

Developer's Interview by Futures Truth (issue#5, 2004)

Why has RC Success performed so well? Does futures trading interfere with your personal life? Do you have any special advice for new traders? Here comes the answers.

Profile

Name: Rickey Cheung

Education: BSc, MBA, U of Houston, Tx, USA

Background: President of Asia operations for US multinational firm for years. Trade futures market over 10 years.

Current Position: President of RC Trading Education Ltd.

Favorite Book on Trading: Market Wizards series.

Futures Truth: Why has RC Success performed so well?

Rickey Cheung: RC Success has performed well in the past because it has a sound logic and a unique indicator developed by myself two years ago. It captures real trend and real countertrend indications at the earliest stages- this winning edge will put the system ahead of others. This explains why, in the past few months, most systems cannot detect countertrends early like RC Success. They tend to miss a lot of winning chances.

Futures Truth: Do you have any advice for those who trade your systems?

Rickey Cheung: RC Success and my other RC systems have very low drawdowns, in hypothetical. RC Success trades an average of only once in three days. RC Advance and RC Miracles trade an average of once a day. All of these systems are based on RC logic with different profitability strategies. I highly recommend RC Miracles for the aggressive trader, RC Advance for mid-aggressive and RC Success for normal traders.

Futures Truth: Do you have any special advice for new traders that you wish you'd had when you were getting started?

Rickey Cheung: RC Models use Tradestation, and are written in easy language protected by DLL files.

Futures Truth: What do you think is the real edge of your RC Models in comparison to other systems?

Rickey Cheung: Yes, after a trader finds his or her own winning edge, and only after back-testing it and actually paper trading it, then he or she should start to trade in earnest. This will save a lot of capital and shorten the learning curve. If one does not find a winning edge, one should not trade. The same rule applies to system trading. There is no point in trading

without a winning edge, as everybody knows it is a game or business that 900% of all traders will lose. I believe the same applies to systems as well.



Futures Truth: What do you think are the hot markets and stocks this year?

Rickey Cheung: I only specialize in index futures, especially SP futures, so I cannot comment on stock and other markets. My observation is the Hong Kong Heng Seng index futures will be more profitable than other stock index market for long positions. My forte in day-trading is definitely in SP futures. (Both long and short)

Futures Truth: Do you have a preference for trading commodities or stocks on a mechanical trading system, and if so, why?

Rickey Cheung: I think mechanical trading systems work well in commodities provided it has large liquidity, like SP futures. For stocks, I have reservations, therefore, I don't deal with stocks in my work.

Futures Truth: Do you prefer any particular type of trading(e.g. day-trade, long-term) and if so, why?

Rickey Cheung: I prefer day trading if one has an edge- if it is good, your return in capturing the real trend and real countertrend is most profitable.

Futures Truth: How do you prepare for your trading day?

Rickey Cheung: To be honest, I simply turn on my computer with my trading system. Then I calmly watch the real time quotes and do my trading in a relaxed manner. As my winning edge is not based on moving averages or other pivot points, I really do not need to study or prepare yesterday's chart or data to be used for today's trade. I feel that one must enjoy trading - if it is too tense or requires too much total focus etc..., I believe the trader will get burned out easily. Trading must be enjoyable or else there is no point to do so.

Futures Truth: Are you working on any new projects?

Rickey Cheung: I trade everyday. After the market closes, I research my strategies and see if there is a better way to trade. If some new idea comes along, I will back-test it to see if it works in a different time frame. So I continually work on new strategies for my own systems.

Trading is an on-going business, I have to keep learning from the market in order to be successful.

Futures Truth: Whom do you most admire in the futures trading industry and why?

Rickey Cheung: I admire those successful traders that are mentioned in the Market Wizards series. Unfortunately, I have not personally met any of them. I have not attended any trading course or seminars as of yet. When it comes to systems and system trading, I am self-taught, I had to find my own winning edge.

Futures Truth: How did you get into trading system development and what led to your particular approach to the markets?

Rickey Cheung: The main reason I got into developing trading systems is that I discovered my own winning edge two years ago.

I was excited, but no one really believed in me. I have tried to ICQ with some well known traders that I have never met, to prove to them that I can win 7 or 8 days out of 10. But this is very time consuming, and to be honest, I am not getting anywhere. I have taught my systems to 2 students, but then only these 2 people know the winning edge to win easily in SP futures index. I know I have something valuable to offer but do not know how to make people believe. Many people believe that a trading record of 3 months is not enough. One of my friends advised me to write it down into the trading system, and if the system continues to have a high percentage and high profit factor win, this will show you got something valuable. This is why I develop trading systems.

As I do not know anything about programming, I hired a few specialist and technicians to write the system for me. Obviously, there are mis-communications sometimes, as some technicians do not know how to trade and, subsequently, do not understand what I am trying to achieve. It took me almost six months to finish the first system, and probably another six months to improve it. The improving period means to take out bugs and misunderstandings, so my trading system is the main focus of my trading activity. Currently, I can only put down about 60% of my real trading techniques into the systems. The other 40% seems to be difficult to explain or write it down in programming language. This experience, while very time consuming and expensive, is worthwhile. I do not have to explain to others that I have a valuable system that can win consistently the record speaks for itself.

Futures Truth: You must stay very busy. Does futures trading interfere with your personal life?

Rickey Cheung: Yes, I don't engage in very many social activities. With the time difference between the US and Hong Kong. I trade from evening till early morning while others are

going out. Weekends are usually spent doing research. But it is enjoyable, so I have no complaint.

Futures Truth: How did RC Trading get started?

Rickey Cheung: RC Trading started one year ago, when I finished developing my first trading system, and I started having more students join my seminar. The purpose is to have everything well organized, so I decided to set up an organization to do so.

Futures Truth: What do you feel is your company's strongest asset when it comes to providing your clients with the best trading systems and service possible?

Rickey Cheung: The strongest asset is the winning edge that we write into the system, the winning edge that is taught in my seminar. So far, I don't know one person that is dissatisfied with the result of the RC system and the RC seminar as a whole. When a user subscribes to a RC system, they do not just pay for the research that I have done in the past, they also have access to the ongoing research that I am doing in the futures markets.

Futures Truth: Any other comments for our readers?

Rickey Cheung: I thank your for the interview. I am proud of the RC system and the RC seminar, but yet remain humble in learning the market everyday. I have been working very hard in the past, now and in the future. I devote the same amount of time and effort now in trading as before I discovered my winning edge and developed RC winning systems.

(The opinions expressed in our Developer Interviews, are solely the opinion of the System Developer, not necessarily the opinion of Futures Truth Company.)