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Factor Update, April 11, 2020

Market Review

This issue comment on global stock markets (S&Ps, *CTXS, AAPL, GOLD, Dollar General), interest rates (30-Yr T-Bonds, 5-Yr T-Notes), currencies (Canadian Dollars, USD/PY, *EUR/USD, EUR/PLN), metals (*Gold), *Wheat 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"> • European Milling Wheat (Matif) • 5-Yr T Notes • Dollar General • EUR/PLN 	<ul style="list-style-type: none"> • CTXS • Gold • EUR/USD • KC Wheat
<p>The Factor Tracking Account is currently leveraged at 1.0 X. Capital Utilization is at 10.4%. [Note: Factor does not include the nominal value of interest rate futures contracts.]</p>	

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Factor Tracking Account – Open Positions

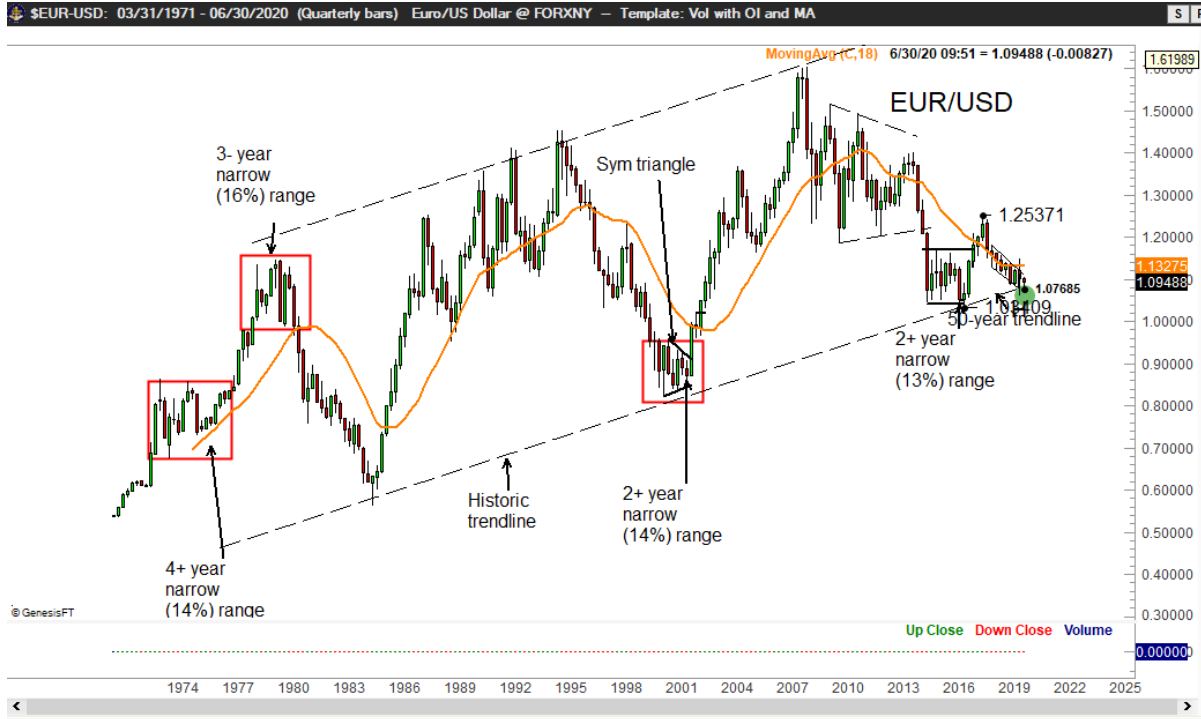
CTXS (NASDAQ)

Factor is long, with jammed stops. I should be stopped out on Monday.



EUR/USD (spot)

This is not my typical trade. I bought EURUSD on the instinct that the 50-year trendline held and that the Fed's QE-infinity is negative for the USD. Maybe I will get lucky. The price chart prior to the official introduction of EUR represents a trade-weighted index of a basket of pre-Euro currency units.



