



"Sharing real experiences from decades of profitable trading. Focused on the important factors that lead to trading success. Dedicated to the best of classical charting principles. Committed to aggressive risk management and capital preservation."

Factor Update, November 16, 2019

Market Review

This issue comments on global stock markets (DJIA, \*S&Ps, \*TSM, \*ACWI, \*AAPL, NASDAQ, \*PTON, SSE, \*EQH, Costco, Russell, \*MSFT), metals (\*Gold, Silver), interest rates (\*EuroSwiss), currencies (NZD/CAD, GBP/CAD, NZD/USD, GBP/JPY), Sugar, Soybean Meal and cryptos. \*Signifies a position in the Factor \$200,000 Tracking Account.

<u>Developing signals</u>	<u>Existing positions</u>
<ul style="list-style-type: none"> <li>• Costco</li> <li>• NZD/CAD</li> <li>• GBP/JPY</li> <li>• Soybean Meal</li> </ul>	<ul style="list-style-type: none"> <li>• EuroSwiss rates</li> <li>• TSM</li> <li>• AAPL</li> <li>• ACWI</li> <li>• Microsoft</li> <li>• S&amp;Ps</li> <li>• Gold</li> <li>• EQH</li> <li>• PTON</li> </ul>
<p>The Factor Tracking Account is currently leveraged at 1.6X. Capital Utilization is at 58.5%. Note: Factor does not include the nominal value of interest rate futures contracts.]</p>	

