

Trend Trading Australian Shares

1. Trend Trading

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Disclaimer



Serious Message !!

Not to be taken
as Financial Advice
in Any Form
Whatsoever !

Trend Trading

We need an edge !



- What is the best way to trend trade Aussie shares?
- Easy
- Go back to 1-Jan-2004 and trade then !

Start Trend Trading Here



Any system seemed to work

Stop and Target

Swing Trading

Break 100 day High

Trailing Stop Entry

Bollinger Bands

Chart Patterns

Linear Regression Bands

Guppy MMA

Rotational Trading

Buy and Hold

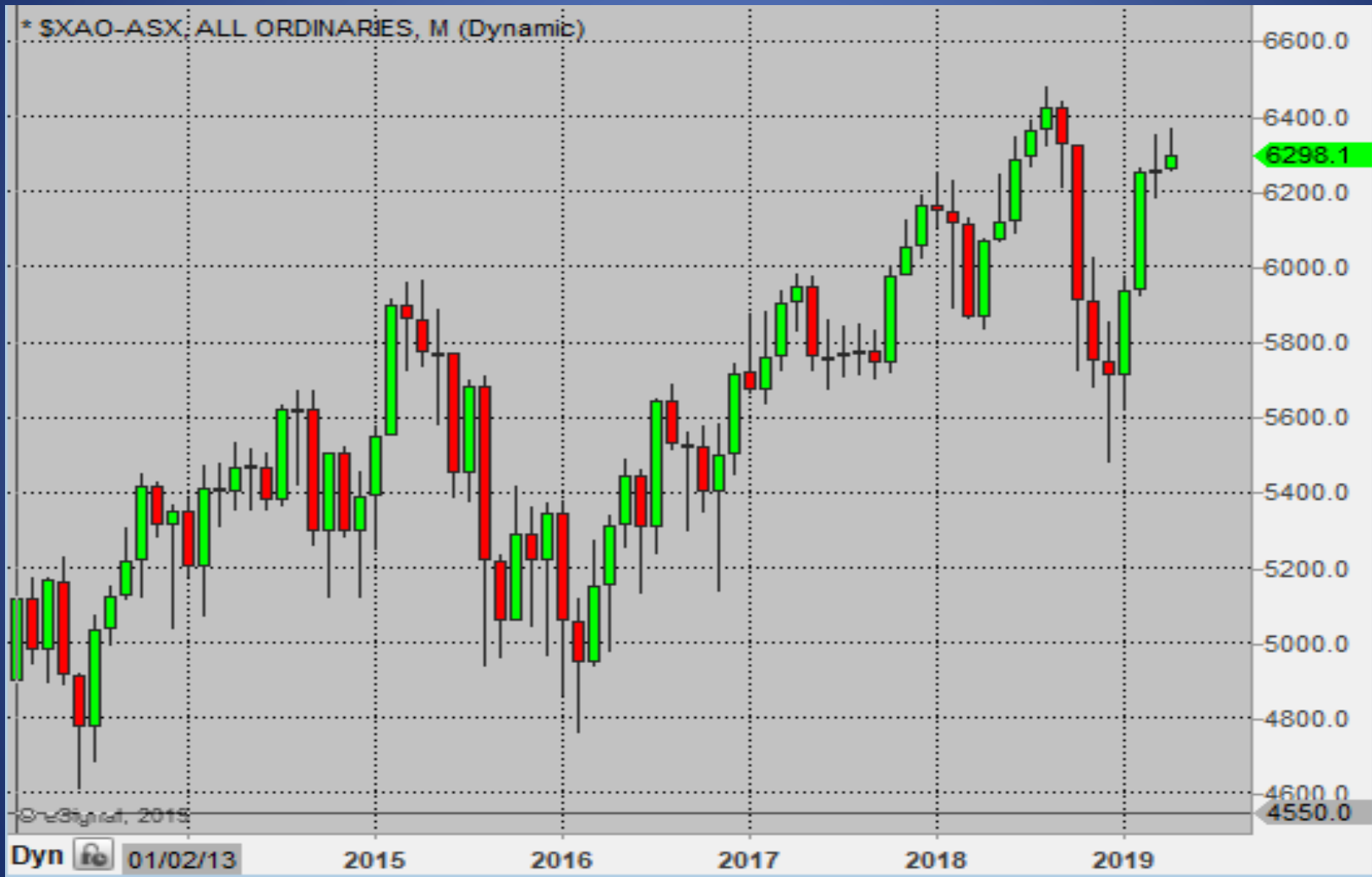
Mean Revert to the Trend

Start Trend Trading Here



Most ships rise and
fall with the tide

Here is the XJO over the last 6 years !



Some shares are still
trending

(This is the edge)

Having an Edge

Most of the time market movements are random.

There are situations when market movements are not random.

These anomalous situations provide opportunities for traders to find a profitable edge.

This is a consistent finding :-

from many many people
running many many backtests
over many many years.

Have an Edge from Market Anomalies

- Seasonality
- Mean Reversion
- Volatility
- Trending

A Trending Market; the “ Premier Anomaly ”

If the price of a share has been moving up fairly consistently for a significant time,

then

The upward movement is likely to persist in the near term.

Delightfully Vague !

“Law of Trading” ?

How Trend Trading Systems Work ?

Messy !

- 40% winners.
- Wins twice as big as Losses.
- BIG wins.
- Drawdowns.
- Not consistent.
- Profitable !! Long Term

Summary

- Markets are mostly Random
- We need an edge
- The “Trending Anomaly” is our edge
- Be aware of Trend Trading Stats.

Next

How to Find Trends

How to Exploit Trends

END