Recycling of Shares and Trading Around the Core

TRADING TERMINAL.COM

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Paras Jandwani

History Prior to Trading:

- Software Engineering Manager at one of the *Fortune Global Top 100 Companies.*

Trading History:

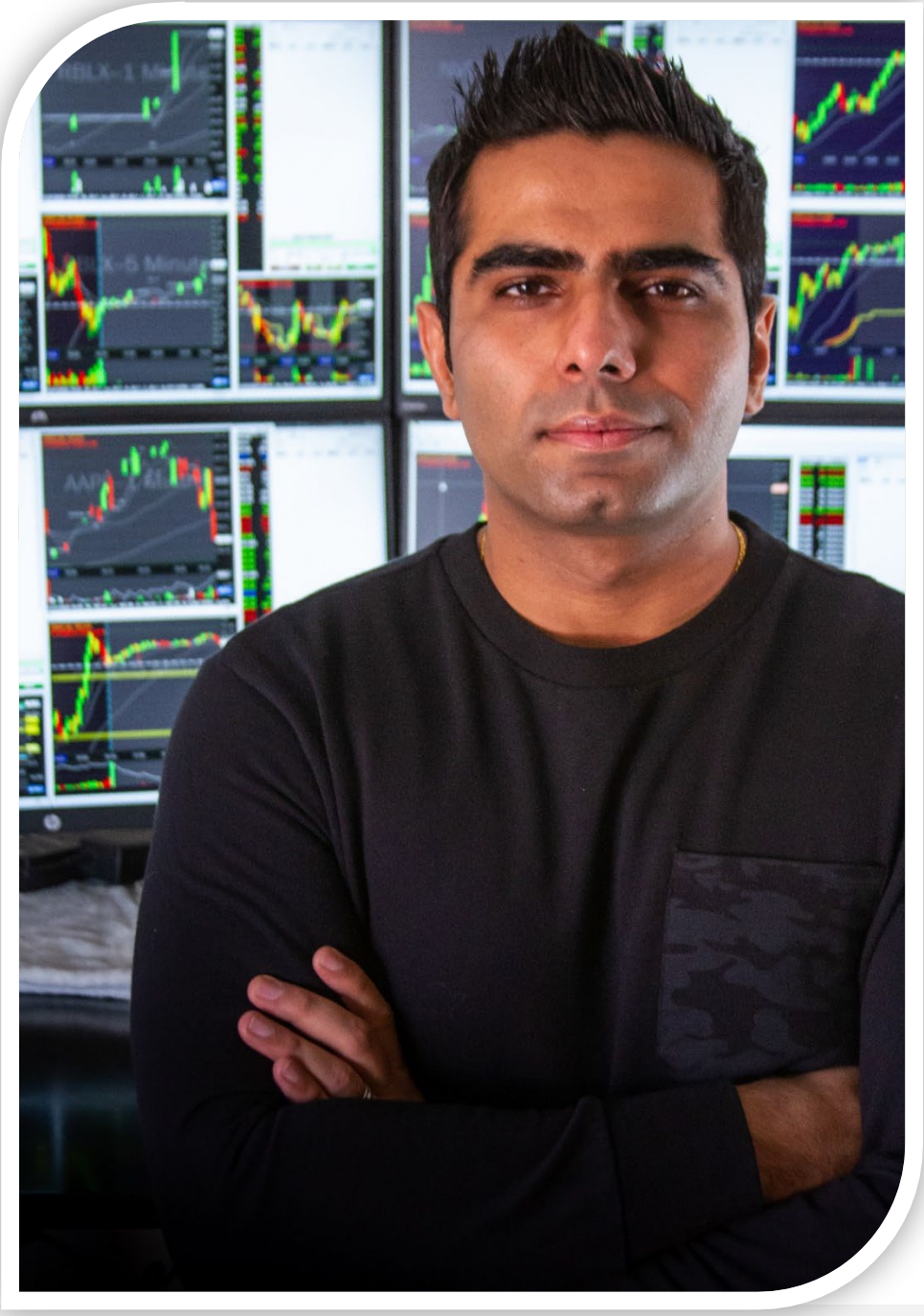
- Actively Trading in US Markets since 2015.

Trading Edges:

- Price Action and Tape.

Hobbies:

- Enjoy playing Badminton.
- Enjoy reading Financial, Technological, and Self-Help books and blogs.
- Practicing Spirituality.



“Recycling shares” and “Trading around the Core “

- "Recycling shares" typically refers to a trading strategy where traders repeatedly buy and sell shares of the same stock over time. Instead of maintaining a static position in a particular stock, traders actively trade in and out of it, potentially generating profits through multiple transactions.

- Trading around the core is a strategy where traders maintain a core position in a particular stock while actively Recycling Shares around the core position to capitalize on short-term opportunities. In this approach, the core position represents a long-term thesis, while the recycling of shares around it involves taking advantage of short-term price movements to enhance returns.

Why Recycle?

- Maximizing Profits
- Reducing Risk
- Increased Liquidity
- Capital Efficiency
- Keeps your P&L Running
- Increases your win rate on the winning trades.
- Helps you hold for bigger moves.

Case Study

Robin

- Trades based on defined R/R.
- All or nothing mindset on profit takings, does not like scaling out.
- Has a clear entry and exit plan based on R/R.