**Contents**

Global equity markets ..... 1

Interest rates ..... 10

Foreign exchange ..... 10

Soybean Meal ..... 12

Metals ..... 13

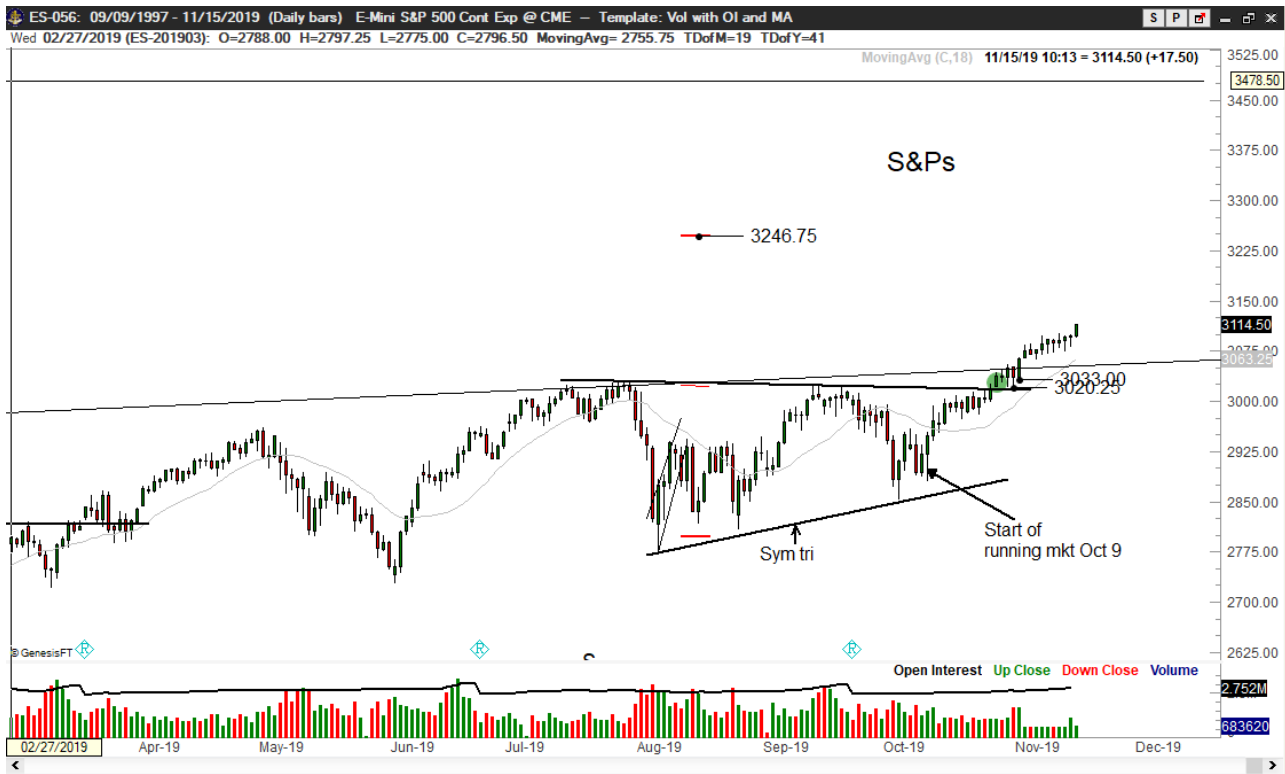
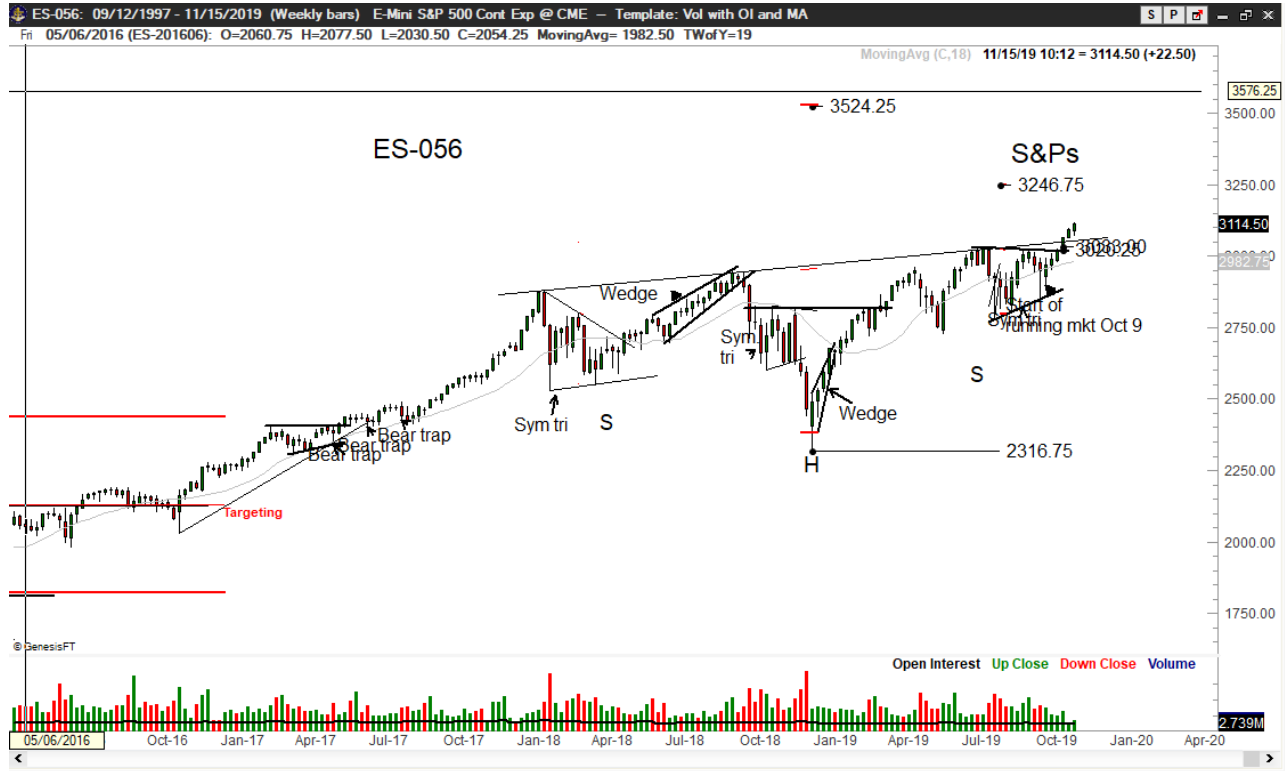
Cryptos ..... 15

Global equity markets

The S&P 500 cumulative A/D line continues to display healthy market breadth. The Factor Tracking Account is now thoroughly invested in U.S. equities.

