As 2014 draws to a close, buyside traders and money managers may be buried in a flurry of last-minute activity, but there are several key tasks that all traders should be doing between now and the end of the year.

While it may be something of a cliché, a cluttered desk makes for a cluttered mind. Truth is, your desk is probably overflowing with reams of old analyst reports, stale market data and past “required” reading. (Everyone finished Flash Boys cover-to-cover, right?) And your computer desktop is likely equally clogged. Do yourself a favor—get rid of some of this stuff. Data changes so quickly, and market trends move equally fast. Find what is happening now and what impacts your trading profile. Read that.

One of the most useful things a trader can do is to look at his or her portfolio or recent trades and see if they reflect changes that have occurred in the markets over the past year. Rebalancing a portfolio to reflect the market’s current conditions probably should happen more than once a year, but it is vital at year’s end to toss out stocks that may no longer be relevant investments, to make room for new opportunities, and to make sure your asset allocation is in line with your risk profile.

So, you got a huge hole in your portfolio? The time to unload that big loss-on-paper is the end of the year because taking a loss reduces your trading gains and thus your tax liability. While no one likes losing, chucking the clunkers out of your portfolio in December could leave you smiling in April.

Some trading days around the holidays can be yawners. That’s the time to reach out, even with just a phone call or well-crafted email, and check in on important clients. With so much data and information churning out there, taking a moment to reassure them that you’re not getting caught up in the minutiae of
the market and are keeping focused on your portfolio strategy and your clients’ needs does wonders. “Communication is a big part of things,” said Craig Jensen, managing director at Armstrong Shaw Associates. “You just want to make sure everyone is happy.”

No one is really sure why, but stocks tend to move upward after Thanksgiving—and it’s not just the retailers, although they may lead the rally. Over the past 25 years, the Standard & Poor’s 500 has averaged a 5 percent gain during the holiday season, proving it’s not just Scrooge who likes money.

Often this trend moves into January as big institutions take on larger positions to replace those sold off at the end of the previous year. Do your portfolio a favor and scan the markets for bargains, especially among stocks beaten down by other investors’ tax-loss selling (See #3).

**Besides portfolio actions, there are other things a trader should do before the end of this year. For example, write a letter to the Securities and Exchange Commission, says Joe Saluzzi, partner and co-founder of agency brokerage Themis Trading. The outcome of the SEC’s planned Tick Size Pilot program is going impact everyone and could be a cornerstone for further market regulation. It may be wise to have some input into that process. “If you have an opinion then you should let it be known,” Saluzzi said. (Hurry up, though! The SEC’s 45-day comment period began Nov. 3.)**

With all the rebalancing and tax-loss selling that goes on at the end of the year, traders need to be careful not to run afoul of the wash-sale rule. That rule does not allow the tax-loss deduction from the sale of a security if, according to the Internal Revenue Service, a “substantially identical security” was purchased within 30 days before or after the sale. That means, if a trader sold a bunch of IBM at a loss and now wants to buy some back because it’s ticked upward, that trader should wait or he might lose his tax-loss deduction.

Nothing seems to move faster than trading technology these days. If your head’s been buried in pages of market data for much of the past year, you may want to inventory your tech both at your trading desk and out in the market. Do you have the latest trading software and the latest updates? Are there new platforms or ATS formats that everyone is talking about (except you)? Touching base with your tech staff and key vendors at this time may not only yield modernized products, but perhaps some hefty end-of-year savings, too.

For all the derivative traders out there (and who isn’t these days?), it might be a good idea to check in with their firms’ collateral and risk management units. The ongoing implementation of global OTC derivatives clearing requirements is bringing many changes, and one is that many firms are enacting collateral or liquidity optimization programs, often for the first time. “For a trader to know if those programs are underway will mean they are better placed to benefit from changes as they happen and will be aware of any significant process, technology or workflow changes that may be on the cards in the near future,” said Virginie O’Shea, a senior analyst at Aite Group.

**Play Santa yourself and don’t forget to thank your clients and counterparties for their business this year. And getting them their favorite bottle of scotch is so 20 years ago. Today the best way to say Thank You is either a donation to their favorite charity, or a lunch with their own sales team.**

Now get busy!