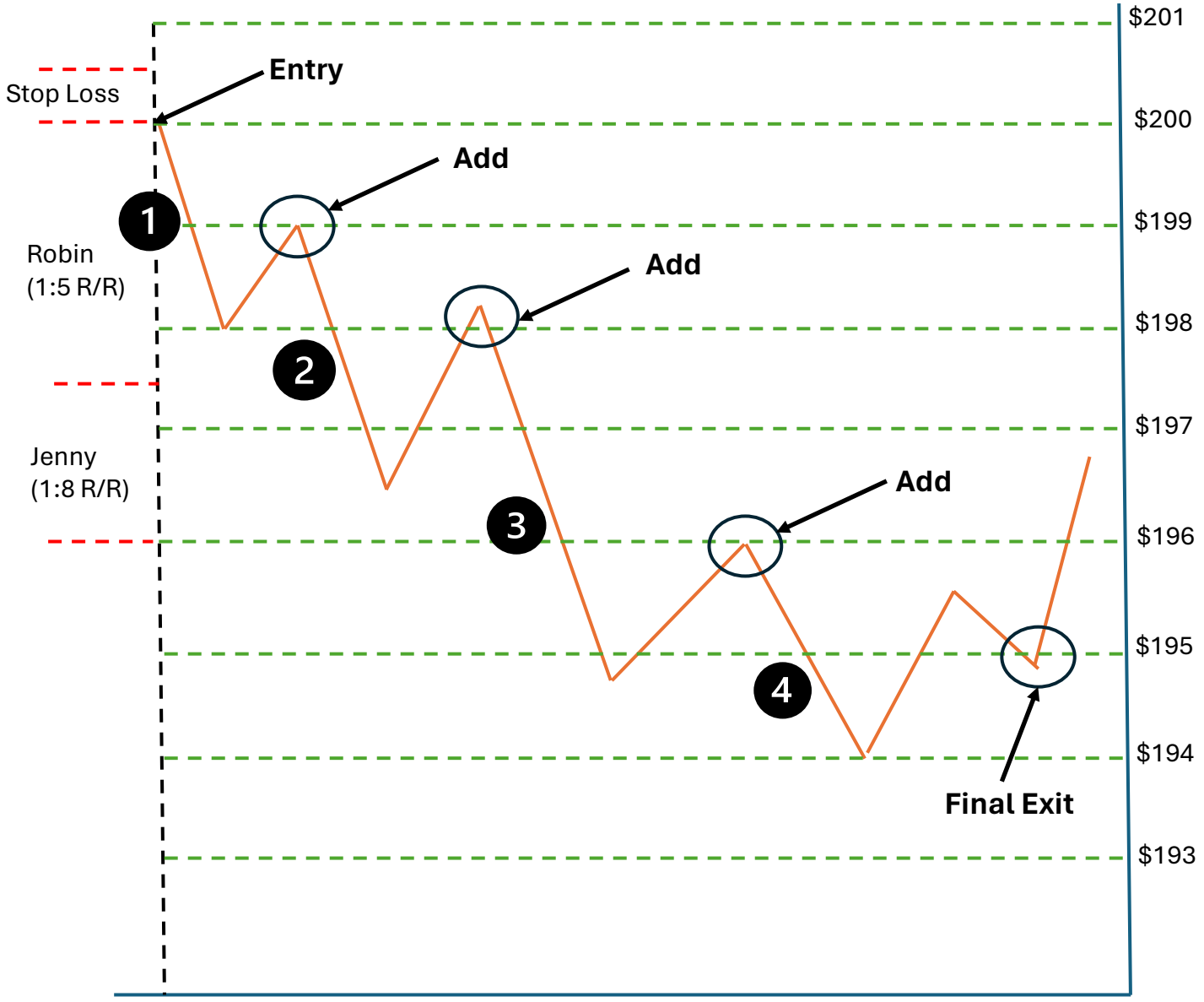
Jenny

- Also trades based on defined R/R.
- Very patient with her trades and likes holding for bigger profits but also incorporates some profit takings in her trades.
- Also has a clear entry and exit plan based on R/R.

Adam

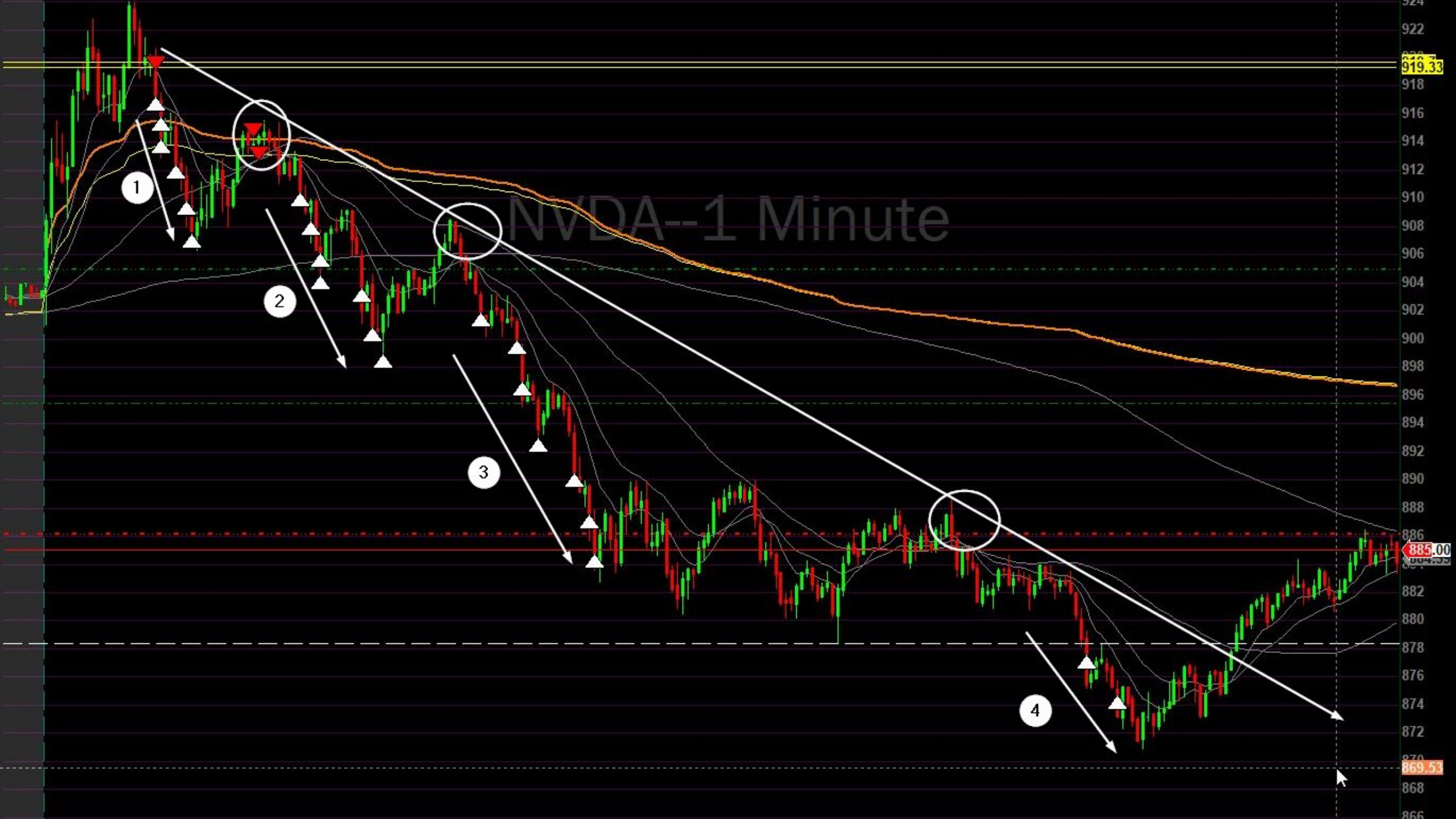
- Trades based on variable R/R.
- Has a mindset of keeping the register ringing and is aggressive in profit takings and recycling.
- Has a defined entry but relies on price action and trend change for the exits.