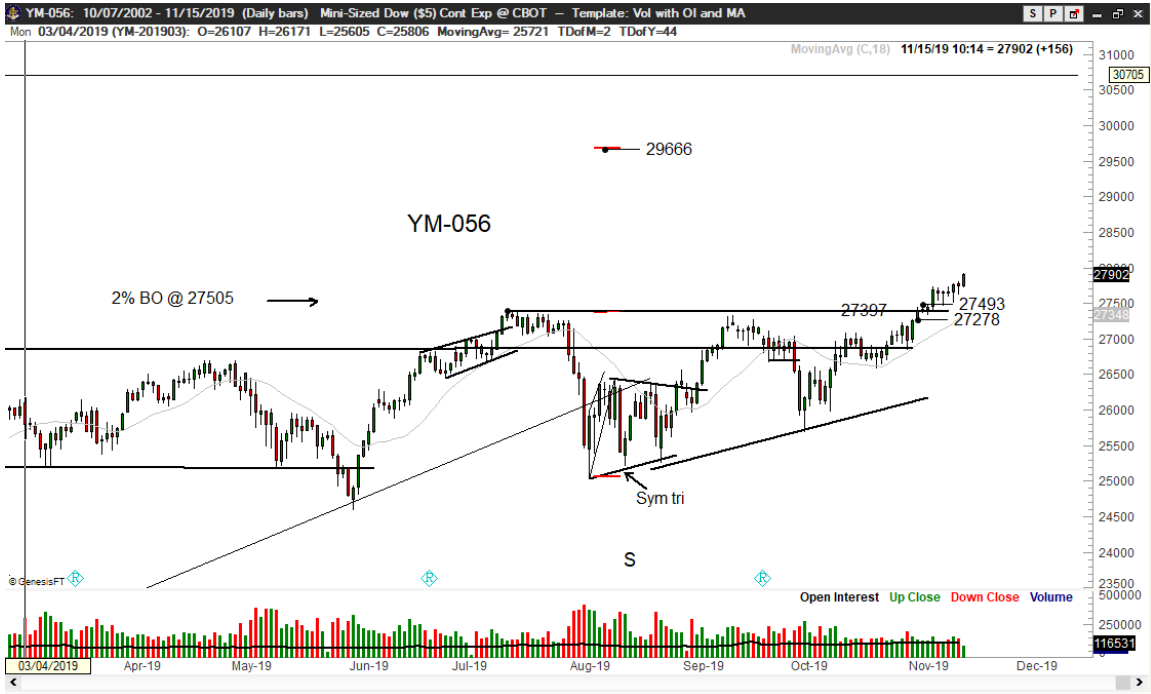


S&P 500 (CME)  
Factor is long.



