I Set Cut-loss points

II Calculate Cut-loss price

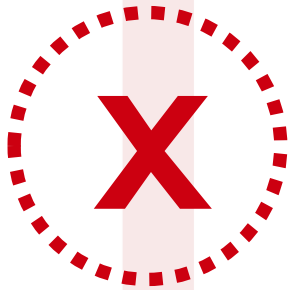
III Stop order

I. Set Cut-loss points



Verify your Cut-loss points!

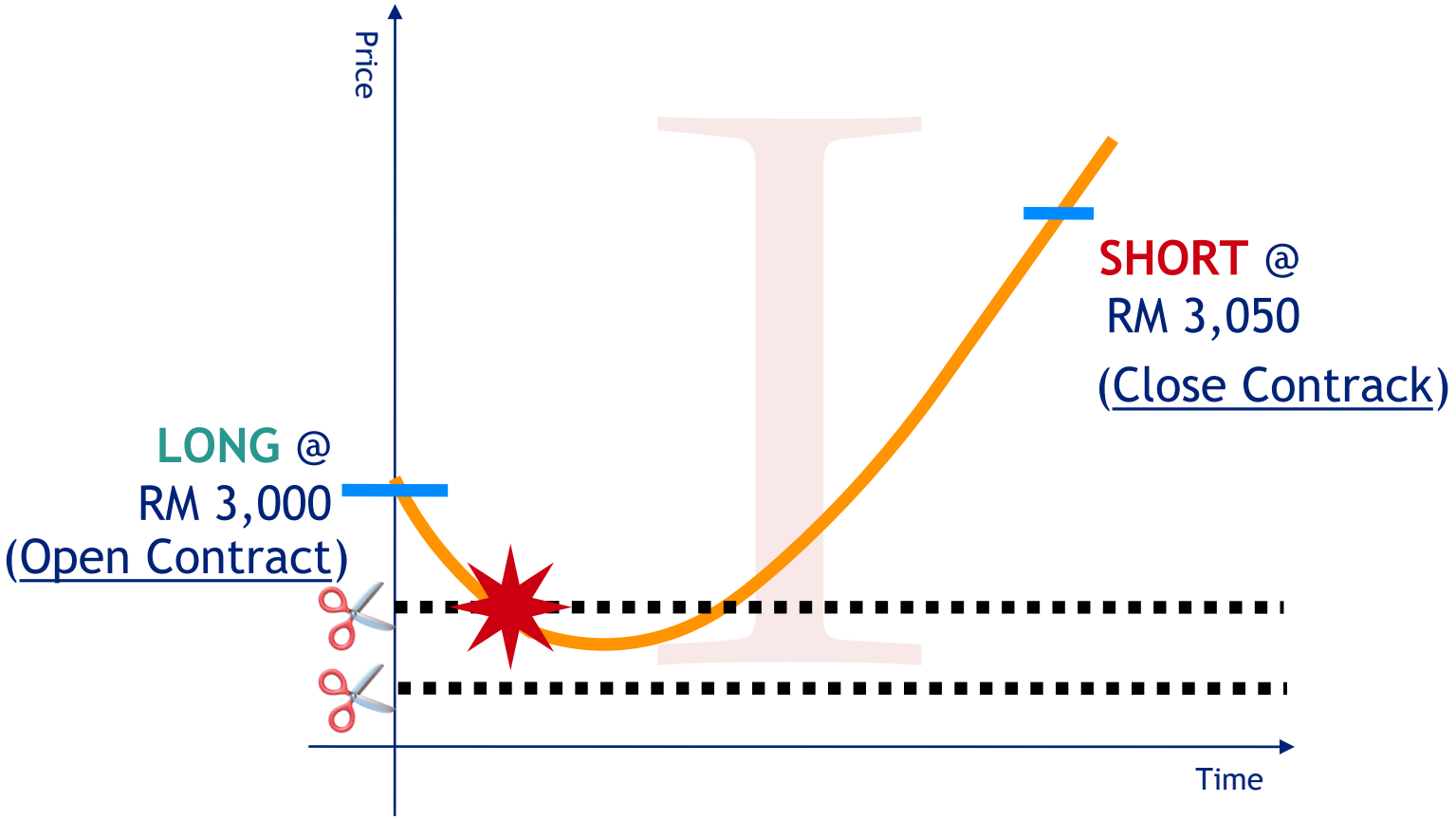
I. Set Cut-loss points

My Cut-loss points is :  Points

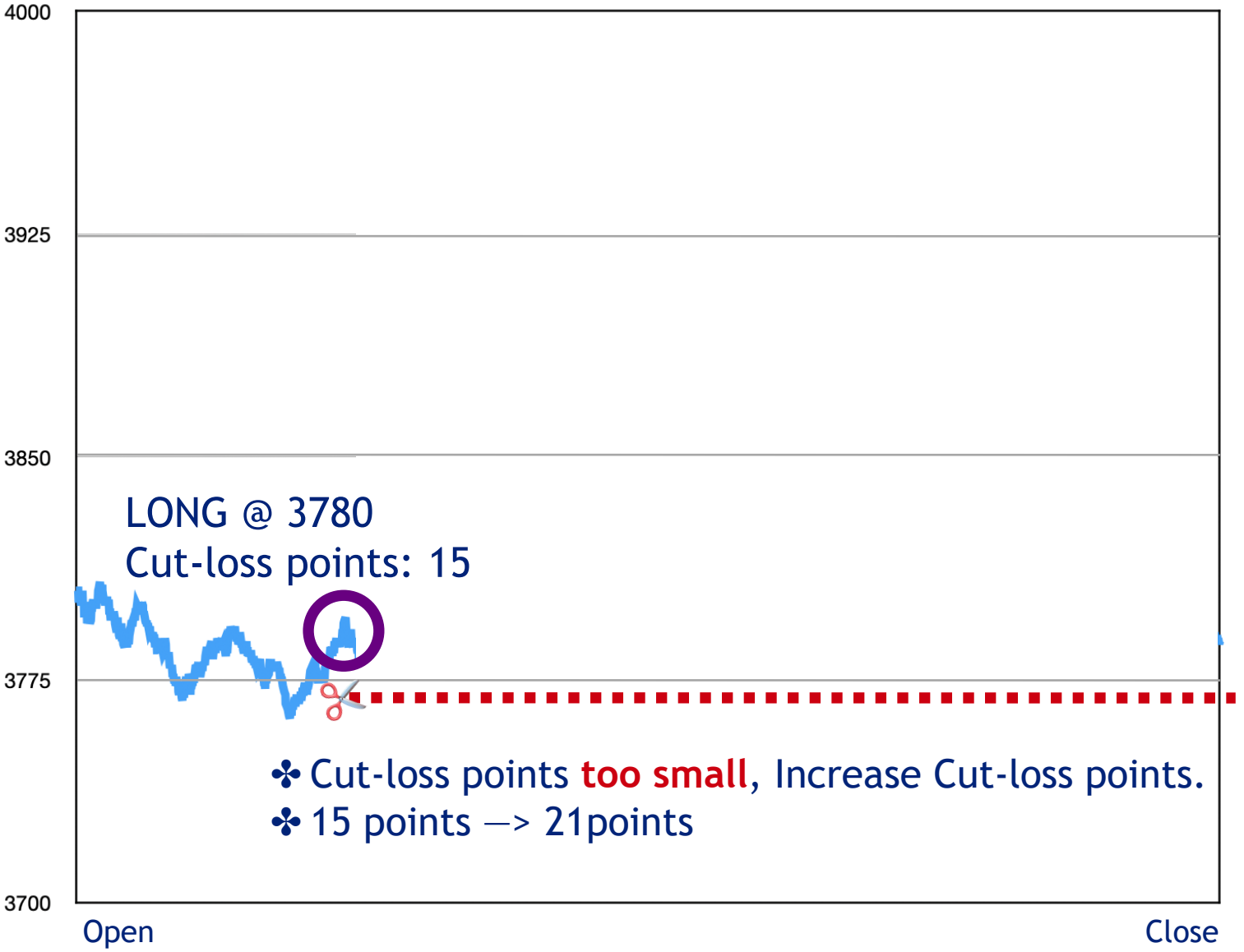
Verify:

- First set a small value (15 points)
- Is it too small?
- Is it too big?

