Rid Investment LLC FZ. 01/12/2024

Report November 2024.

Strategy Summary

The strategy is based on a sophisticated division of capital across five separate accounts, each with a specific investment objective and a different approach to risk management. By combining conservative, speculative, and long-term strategies, it aims to optimize returns in a balanced way, leveraging market opportunities while effectively managing exposure. The strategy incorporates tools such as multi-timeframe trends, price action, and trading volumes, with flexible trade management to adapt to various market conditions.

Strategy Provider

Rid Investment L.L.C-FZ is legally headquartered in the United Arab Emirates (U.A.E.), Dubai, at Nad al Sheba, The Meydan Hotel, M Floor, Business Center 1, and is registered with the Meydan Free Zone business registry in Meydan City Corporation, as established by Emiri Decree No. 5 of 2009.

Strategy Explained

The strategy divides the available capital into five distinct accounts, each with a specific allocation and a different operational objective. The total capital is distributed in such a way that the first account manages 20%, the second another 20%, the third 20%, the fourth 30%, and the fifth 10%. This distribution optimizes market exposure and diversifies the trading approach.
The first account utilizes a conservative version of the strategy, operating with only a small fraction of the account's capital, equal to 0.75% of the account allocation, which corresponds to 0.15% of the total capital. This part of the strategy focuses on trades that follow trends confirmed across three different time frames. The analysis of price action and trading volumes is central to the selection of trades. Only when these three elements—trends across multiple time frames, price action, and volumes—are aligned, is a trade executed. There are no fixed stop loss or take profit levels, as positions may remain open for up to a month, with retracements of the same 0.75% of capital, aligned with the direction of the trend, reflecting a medium-term approach. The markets traded mainly include forex, focusing on major currency pairs, as well as commodities and indices.

The second account, also with 20% of the capital, implements a second version of the conservative strategy. Unlike the first, this one includes defined stop loss and take profit levels, and trades never last longer than a month. Particular attention is paid to swaps before opening positions, so that they can be favorably utilized if the trades extend over time. Trading is conducted exclusively on Major and Minor currency pairs, with a risk-reward ratio of 1:3. When the take profit is reached, a trailing stop is activated, with partial closures of the positions at three levels. Each trade uses 1% of the account's capital and does not involve retracements.
The third account, managing an additional 20% of the capital, adopts a long-term strategy. Trades last between two weeks and a maximum of three months and are closed in a fractional manner. The instruments traded are primarily indices, commodities, and the EUR/USD currency pair. If a position remains open for more than three months, the strategy from the first account is activated on this account as well, to compensate for the time spent and keep the account performing.
The fourth account, with 30% of the total capital, is characterized by fewer trades, mostly short-term, but it proves to be the most profitable. In this strategy, if an instrument has already accumulated a series of significant retracements on the first account, a corresponding trade is opened on the fourth account with a larger position size, typically equal to 3% of the total capital. While the focus in the first account is on absorbing the drawdown, in the fourth account, this translates directly into profit.
The underlying logic is that what represents drawdown recovery in the first account becomes pure profit in the fourth. This mechanism allows for capitalizing on the accumulated exposure, using active retracement management in the first account to generate profits in the fourth, maintaining a differentiated approach between the two.
Lastly, the fifth account, which holds 10% of the capital, is exclusively dedicated to high-yield speculative trades. The resources used in this account come from the profits generated by the other accounts and are reinvested to maximize profit opportunities, following a high-risk, high-reward approach.

Performance

Return on investment
4,36%

Drawdown max
9,02%

N. of operations
37

Operations in profit
31

Operations in loss
6

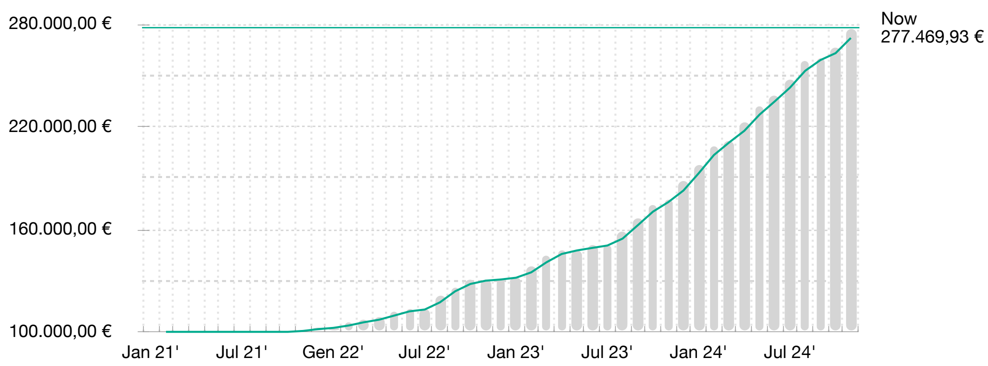
% Profit operations
83.78%

Months of activity
37

Month Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2021											1.52%	1.51%
2022	0.54%	3.29%	1.95%	2.10%	4.35%	2.09%	0.63%	9.97%	5.91%	4.02%	0.30%	1.24%
2023	1.02%	5.80%	6.61%	3.34%	0.73%	2.11%	0.60%	7.04%	7.41%	6.62%	2.74%	8.27%
2024	7.49%	8.29%	2.20%	7.02%	5.46%	4.30%	5.46%	6.11%	1.25%	2,36%	4,36%	