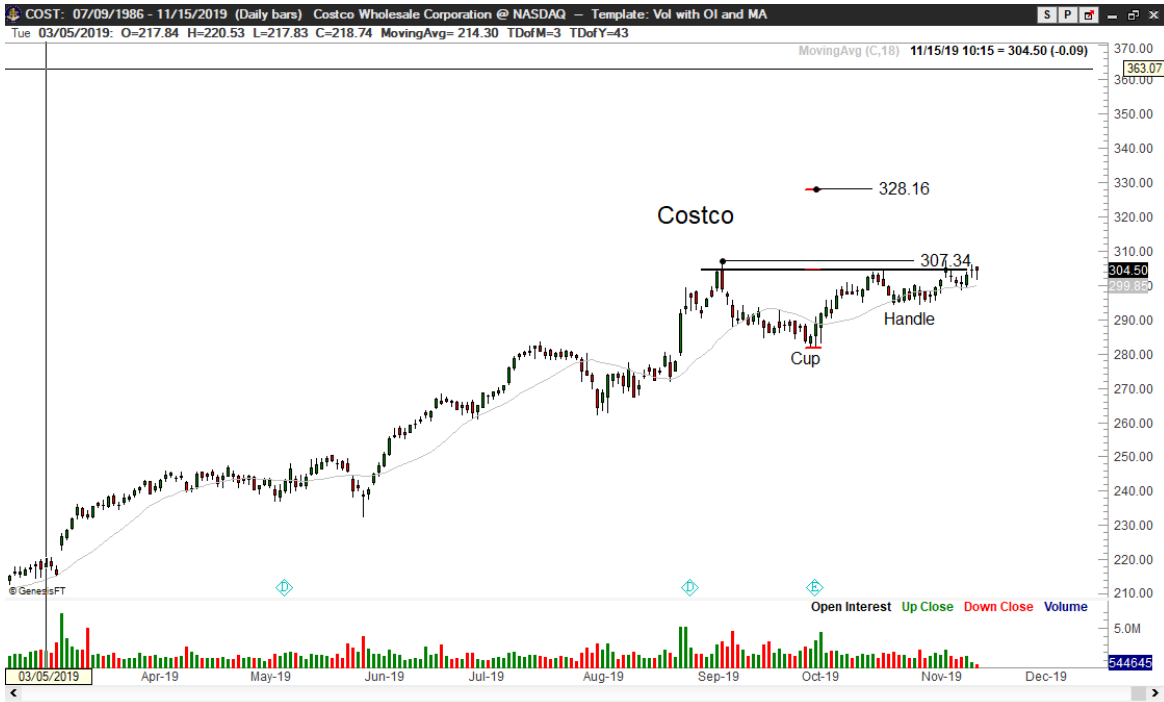
DJIA (CBOT)

The continuation inverted H&S on the weekly chart (not shown) has been confirmed by the completion of a 16-week ascending triangle.



Costco (NASDAQ)

The daily chart of Costco displays a possible Cup and Handle continuation pattern. I will buy a breakout if/when it occurs. Factor is flat.