Cut-loss points too small.



I. Set Cut-loss points



I. Set Cut-loss points

I. Set Cut-loss points

Trading Records – With Cut-loss

1	2	3	4	5
50	30	-21	-22	-21
6	7	8	9	10
52	-21	-21	33	60

Trading Result

119 Points

I. Set Cut-loss points

Trading Records – Without Cut-loss

1	2	3	4	5
50	30	20	-63	-50
6	7	8	9	10
52	-49	-12	33	60

Trading Result

71 点

Trading Records – With Cut-loss

1	2	3	4	5
50	30	-21	-22	-21
6	7	8	9	10
52	-21	-21	33	60

Trading Result

119 点

How to Cut-loss?

I Set Cut-loss points

II Calculate Cut-loss price

III Stop order

II. Calculate Cut-loss Price

Holding LONG contract

Cut-loss Price:

Matching Price **-** Cut-loss points

3000 - 21

SELL

Holding SHORT contract

Cut-loss Price:

Matching Price **+** Cut-loss points

3000 + 21

LONG

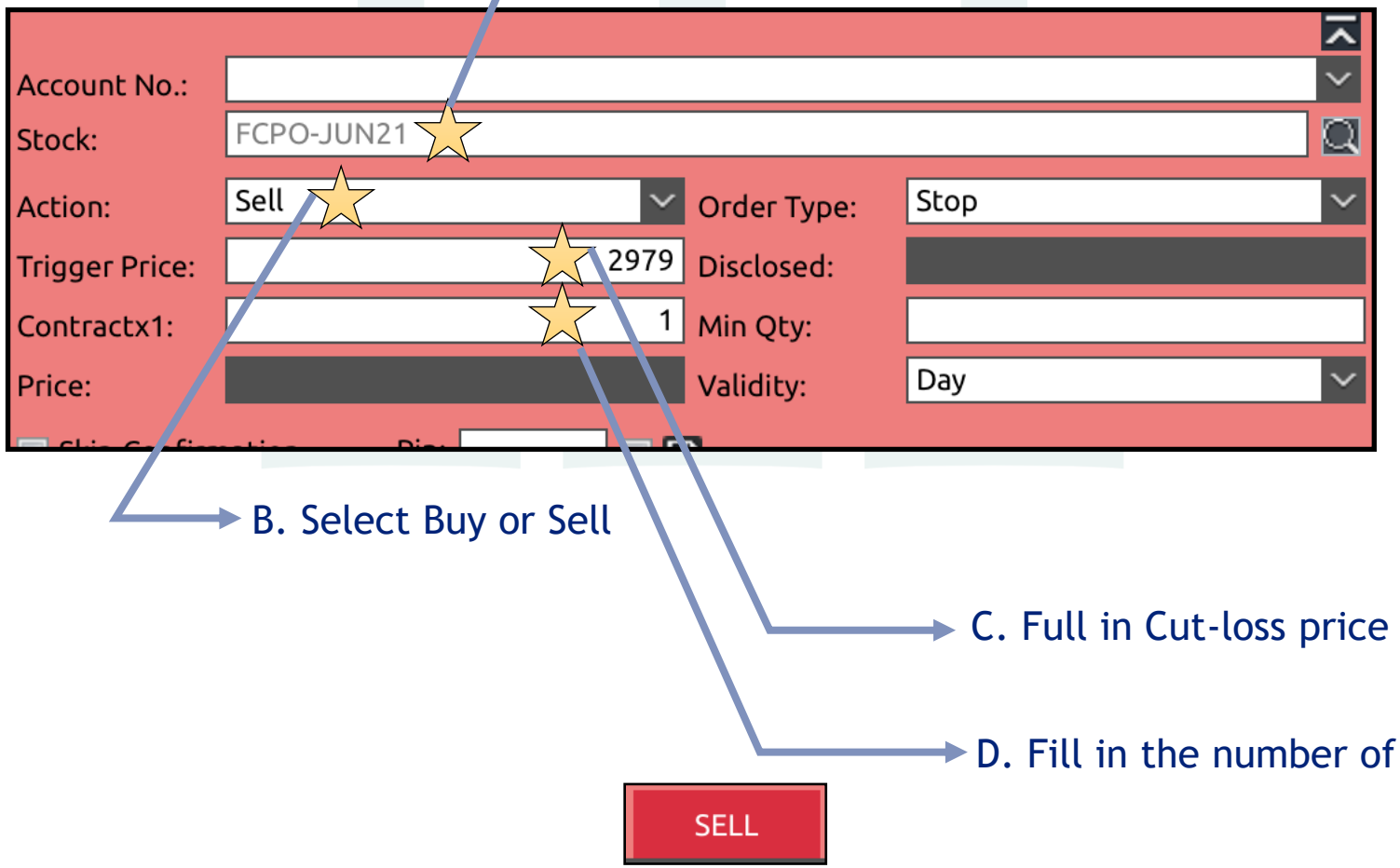
How to Cut-loss?

I Set Cut-loss points

II Calculate Cut-loss price

III Stop order

STOP Order - Sell @ 2979



How to Cut-loss?

I Set Cut-loss points

II Calculate Cut-loss price

III Stop order

S.O.P in trading

S .O. P

Stop

Cut-loss

Risk

Chapter 1

End

Chapter 2

S.O.P in trading

S .O. P

Stop

Cut-loss

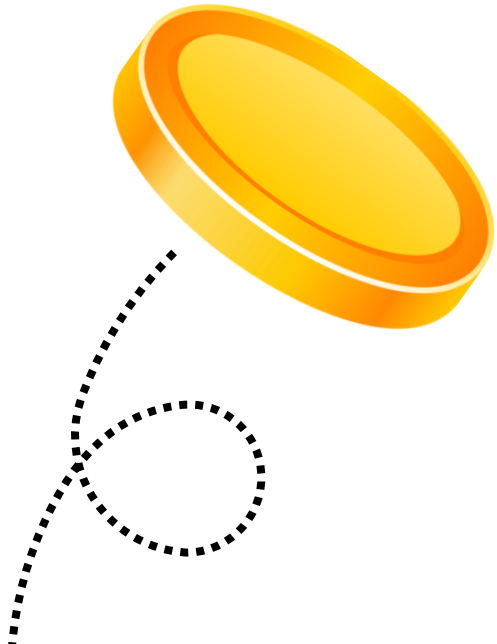
Risk

Winning Percentage (%)

What is Winning %?

Positive **Negative**

50 % **50 %**



What is Winning %?