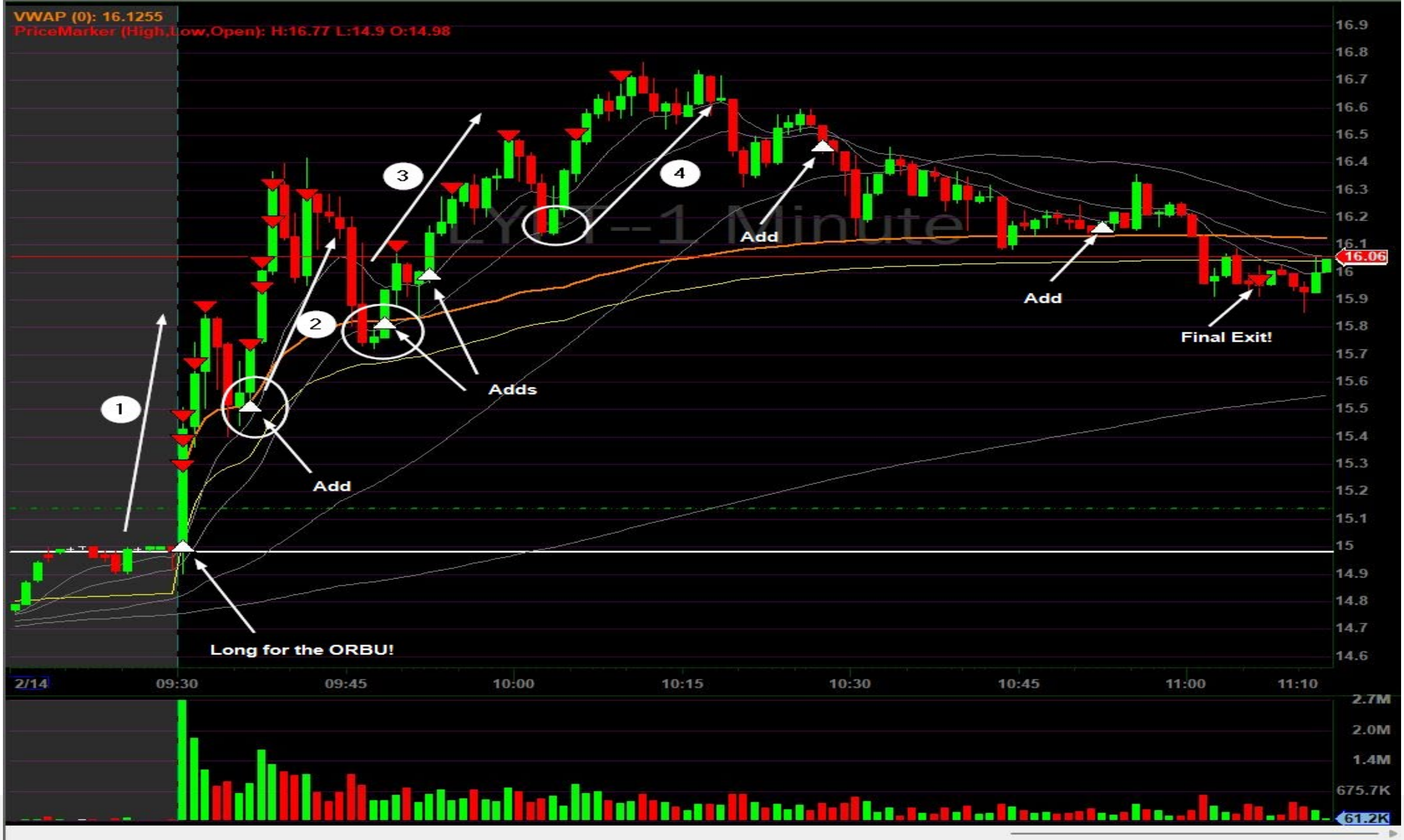
Case 1



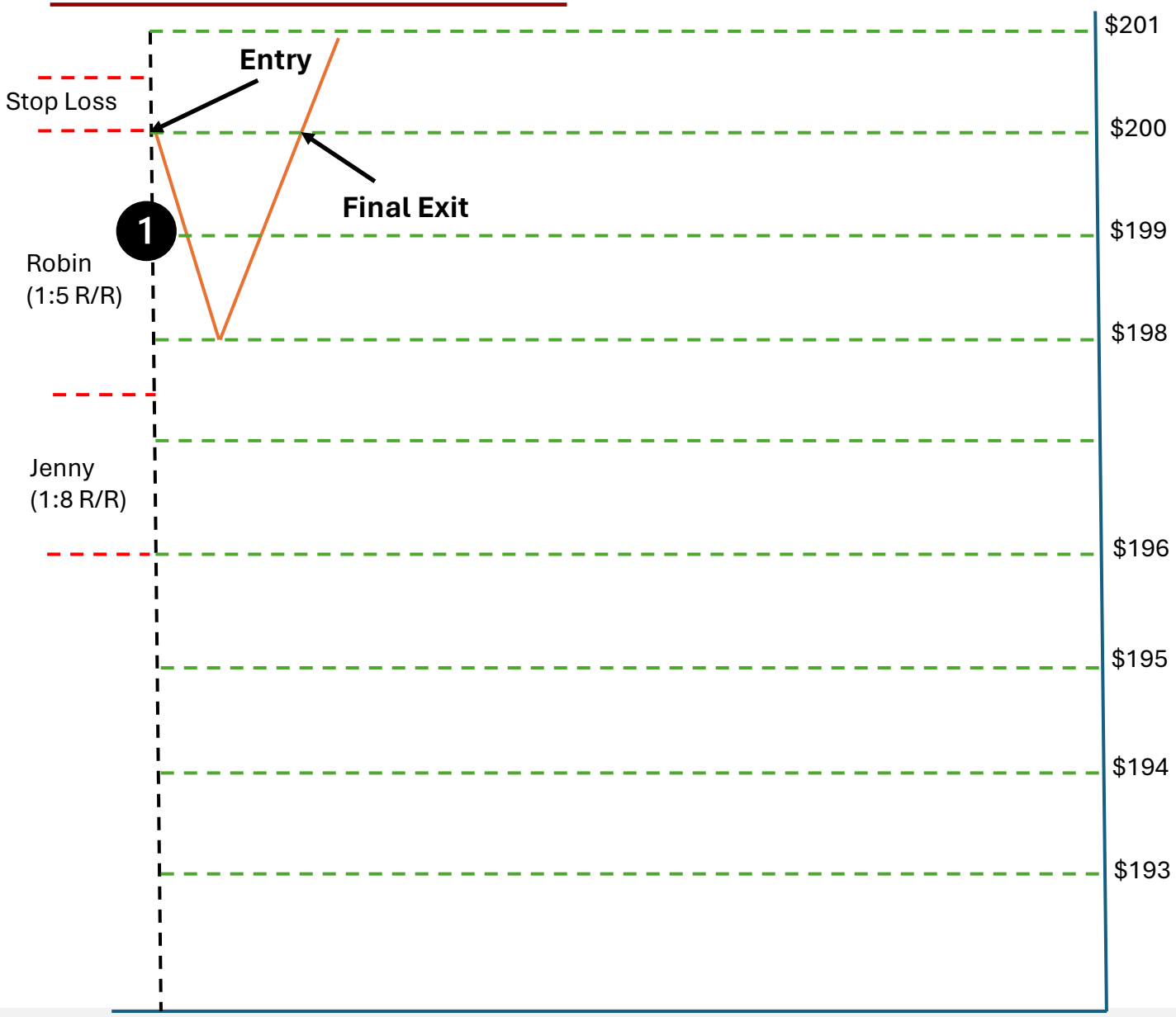
Position	Size/ Adds	Price /Avg	Profit Taking	Running Pnl	Shares Remaining
Initial	500	$200		$0	500
First Leg			150	$150	350
First Pullback	150	$199 .76			500
Second Leg			150	$250	350
Second Pullback	150	$199 .36			500
Third Leg			250	$750	250
Third Pullback	100	$198 .40			350
Fourth Leg			200	$600	150
Final Exit				$450	0
Total PnL				**$2200**	

Robin (Realized $)	Jenny (Realized $)	Adam (Realized $)
$1,250 (5R)	$1500 (~6R)	$2200 (~10R)


NVDA--1 Minute
1
2
3
4
919.33
885.00
869.53
922
918
916
914
912
910
908
906
904
902
900
898
896
894
892
890
888
886
882
880
878
876
874
872
868


VWAP (0): 16.1255
PriceMarker (High,Low,Open): H:16.77 L:14.9 O:14.98
LYOT--1 Minute
1
2
3
4
Add
Adds
Add
Add
Final Exit!
Long for the ORBU!
16.06
2/14
09:30
09:45
10:00
10:15
10:30
10:45
11:00
11:10
2.7M
2.0M
1.4M
675.7K
61.2K