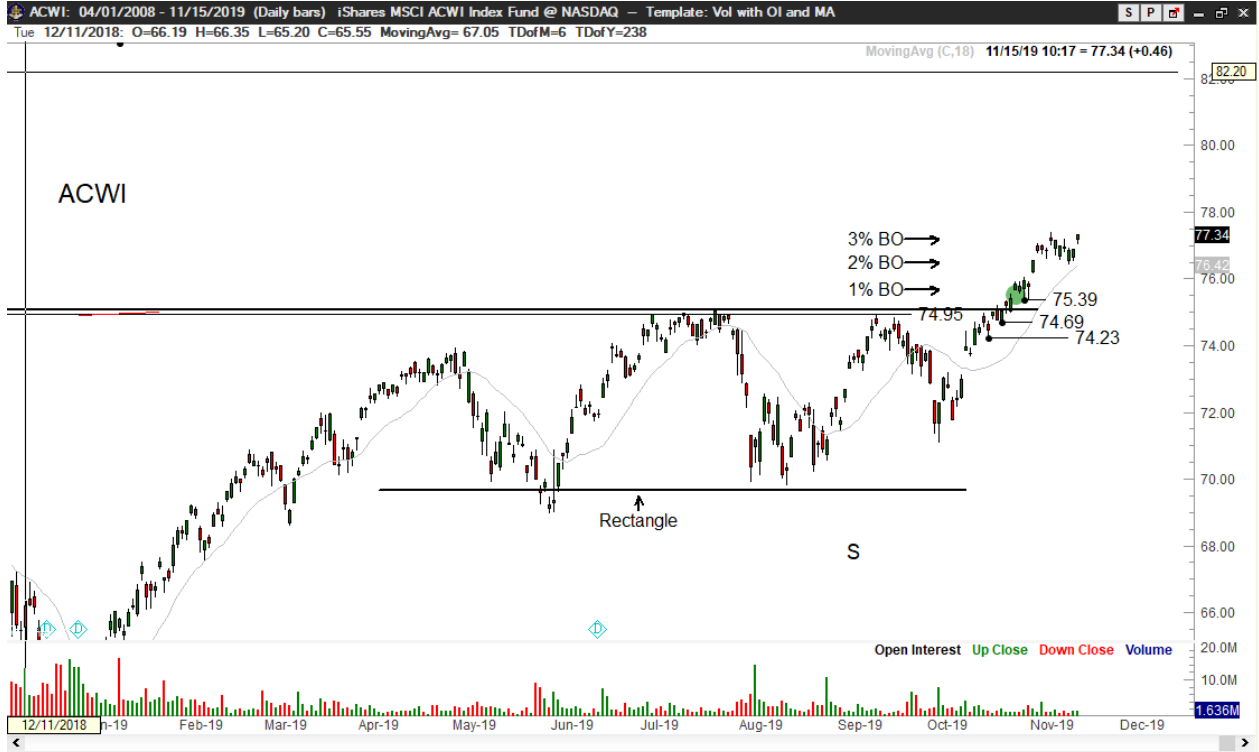


TSM (NYSE)

Factor is long. I will manage this trade using the 18-DMA. The stock has reached 70% of its measured target.



ACWI Fund (NASDAQ)  
Factor is long.



NASDAQ (CME)

The advance this past week likely completed a massive running wedge in NASDAQ futures. Factor is flat.



AAPL (NASDAQ)

The target in AAPL was reached on Thursday. Factor has covered half of the long position and will manage the other half with the 18 DMA.



EQH (NYSE)

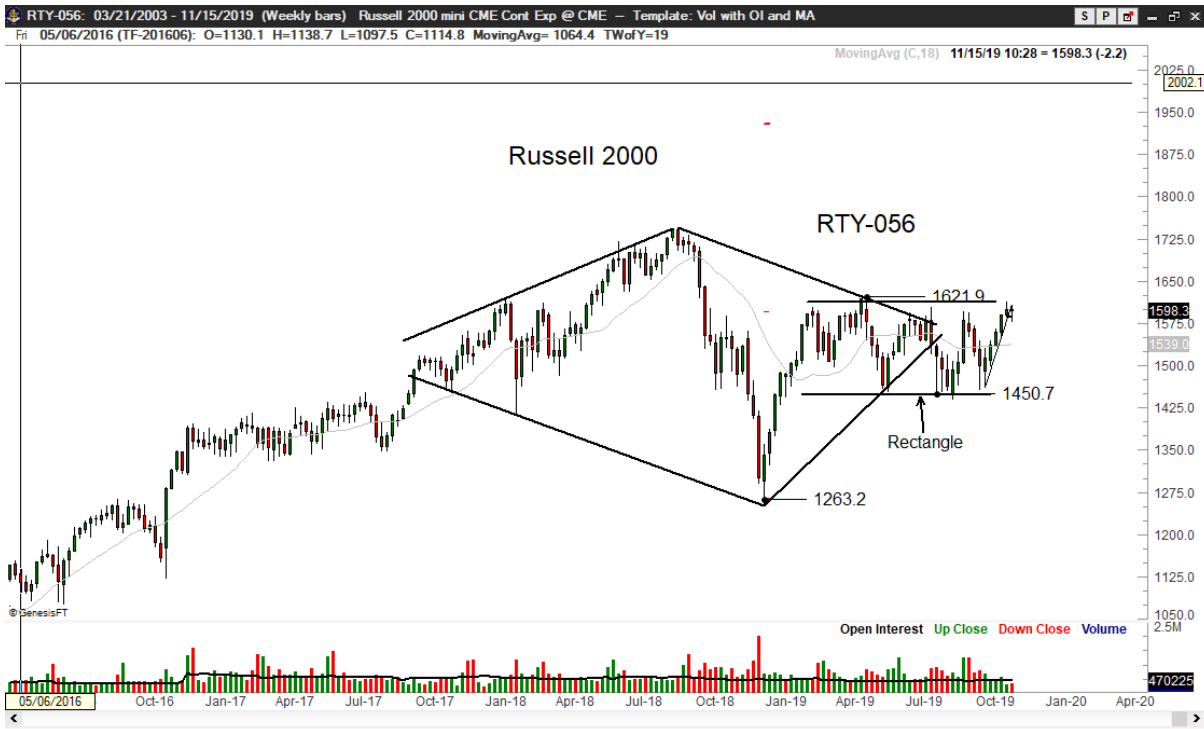
Factor is long. An inverted H&S with a rectangle as the right shoulder has been completed.