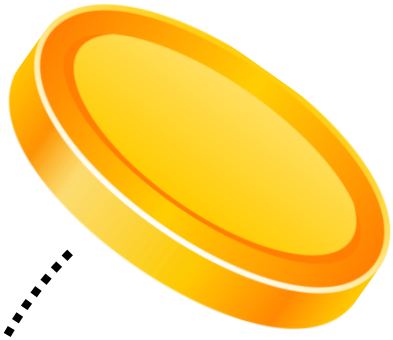
Profit

50 %

Losses

50 %

Winning %



Winning %

40 %	50 %	60 %
(Less than 50%)	(Medium)	(More than 50%)
C	B	A

Experiment of Winning %

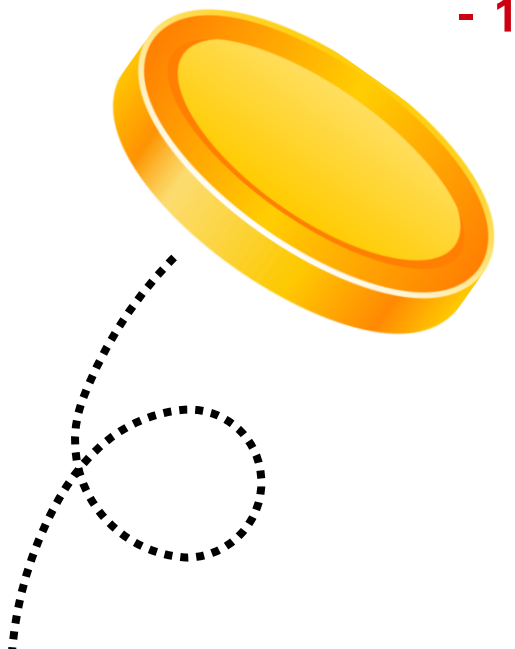
Positive **Negative**

Result

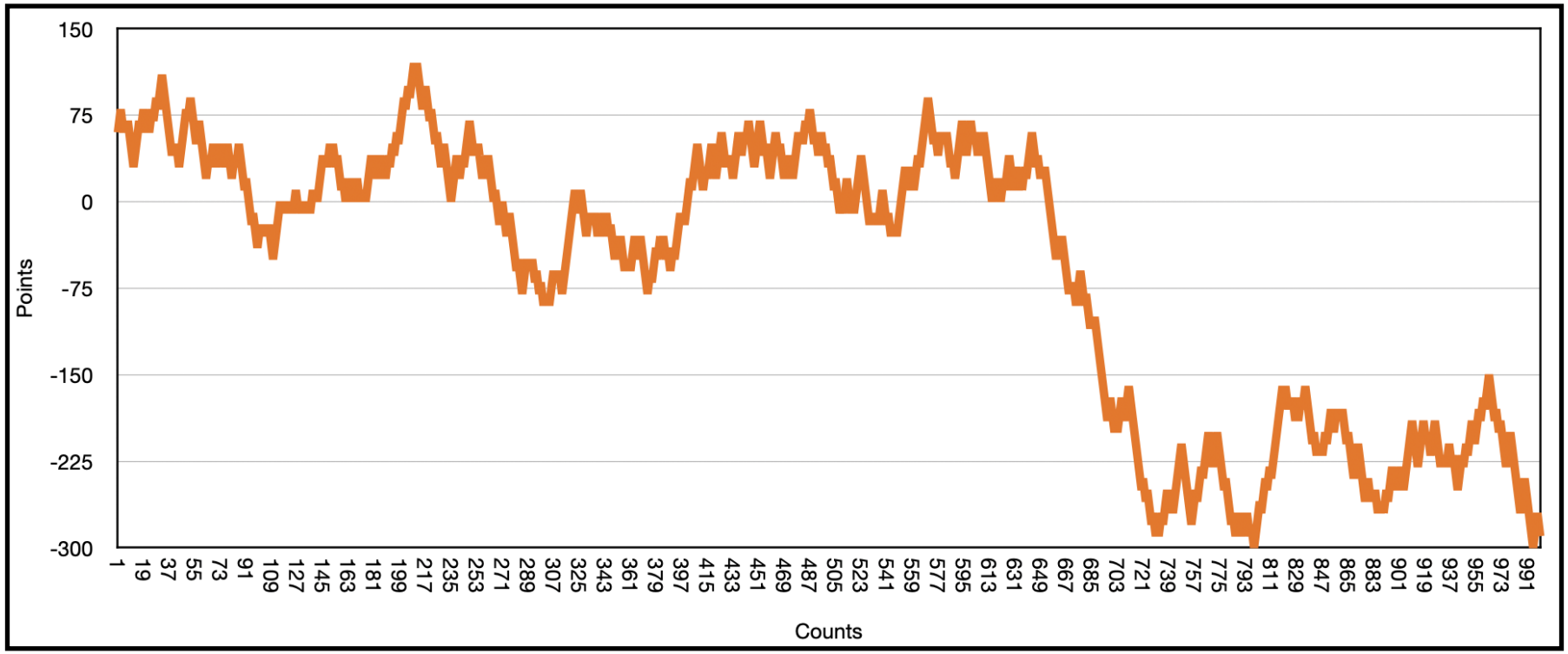
?

50 % **50 %**

+ 10 points **- 10 points**



Experiment result of Winning %



Total: -290

Winning %: 48.3%

Experiment of Winning %

Positive

Negative

First Experiment

-290 points

48.3 %

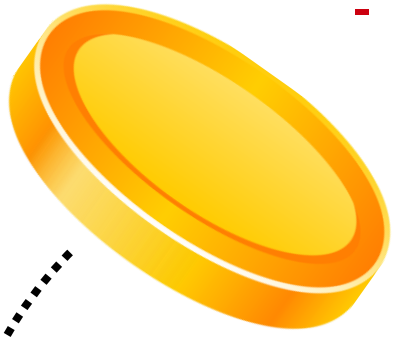
50 %

+ 10 points

Repeat

50 %

- 10 points



Experiment result of Winning %

1	2	3	4	5
-290 (48.3%)	-10 (49.7%)	90 (50.2%)	690 (53.2%)	50 (50.0%)
6	7	8	9	10
270 (51.1%)	-570 (46.9%)	-250 (48.5%)	170 (50.6%)	-170 (48.9)