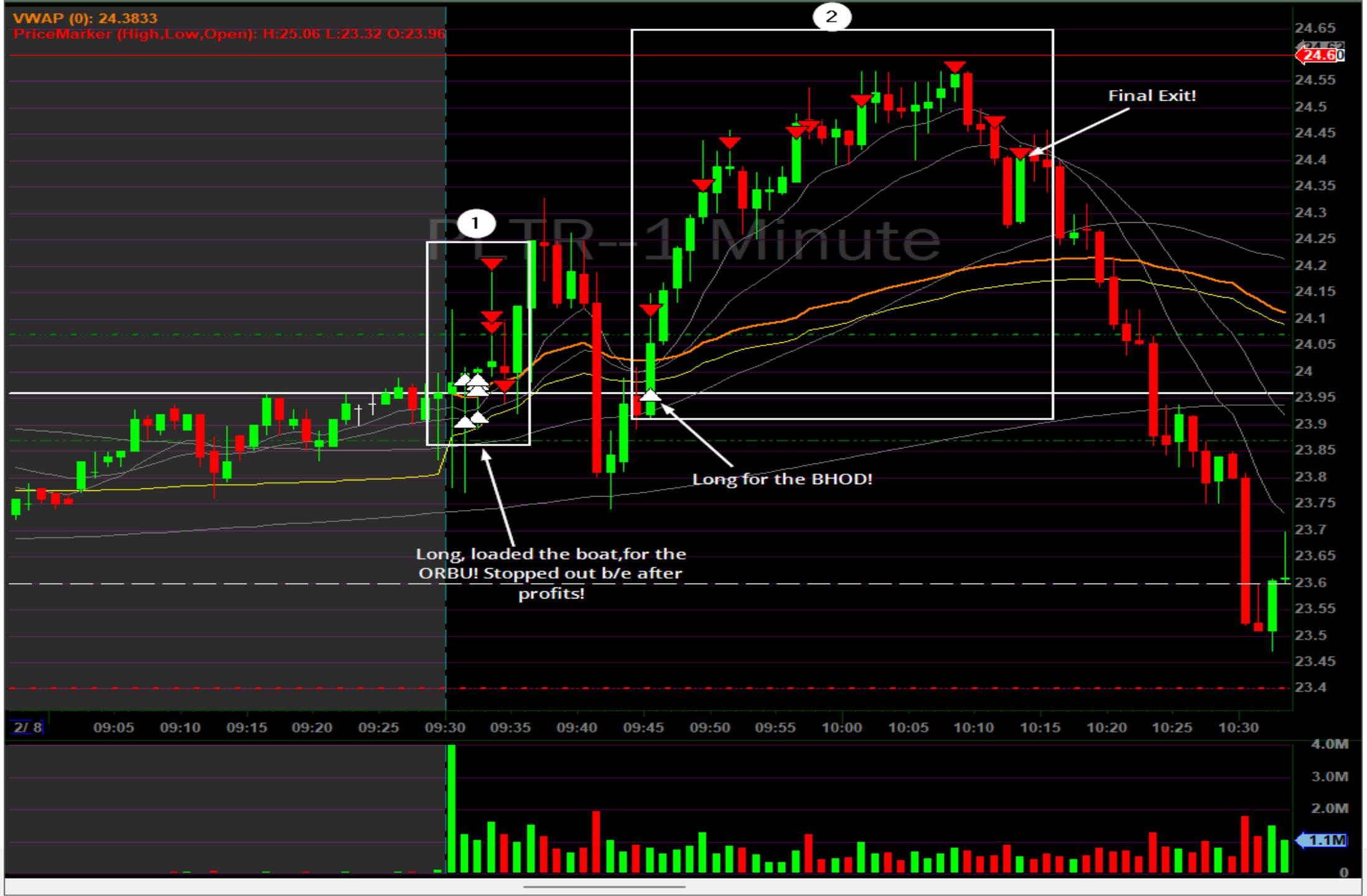
Case 2



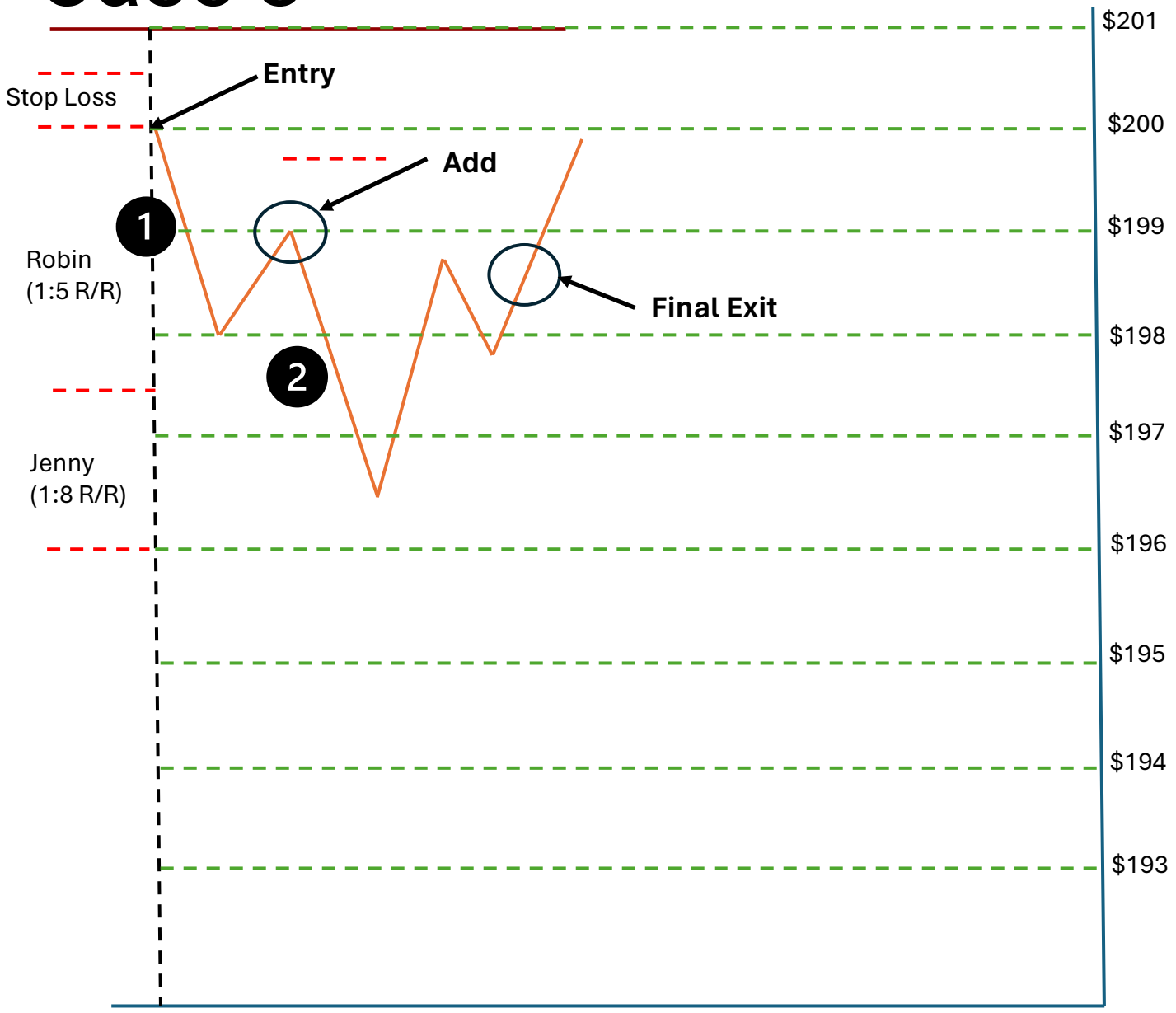
Position	Size/ Adds	Price/ Avg	Profit Taking	Running Pnl	Shares Remaining
Initial	500	$200		$0	500
First Leg			150	$150	350
Stopped out					0
Total PnL				**$150**	

Robin (Realized $)	Jenny (Realized $)	Adam (Realized $)
$0	$0	$150 (~0.5R)

VWAP (0): 714.876
PriceMarker (High,Low,Open): H:721.85 L:702.12 O:705.33
NVDA--1 Minute
Short for the ORBD!
Add
Stopped out b/e!
706.04
702.16
2/ 9
09:20
09:25
09:30
09:35
09:40
09:45
09:50
09:55
10:00
10:05
10:10
10:15
10:20
629.4K
472.0K
314.7K
157.3K
72.4K