MSFT (NASDAQ)  
Factor is long.



Russell 2000  
A decisive close above 1621 would be a breakout.





PTON

Many thanks to Factor member W.K. for bringing several stock charts to my attention this past week, including PTON.



Shanghai Index

A completion of this inverted H&S pattern would suggest that the Chinese stock market is joining the global bull market party.



Interest rates

EuroSwiss (LIFFE)

Factor remains short this market. Strong support has entered the market at 100.72.



Foreign exchange

NZD/USD

The New Zealand Dollar displays an arguable inverted H&S bottom.



### NZD/CAD

The NZD/CAD chart is preferable to the NZD/USD chart because the right shoulder and necklines are better defined.



### GBP/CAD

A brief ascending triangle is forming.



**GBP/JPY**

Sterling/Yen displays a tight pennant. Such brief and tight patterns can be highly tradeable and often produce moves that are 2X to 3X the standard target measurement. I am interested in this trade.



**Soybean Meal**

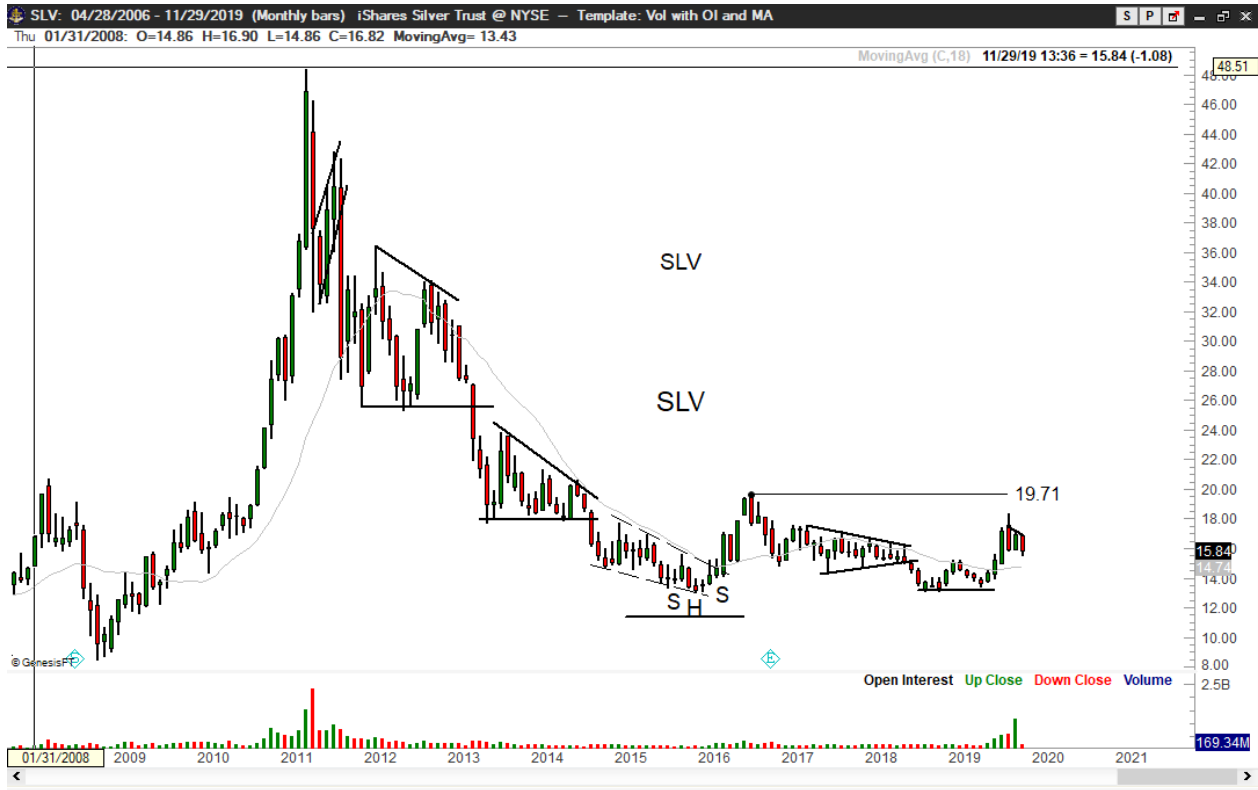
A 3-week inverted H&S is retested an earlier (and failed) completion of a larger inverted H&S. The 3-week H&S was arguably completed on the close Friday. I will consider buying a small dip early next week.