Total(avg): -2 **How to improve the score?**

Winning %(avg) : 49.7%

Experiment of Winning %

Positive

Negative

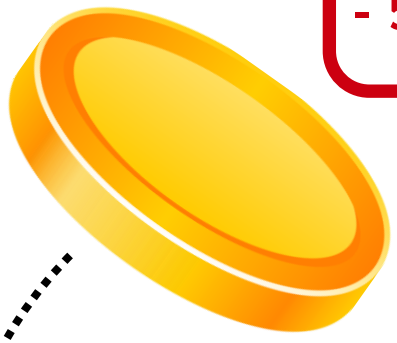
Win more and lose less

50 %

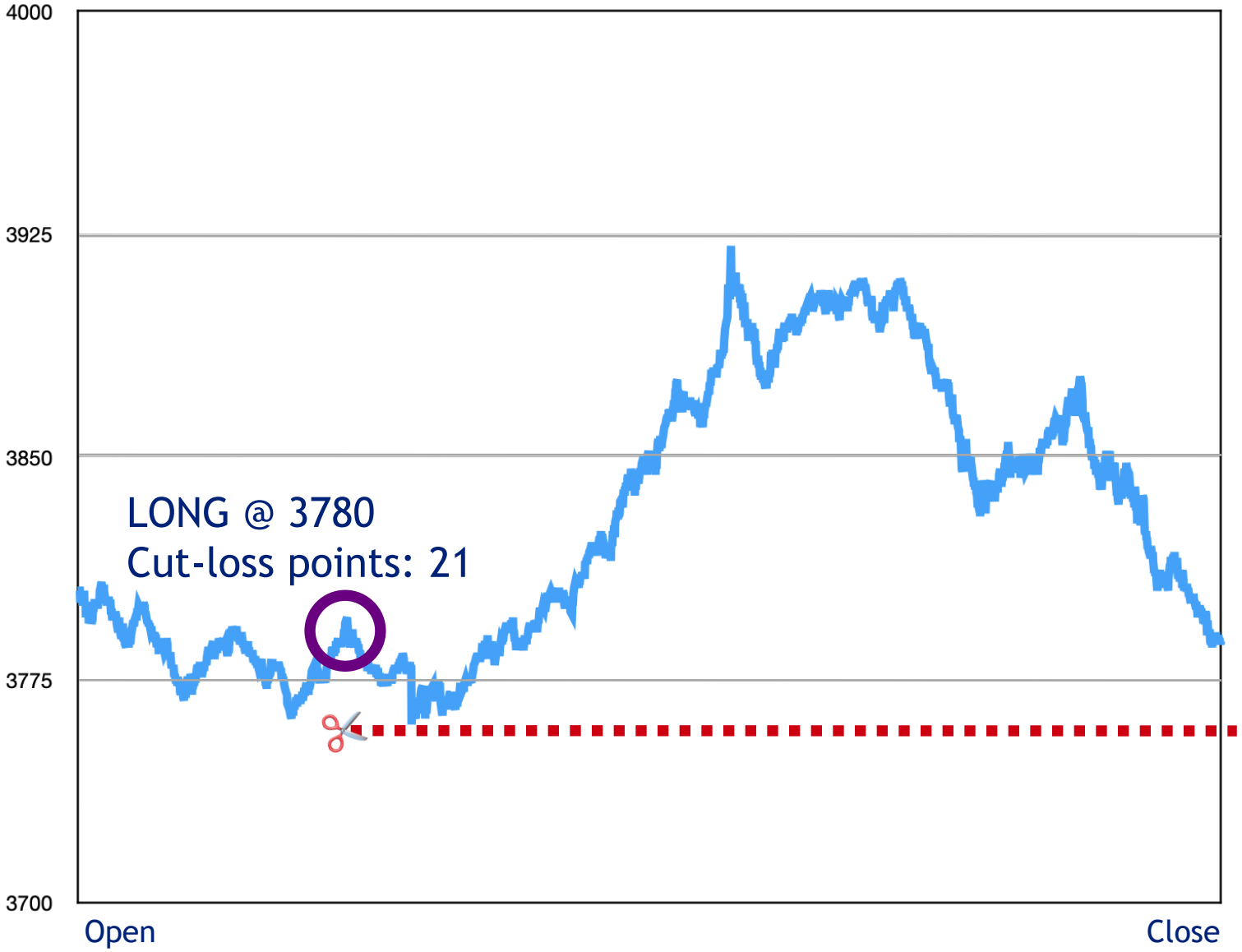
+ 10 points

50 %

- 5 points



Win more and lose less in Trading



Experiment of Winning %

Positive

Negative

Win more
and lose less

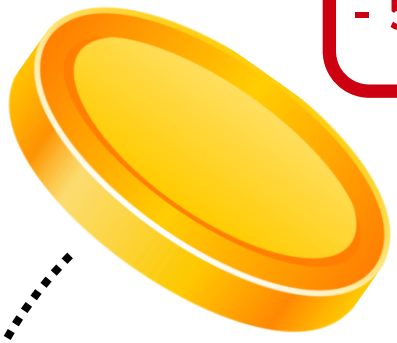
50 %

+ 10 points

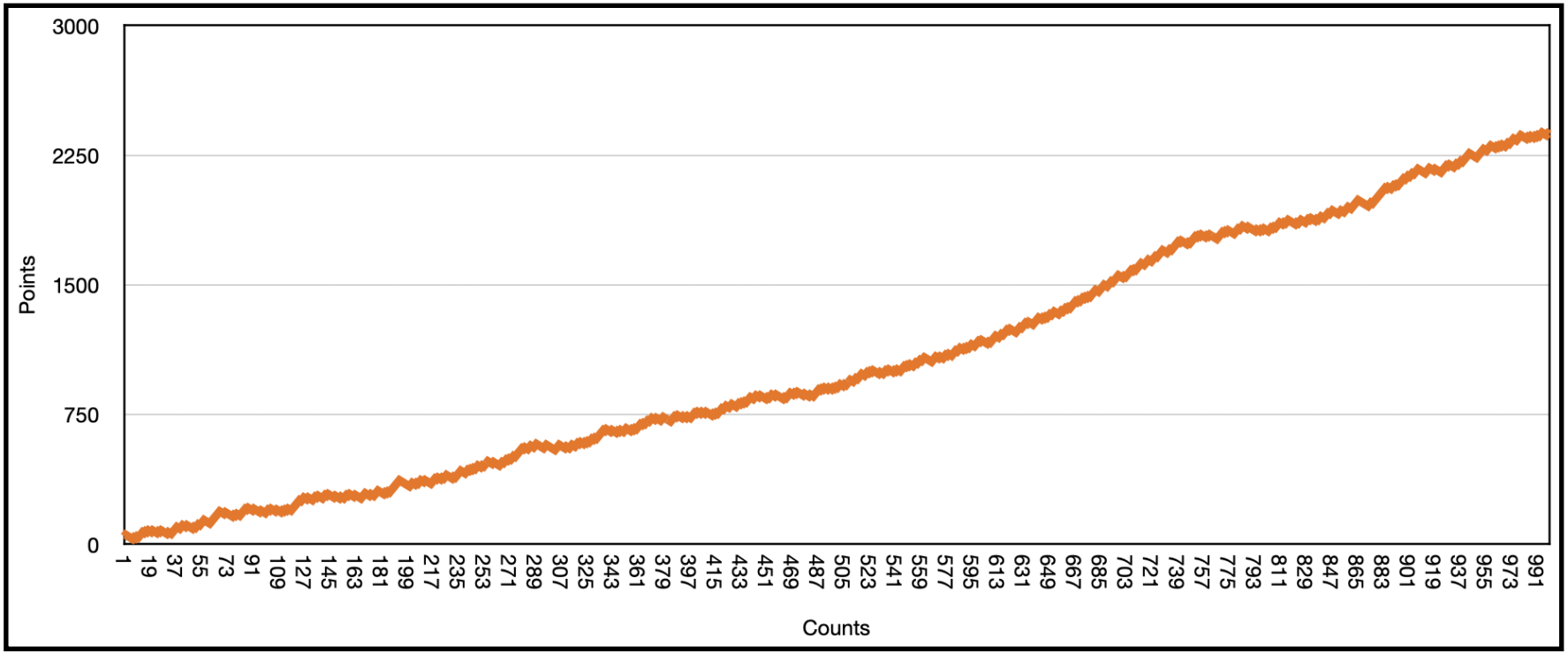
Cut-loss

50 %

- 5 points



Experiment result of Winning %



Total: 2,730

Winning %: 48.8%

Experiment result of Winning %

1	2	3	4	5
2,730 (48.3%)	2,835 (51.9%)	2,565 (50.1%)	2,235 (47.9%)	2,580 (50.2%)
6	7	8	9	10
2,775 (51.5%)	2,340 (48.6%)	3,210 (54.4%)	2,505 (49.7%)	2,355 (48.7)