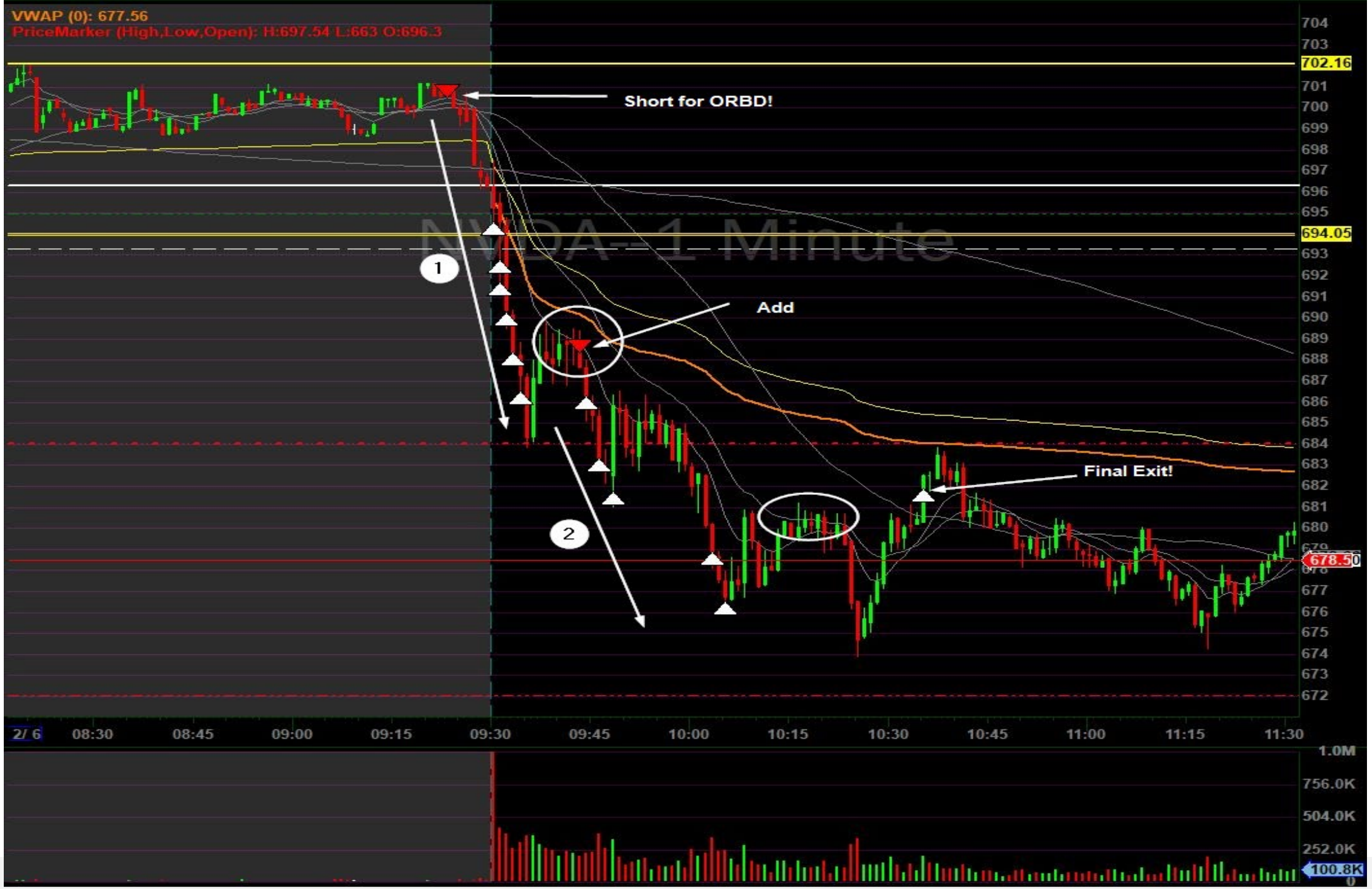

VWAP (0): 24.3833
PriceMarker (High,Low,Open): H:25.06 L:23.32 O:23.96
1
2
Final Exit!
Long for the BHOD!
Long, loaded the boat,for the ORBU! Stopped out b/e after profits!
24.60
09:05
09:10
09:15
09:20
09:25
09:30
09:35
09:40
09:45
09:50
09:55
10:00
10:05
10:10
10:15
10:20
10:25
10:30
4.0M
3.0M
2.0M
1.1M
0