## Metals

### Silver

Silver could be forming a massive 5-year double bottom on the weekly chart. The daily chart appears to be retesting its own 13-month double bottom.



Gold

Factor is short a tranche of Gold, having been stopped out of a tranche on Thursday. My main interest in the short side of Gold relates to the near all-time record commercial short positioning.



plb  
###

# The Factor Crypto Corner

## Cryptos

### Bitcoin

BTC is in an entrenched bear channel.



### XRP

It is possible to interpret the daily XRP chart as an inverted H&S bottom.



**Factor Tracking Account, November 15, 2019**

A complete listing of the Factor Tracking Account trades for 2019 is issued monthly.

Factor LLC		11/15/2019																
Model Tracking Account Trade History and Portfolio																		
Constant nominal capitalization: \$200,000		(See disclaimers and notes below)																
Market		Entry								Pattern				Exit		Capital to carry trade	Value of trade (entry)	
		Date	L/S	Price	Size	Initial stop	BP risk	Current Stop	Stop Date Δ	Target	Weekly	Daily	Trade date	Price	Net			
LUM20	EuroSwiss	9/11/19	S	100.97	3	101.050	30	100.78	11/13	100.66	Record NIRP	5-wk dbl top				\$ 636	NA	
TSM	Taiwan Semi	9/26/19	L	46.032	300	43.730	33	51.47/MA	11/15	56.970	20-mo cont H&S	20-mo cont H&S				\$ 13,810	\$ 13,810	
AAPL	Apple	10/14/19	L	235.6	50	227.2	21	248.47/MA	11/15	Open/MA	11-wk running wedge	11-wk wedge				\$ 11,778	\$ 11,778	
MESZ19	Micro S&P	10/28/19	L	3031.00	3	2995.00	27	3061.50	11/15	3235.00	Poss 21 mo cont H&S	3-mo sym tri				\$ 2,100	\$ 45,465	
MESZ19	Micro S&P	10/28/19	L	3031.00	3	2995.00	27	3031.50	11/15	3235.00	Poss 21 mo cont H&S	3-mo sym tri				\$ 2,100	\$ 45,465	
ACWI	All World Fund	10/28/19	L	75.712	200	74.19	31	75.84	11/15	87.53	20-mo cont H&S	6-mo rectangle				\$ 15,142	\$ 15,142	
ACWI	All World Fund	10/28/19	L	75.712	200	74.19	31	76.13	11/8	87.53	20-mo cont H&S	6-mo rectangle				\$ 15,142	\$ 15,142	
ZLH20	Soybean Oil	10/29/19	L	31.18	2	30.79	23	31.84	11/7	32.83	10-wk running wedge	10-wk running wedge	12-Nov	31.67	\$ 578	Closed	-	
MGCZ19	Micro Gold	11/7/19	S	1479.2	4	1493.2	28	1469.2	11/13	1376.1	13-wk failure top	5-wk sym tri	14-Nov	1469.3	\$ 380	Closed	-	
MGCZ19	Micro Gold	11/7/19	S	1479.2	4	1493.2	28	1476.2	11/15	1416.2	13-wk failure top	5-wk sym tri				\$ 2,700	\$ 59,168	
ZNZ19	10-Yr T-Notes	11/7/19	S	128^25	2	129^135	64	128^305	11/13	125^11	14-wk sym tri	14-wk sym tri	14-Nov	128^305	\$ (354)	Closed	-	
MSFT	Microsoft	11/7/19	L	144.19	100	140.73	18	142.98	11/15	152.97	13-wk asc tri	13-wk asc tri				\$ 14,419	\$ 14,419	
MSFT	Microsoft	11/7/19	L	144.19	100	140.73	18	144.48	11/15	163.47	13-wk asc tri	13-wk asc tri				\$ 14,419	\$ 14,419	
MEZ19	Micro S&P	11/13/19	L	3082.5	4	3061.5	20	3073.5	11/15	3235	20-mo cont H&S	Pyramid				\$ 2,640	\$ 61,650	
EQH	AXA Equitable	11/14/19	L	23.17	300	22.19	15			26.48	28-mo cont H&S	28-mo cont H&S				\$ 6,951	\$ 6,951	
EQH	AXA Equitable	11/14/19	L	23.17	200	22.19	10	22.79	11/15	26.48	28-mo cont H&S	28-mo cont H&S				\$ 4,634	\$ 4,634	
PTON	Peloton	11/15/19	L	26.41	200	25.19	13	25.64	11/15	30.29	6-wk H&S	6-wk H&S				\$ 5,282	\$ 5,282	
PTON	Peloton	11/15/19	L	26.41	200	25.19	13	25.29	11/15	30.29	6-wk H&S	6-wk H&S				\$ 5,282	\$ 5,282	
Trades as of															\$ 604	\$ 117,035	\$ 318,607	
Indicates open position value as of																Levered at	1.59	
PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE															ROR YTD	0.30%	Cap utiliz.	58.5%
<i>r = revised RO = Rollover A = Alert</i>																		

The Factor Service \$200,000 Tracking Account represented herein is a proxy representation of the trading executed by Peter Brandt for the Factor LLC's proprietary trading accounts. There are some major differences between the trading activity conducted in the Factor Service \$200,000 Tracking Account and trading in the Factor LLC's proprietary accounts. Peter's trade sizing and trade management tactics in the proprietary account is sized and managed per \$1MM of proprietary capital. There may be trades Peter believes are not suitable for a \$200,000 block of capital, and these trades are not executed in the Factor Service \$200,000 Tracking Account. Factor LLC's proprietary account trades multiple contract trades wherein Peter layers into and out of a position at different prices and on different dates. The Factor Services \$200,000 Tracking Account may hold a single futures contract in a trade whereby layering is not possible. Factor LLC's proprietary accounts may also pyramid some trades not pyramided in the Factor Service Tracking Account. Because the Factor Service Tracking Account represents how Peter would trade a \$200,000 block of capital in contrast to the actual trading of Factor LLC's proprietary account, the Factor Tracking Account should be considered as hypothetical. Hypothetical trading performance is subject to the following disclaimer required by the Commodity Futures Trading Commission.

plb  
###