Total(avg): 2,613 **Successfully improve**

Winning %(avg): 50.3%

Experiment result comparison

Positive + 10 ; Negative: -10

1	2	3	4	5
-290 (48.3%)	-10 (49.7%)	90 (50.2%)	690 (53.2%)	50 (50.0%)
6	7	8	9	10
270 (51.1%)	-570 (46.9%)	-250 (48.5%)	170 (50.6%)	-170 (48.9)

Total(avg): -2 分

Winning %(avg): 49.7%

Positive + 10 ; Negative: -5

1	2	3	4	5
2,730 (48.3%)	2,835 (51.9%)	2,565 (50.1%)	2,235 (47.9%)	2,580 (50.2%)
6	7	8	9	10
2,775 (51.5%)	2,340 (48.6%)	3,210 (54.4%)	2,505 (49.7%)	2,355 (48.7)

Total(avg): 2,613 分

Winning %(avg) : 50.3%

Both Winning % no significant difference

Winning %

40 %
(Less than 50%)
C

50 %
(Medium)
B

60 %
(More than 50%)
A

Experiment of Winning %

Positive

Negative

First Experiment

-290 points

48.3 %

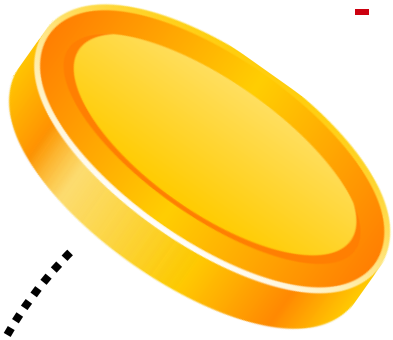
50 %

+ 10 points

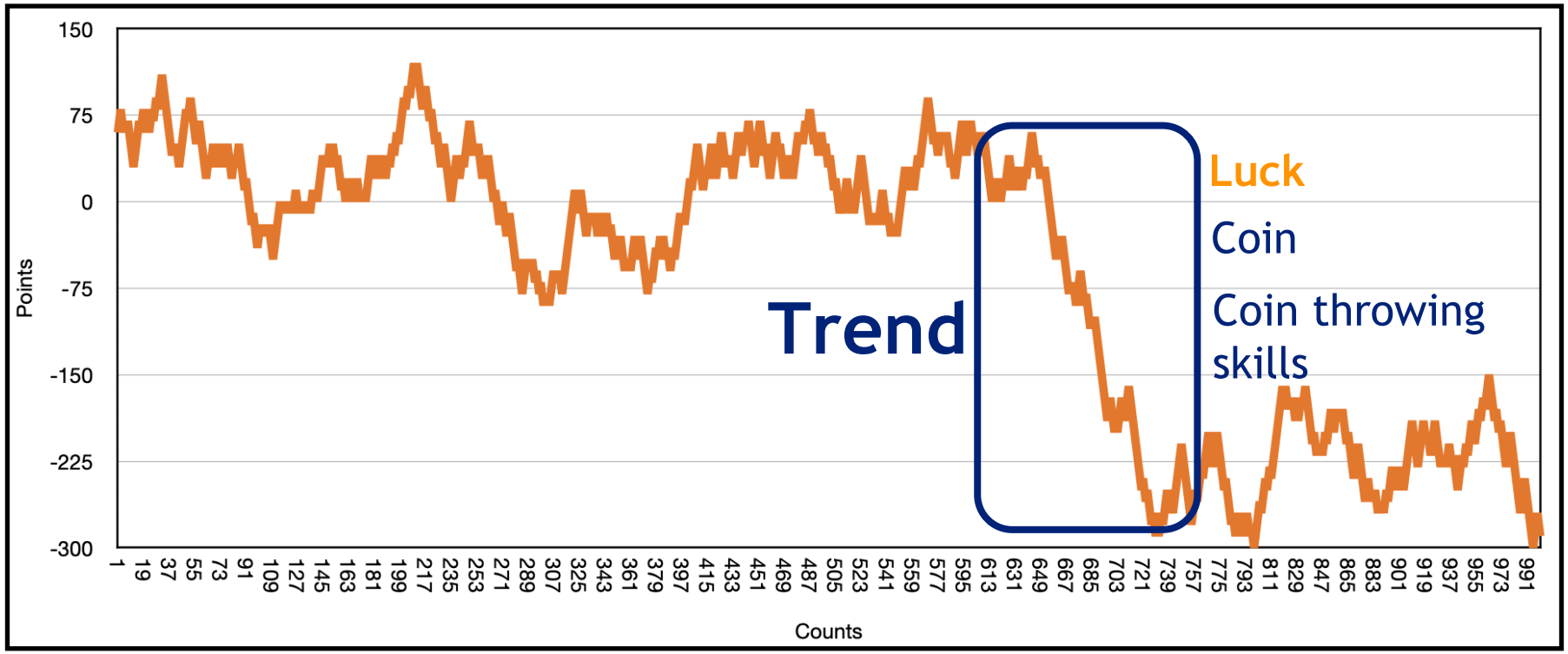
Repeat

50 %

- 10 points



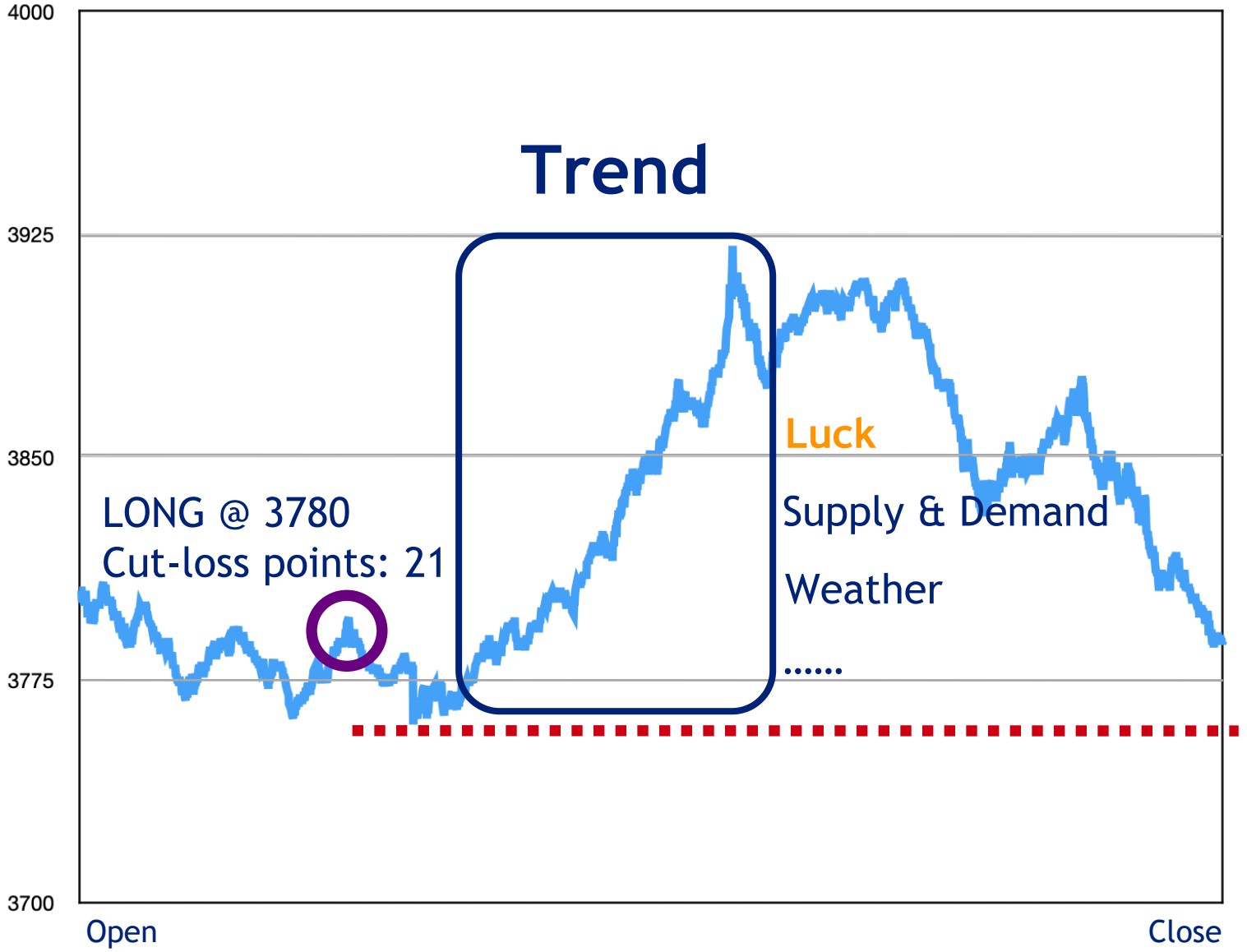
Experiment result of Winning %



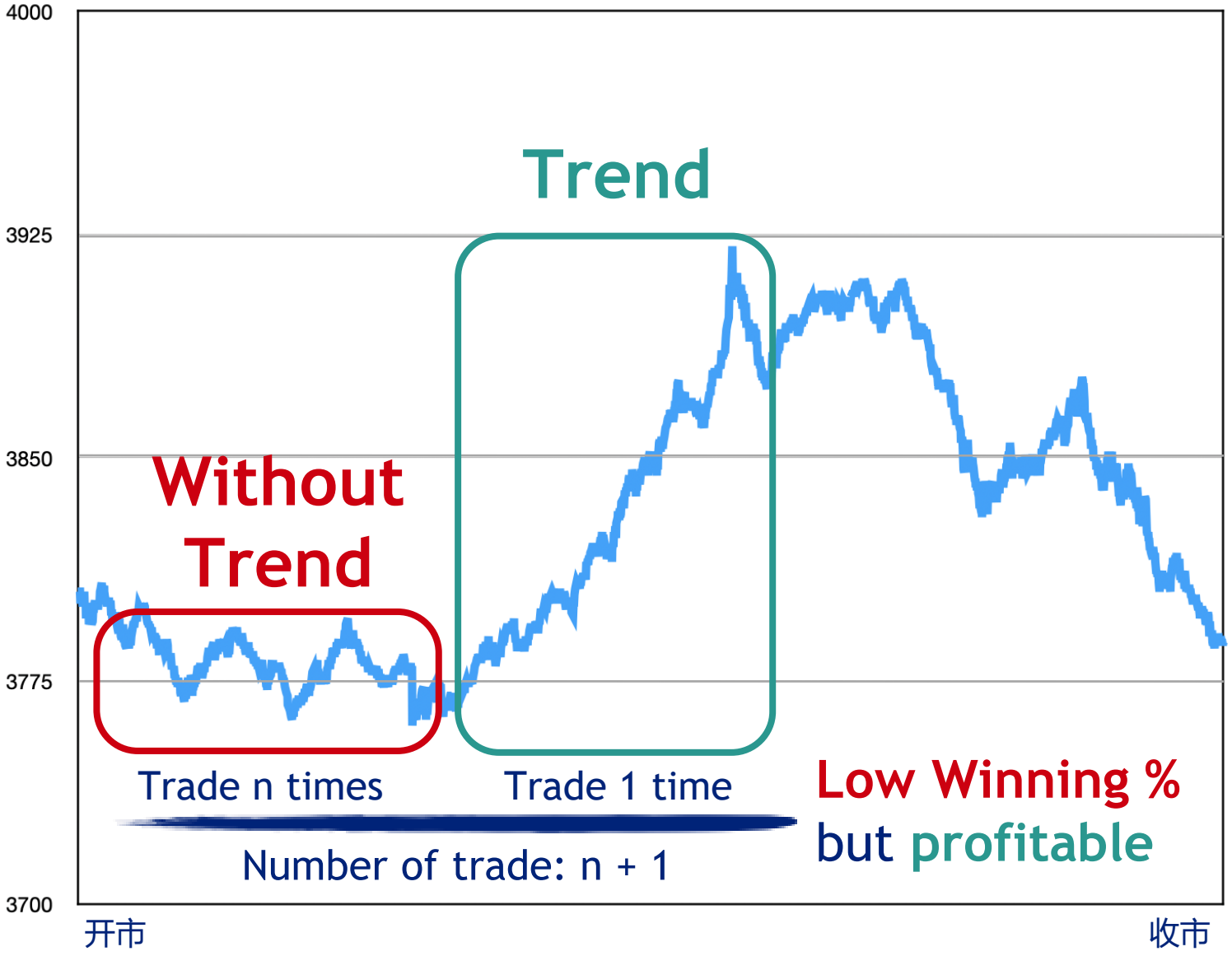
Total: -290

Winning %: 48.3%

Trend in trading



Trend in trading



Quality vs Quantity

Quality	Quantity
Final Result	Number of Trade

Winning %

40 %
(Less than 50%)
C

50 %
(Medium)
B

60 %
(More than 50%)
A

"Don't struggle in high Winning %,
just focus on **risk management** & be **friends with trends**."