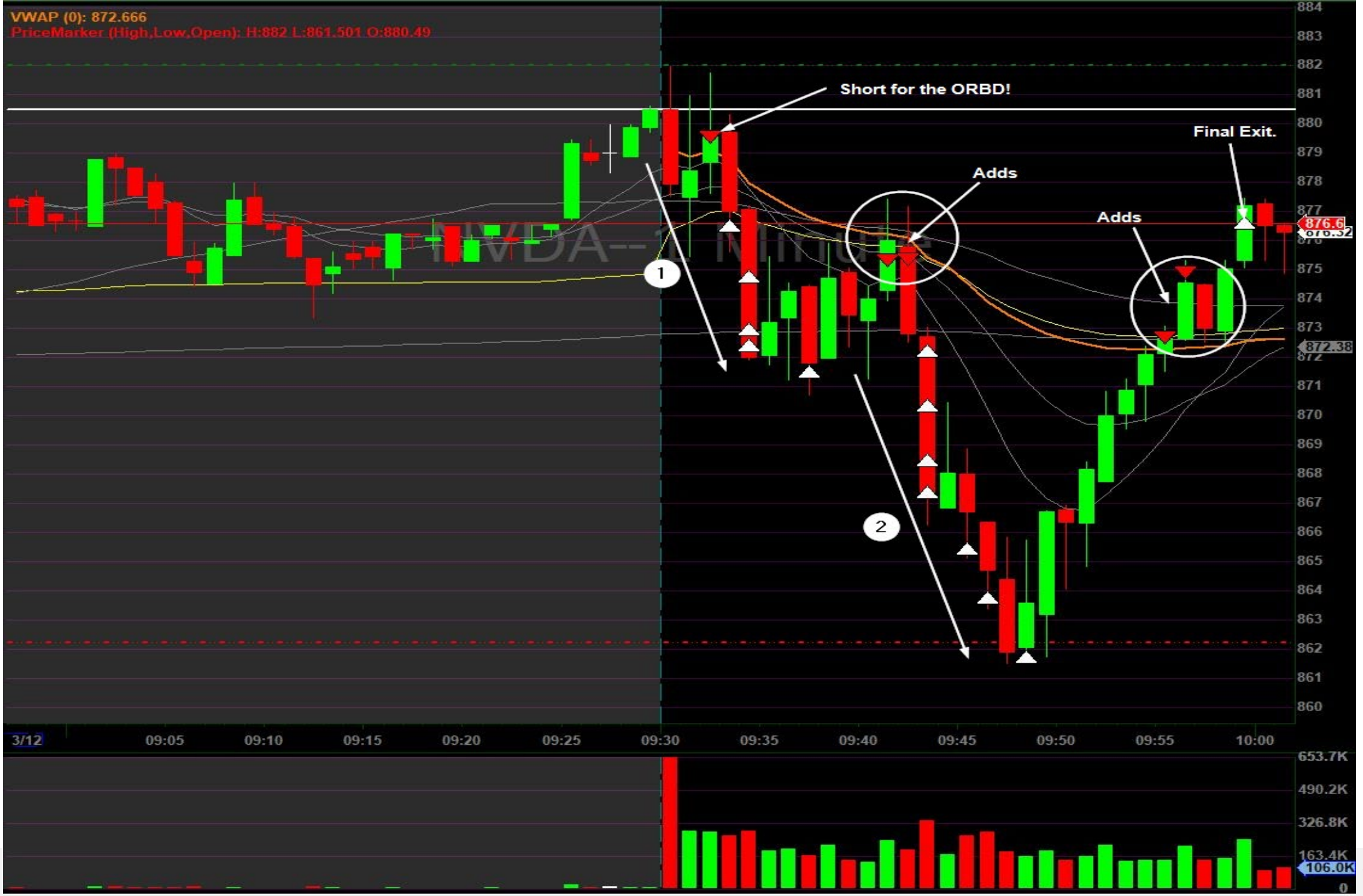
Case 3



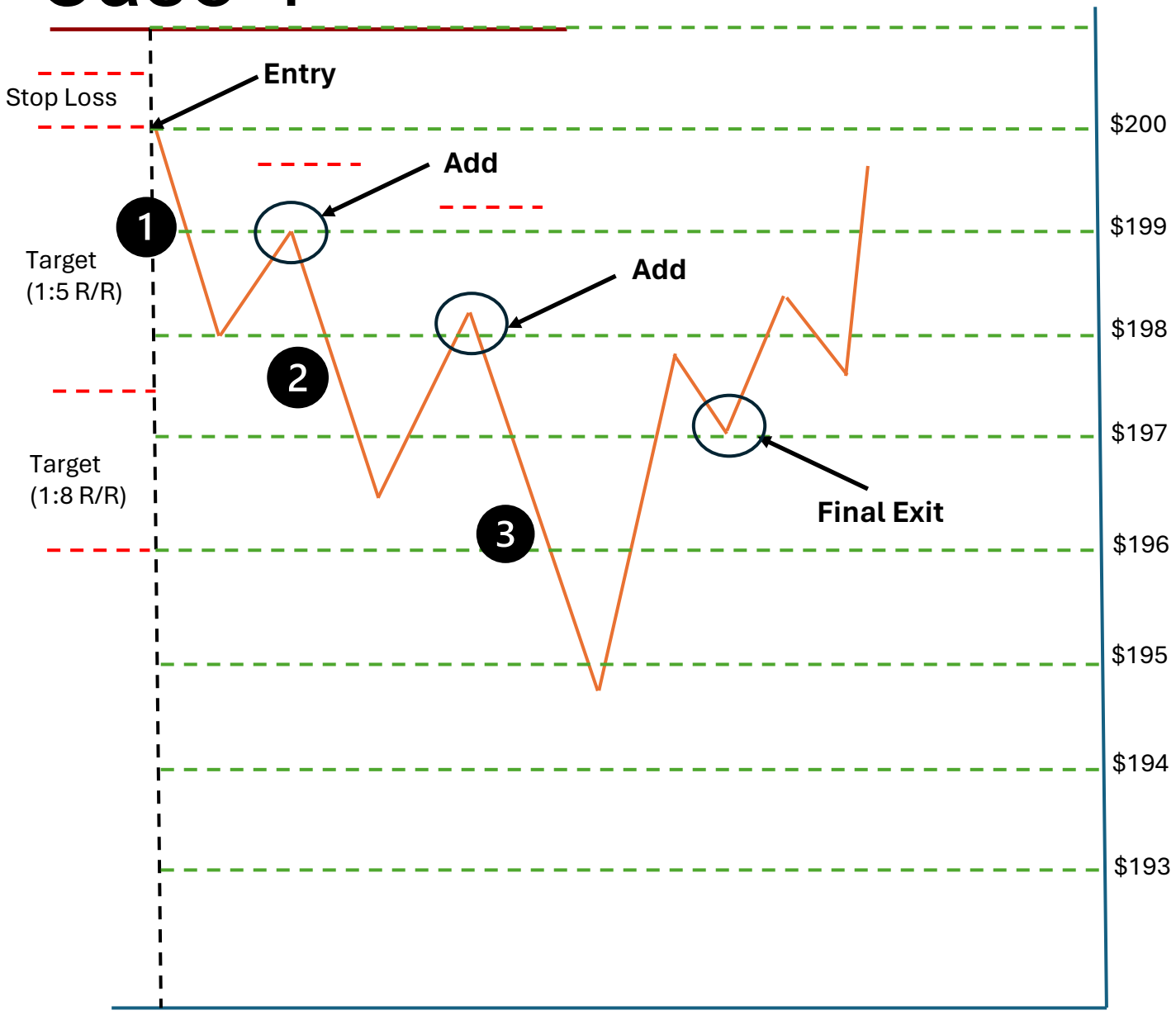
Position	Size/ Adds	Price /Avg	Profit Taking	Running PnL	Shares Remaining
Initial	500	$200		$0	500
First Leg			150	$150	350
First Pullback	150	$199.76			500
Second Leg			150	$250	350
Final Exit				$400	0
Total PnL				**$800**	

Robin (Realized $)	Jenny (Realized $)	Adam (Realized $)
$1,250 (~4R)	$0	$800 (~3R)


VWAP (0): 677.56
PriceMarker (High,Low,Open): H:697.54 L:663 O:696.3
Short for ORBD!
NVDA-1 Minute
1
Add
2
Final Exit!
702.16
694.05
678.50
08:30
08:45
09:00
09:15
09:30
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
1.0M
756.0K
504.0K
252.0K
100.8K


VWAP (0): 872.666
PriceMarker (High,Low,Open): H:882 L:861.501 O:880.49
Short for the ORBD!
Adds
Adds
Final Exit.
1
2
876.6
872.38
3/12
09:05
09:10
09:15
09:20
09:25
09:30
09:35
09:40
09:45
09:50
09:55
10:00
653.7K
490.2K
326.8K
163.4K
106.0K
0