Simulation with 100.000€



Report

We presented a complex mix of stabilization and ongoing challenges, with developments in key regions reflecting the multifaceted nature of economic and financial trends worldwide. Our trading activities focused predominantly on the CAD/JPY currency pair, which delivered the strongest performance for the month. This strategic emphasis was driven by favorable market conditions, including stable macroeconomic trends in Canada and Japan and significant volatility in their respective currency dynamics. The CAD/JPY pair capitalized on divergences in monetary policy outlooks and shifts in commodity prices, particularly oil, which heavily influences the Canadian dollar. By leveraging technical and fundamental analysis tailored to this pair, we optimized trade execution and risk management. This approach allowed us to achieve superior returns compared to other assets in the portfolio, reinforcing the effectiveness of targeting specific, high-performing instruments in response to prevailing market conditions.

In the United States, the dollar experienced a notable decline, retreating from two-year highs amid a simultaneous drop in Treasury yields. This shift was catalyzed by the appointment of Scott Bessent as the new Treasury Secretary. His emphasis on maintaining fiscal discipline reassured financial markets, calming concerns about potential over-expansionary fiscal policies. Despite this, the Federal Reserve remained cautious, closely monitoring inflation, which stabilized slightly above the 2% target. Core inflation held steady at 2.7% year-over-year, while broader inflation metrics also aligned with expectations. The labor market continued to exhibit strength, with unemployment rates remaining low. However, wage growth, though moderate at around 4% annually, raised concerns about its long-term sustainability, especially with a declining quit rate—a potential indicator of reduced labor market mobility. The mixed signals suggested a steady, albeit cautious, economic recovery that demanded vigilance from policymakers.

In Europe, the economic outlook remained uneven, marked by fluctuations in market sentiment and structural challenges. The region's major stock indices reflected this uncertainty. In France, the CAC 40 closed down 0.72%, while London's FTSE 100 gained 0.2%, and Germany's DAX fell by 0.18%. These movements were influenced by global macroeconomic factors, including U.S. growth data, inflation stabilization, and geopolitical uncertainties stemming from U.S. President Donald Trump's comments on potentially imposing new tariffs on Chinese goods. These remarks introduced fresh concerns about global trade dynamics, which are crucial to European economies heavily reliant on exports. In Germany, the IFO Business Climate Index, a key barometer of business confidence, declined to 85.7 points, underscoring pessimism among businesses in Europe's largest economy. This reflected the challenges of sluggish industrial output and subdued consumer demand, which continued to weigh on economic growth.

Switzerland, traditionally a bastion of economic stability, maintained resilience amidst global uncertainties. However, its export sector faced mounting pressures due to weak international demand and the enduring strength of the Swiss franc. The currency, widely regarded as a safe haven, remained elevated, posing challenges for exporters trying to compete in international markets. Despite these headwinds, the domestic economy continued to show stability, supported by robust financial services and high consumer confidence.

In China, the economy faced heightened structural challenges that dampened its recovery prospects. The ongoing property sector crisis, marked by defaults among major real estate developers, continued to ripple through the broader economy, undermining consumer confidence and investment. Rising unemployment compounded these issues, while weak domestic demand and slowing export growth further strained economic activity. Policymakers introduced targeted measures aimed at specific industries but refrained from broad-based stimulus, which many analysts had anticipated. Growth forecasts for 2024 were revised downward to 4.7%, compared to the previous estimate of 5.2%. These figures reflected the persistent impact of the real estate crisis and tepid global demand for Chinese exports, which are critical to the country's economic performance. Globally, financial markets experienced heightened volatility, driven by the interplay of regional dynamics and broader macroeconomic forces. The lack of coordinated policy responses in some regions highlighted the difficulty of navigating a post-pandemic economic landscape still marked by geopolitical tensions, inflationary pressures, and uneven recovery patterns. While some areas showed signs of stabilization, particularly in advanced economies like the United States and Switzerland, others, including Europe and China, grappled with structural issues and weak confidence. The overall outlook for the global economy in November 2024 remained cautious, underscoring the need for strategic, region-specific approaches to address the unique challenges faced by different markets and economies.

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