S.O.P in trading

S .O. P

Stop

Cut-loss

Risk

Wining %

Cut-loss+Tread

Profit

Chapter 2

End

Chapter 3

S.O.P in trading

S .O. P

Stop

Cut-loss

Risk

Wining %

Cut-loss+Tread

Profit

Operation

S.O.P in trading

Stop

Cut-loss

Risk

Operation

Trading Phycology

Wining %

Cut-loss+Tread Profit

Think…

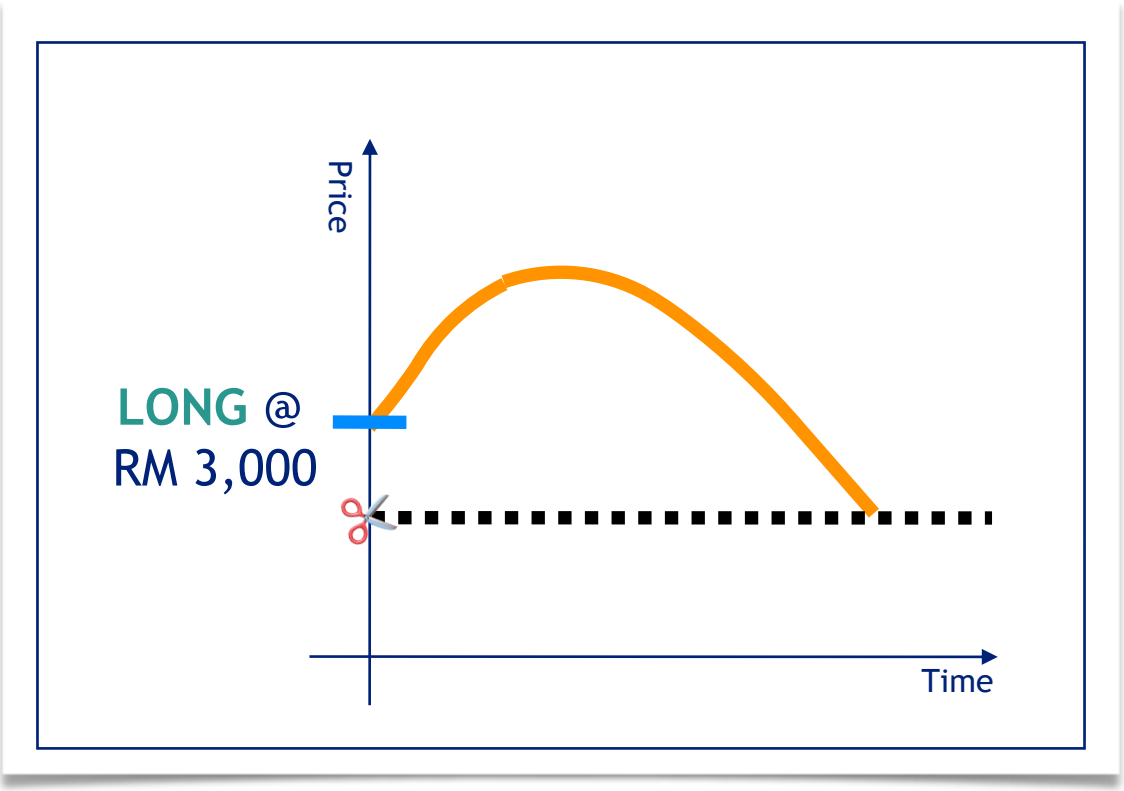
A

Stop Watching

B

Continue Watching

Sunk Cost



A

☑ Cut-loss

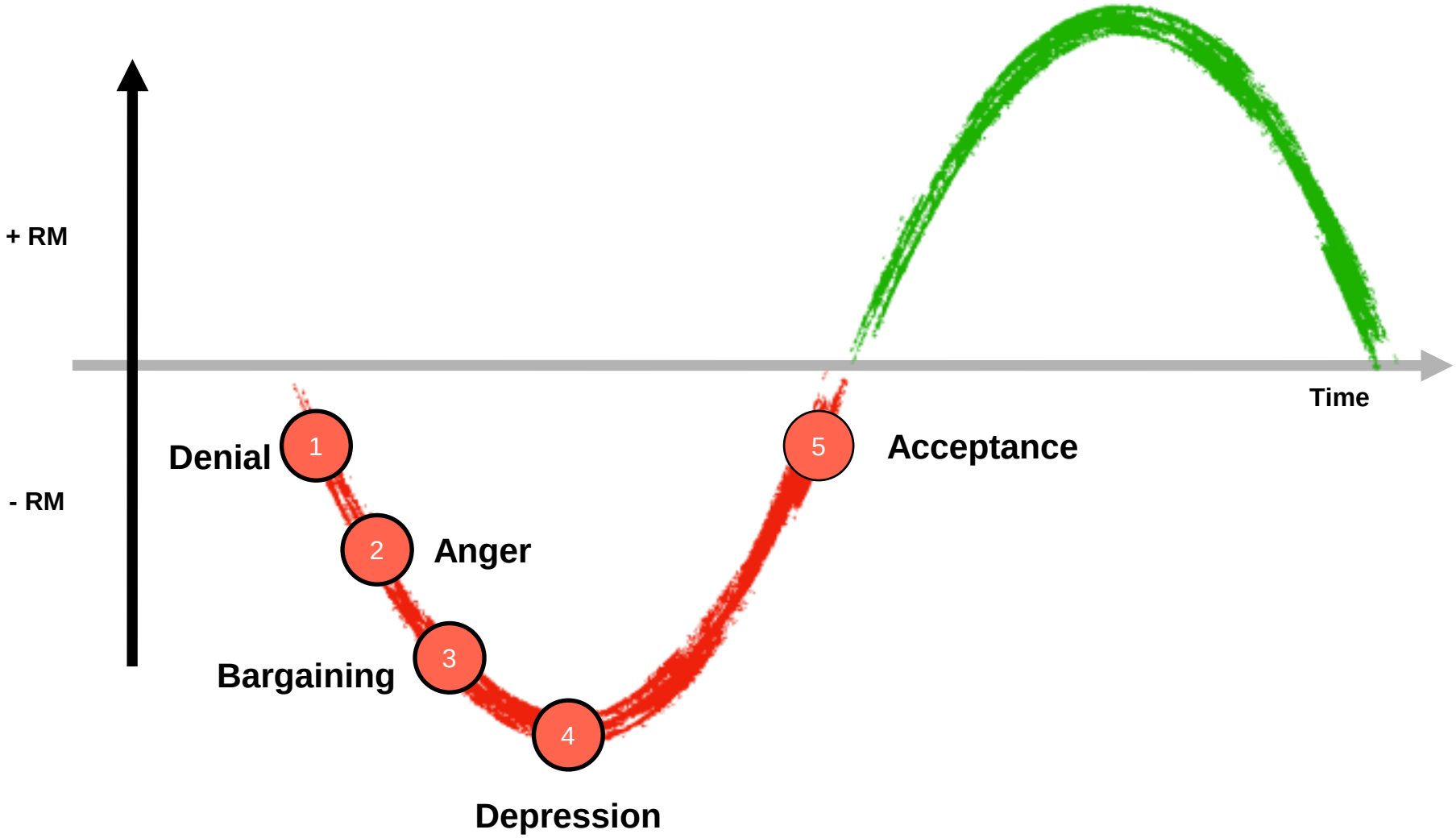
B

☒ Cut-loss

Sunk Cost

Trading Phycology

5 Stages to Deal with Trading Losses



5 Stages to Deal with Trading Losses

S.O.P in trading

Stop

Cut-loss

Risk

Operation

