

Hunting versus Trapping (from a long discussion thread at the IITM discussion board concerning entries and methods)

by Ken Long



Pure Reaction or Anticipatory reaction

Author: Ken Long , Date: 01-20-03 14:37

To oversimplify, which is my way after all, sounds like your discussion of anticipating is like hunting rabbits. By studying where and how the rascals run, you devise snares that catch them if they run. Better to set up a snare before you see the rabbit, as they are quite difficult to lasso.

If you're hunting rabbits, you aren't watching for elk and aren't setting those kinds of traps.

Choosing elk vs rabbits is a personal decision that should be based on what suits your strengths and capabilities.

Mechanical systems are snares that the rabbit triggers by being a rabbit, your wins are based on the goodness of the snare and your skill in reading rabbit tracks and emplacing them where rabbits run. Bow and arrow methods are discretionary that require you to stalk, identify setups, take positions, aim and fire and then recover your target without being eaten by bears who roam the woods at will.

How much time and effort you put into rabbits vs elks is position sizing, and probably worthwhile since who knows when the rabbit population dries up?

If the snare is tripped by the rabbit running (pure mechanical) then you have a defined exit point based on the rabbit's actions and you capture a rabbit sized profit. Would be silly to catch a rabbit and hope it grows into an elk by watching it. All you get by doing that is offer an easy win for a wolverine or, god forbid, a bear to come along and turn your rabbit gain into a loss. I have often been that silly :D.

To conclude. I'd say the assessment of your anticipatory trading system would be in the results: are you getting enough rabbits to meet your protein needs? (as defined in your goals and objectives). Your anticipation strategy sounds like you prefer being the snare man rather than the hunter.

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Author: WDGann, Date: 01-21-03 08:54

Hmm... More snare man than a hunter... It might be true...Would you mind giving me an example in trading between a snare man and a hunter?

Thank you for the suggestion, never really thought about it that way...

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Author: ken long

I am thinking of the difference between a pure mechanical system (snare) and a discretionary system (hunter).

Snare: define a specific set up that includes entry, position sizing and profit target, with a predefined exit when a given profit objective is hit, regardless of price action in the target at the moment when profit target is hit. Stop limit orders to enter and exit. No intervention or decision making in the moment is required. Then, the rabbit either trips the snare or he doesn't. When he does you have a rabbit sized profit for your rabbit snare.

Hunter: human intervention required in the stalking of live targets. You have discretion in establishing the screening criteria (finding your spot to observe and what to look for). You pick your target (identify the target within the herd), take your shot (entry). Recover the target before the scavengers come to get it (wolverines and bears, oh my!). Position sizing = you hunt what you can pack out.

The hunting paradigm puts more burden on the hunter as a live participant in the system, but the rewards are potentially greater because of discretion and the ability to adapt to what Nature is offering at the moment.

I suppose agriculture is the model for buy and hold, and business ownership.