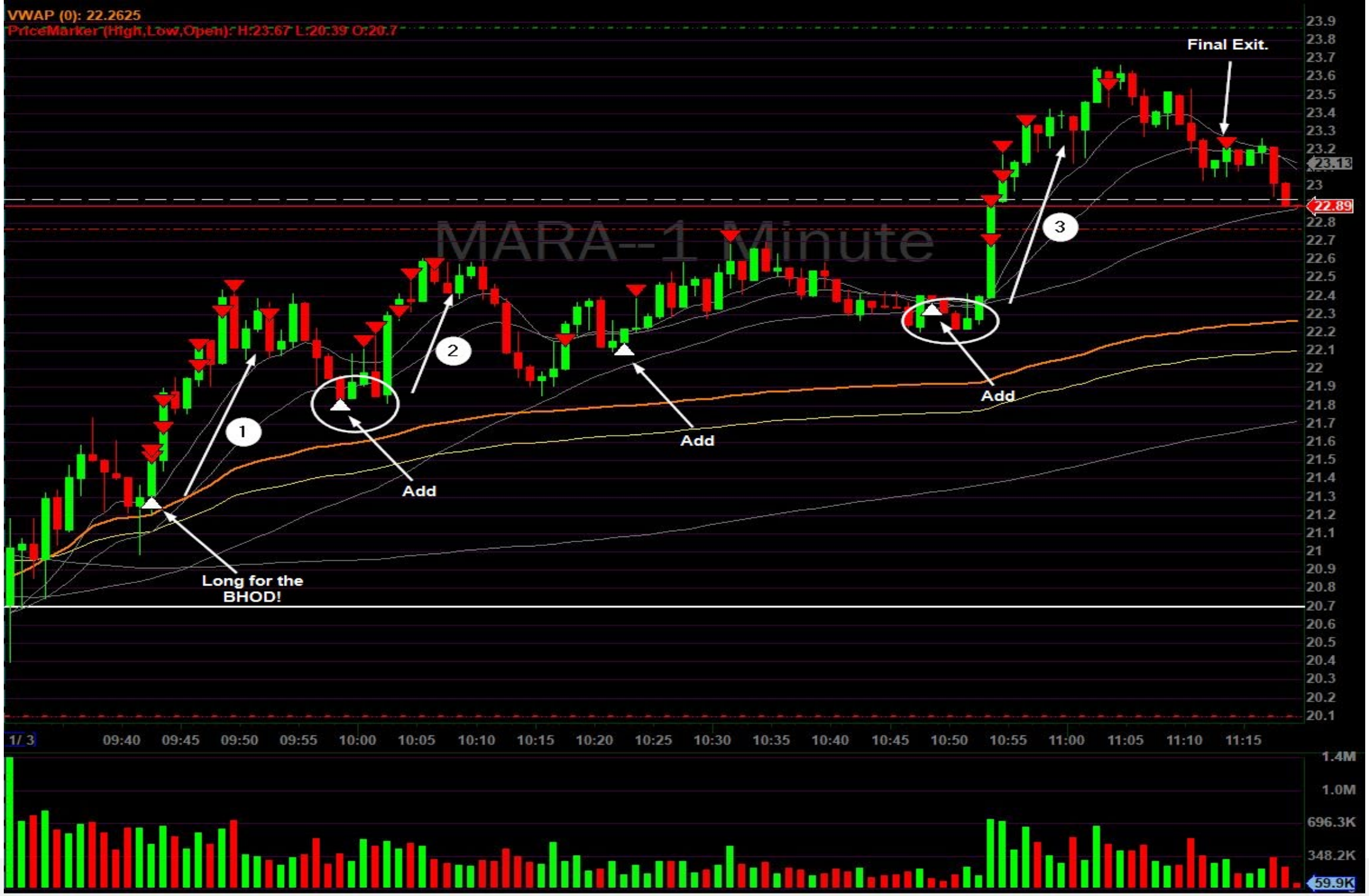
Case 4



Position	Size/ Adds	Price /Avg	Profit Taking	Running Pnl	Shares Remaining
Initial	500	$200		$0	500
First Leg			150	$150	350
First Pullback	150	$199 .76			500
Second Leg			150	$250	350
Second Pullback	150	$199 .36			500
Third Leg			250	$750	250
Final Exit				$500	0
Total PnL				**$1650**	

Robin (Realized $)	Jenny (Realized $)	Adam (Realized $)
$1,250 (5R)	$1500 (~6R)	$1650 (~6.5R)

Short Tier 1 for BLOD!
Add Heavy, Tier 2
and Tier 3
GOOGL--1 Minute
Add
Add
Adds
Add
Add
1
2
3
Final Exit!
143.9
143.8
143.7
143.6
143.5
143.4
143.3
143.2
143.1
143
142.9
142.8
142.7
142.6
142.49
142.4
142.29
142.2
142.09
142
141.9
141.8
141.7
141.6
141.5
141.4
141.3
141.2
141.1
140.99
140.9
140.8
1/31
09:15
09:30
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
2.2M


VWAP (0): 22.2625
PriceMarker (High,Low,Open): H:23.67 L:20.39 O:20.7
MARA--1 Minute
Final Exit.
1
2
3
Add
Add
Add
Long for the BHOD!
22.89
23.13
09:40
09:45
09:50
09:55
10:00
10:05
10:10
10:15
10:20
10:25
10:30
10:35
10:40
10:45
10:50
10:55
11:00
11:05
11:10
11:15
1.4M
1.0M
696.3K
348.2K
59.9K

Conclusion:

Cases (Risking $250)	Robin (Realized $)	Jenny (Realized $)	Adam (Realized $)
Case 1	$1,250(5R)	$1500 (~6R)	$2200 (~10R)
Case 2	$0	$0	$150 (~0.5R)
Case 3	$1,250 (5R)	$0	$800 (~3R)
Case 4	$1,250 (5R)	$1500 (~6R)	$1650 (~6.5R)
Max Shares Traded	500	500	900
Max Capital Used	$100k	$100k	$100k
Win Rate on Wins	**75%**	**50%**	**100%**

Mastering this Skillset

Price Action Understanding

- Identify the Trend Cycles.
- Important areas of Support or Resistances.
- Profit Target Areas and Stop losses.
- Change in the Character/Trend.

Reading the Tape / Order Flow Analysis

- Pin-Pointing the Entries/Adds at pivot areas.
- Manage profit takings during momentum bursts.

Risk Management

- Managing Position Sizing

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