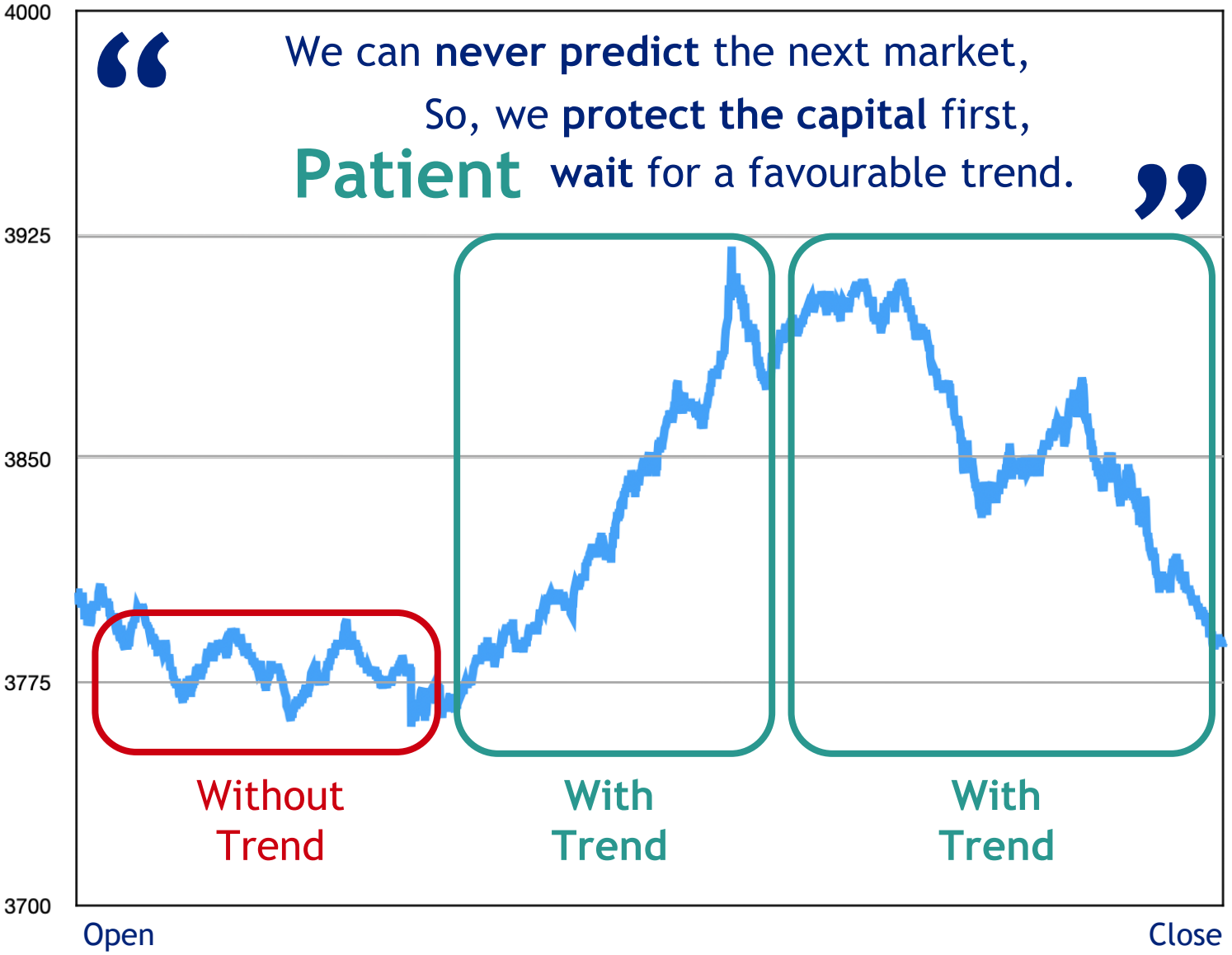
Trading Phycology

Wining %

Cut-loss+Tread

Profit

Trading Phycology



S.O.P in trading

Stop

Cut-loss

Risk

Operation

Trading Phycology

Wining %

Cut-loss+Tread

Profit

Chapter 2

End

Summary

- Use Cut-loss for risk management in trading.

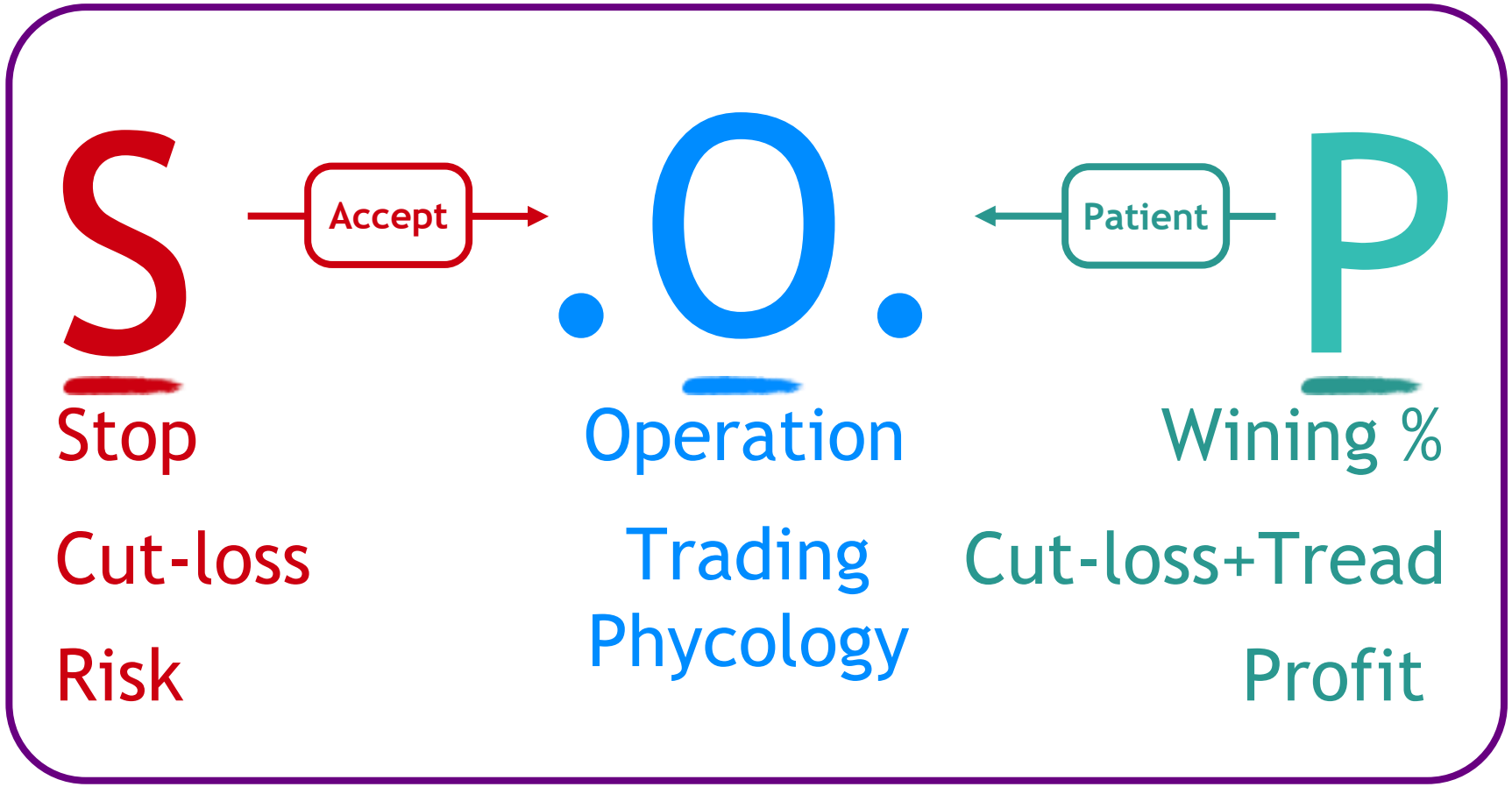
- Verify your Cut-loss setting.

- Don’t struggle in high Winning %.

- Focus on Cut-loss + Trend.

- Adjust your trading mentality
  (Accept the risk and wait patiently for the trend).

Trading Plan & Trading System



问题：

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Thanks

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