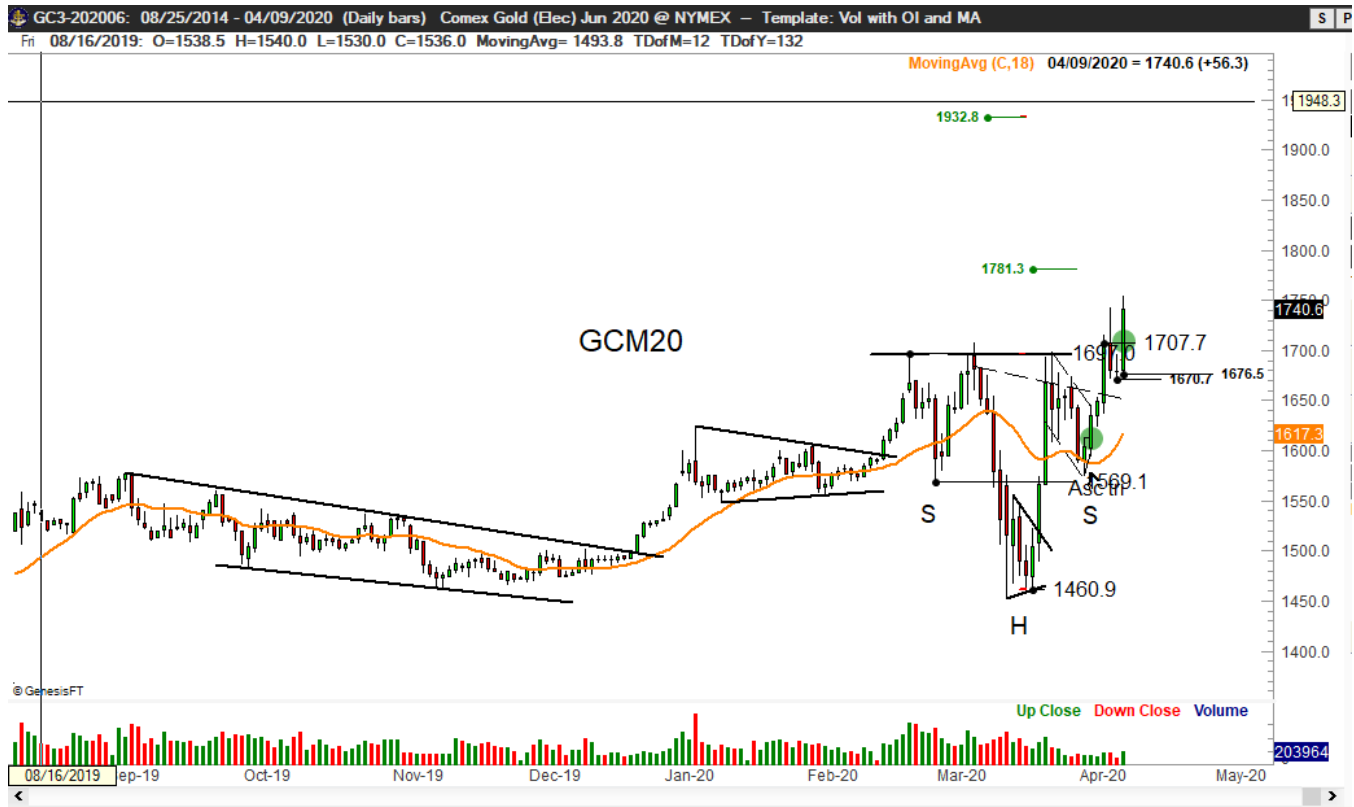
KC Wheat (KCBOT)

Factor is long as of Friday. Does the daily chart exhibit a life-of-contract inverted H&S bottom? I doubt it, but stranger things have happened. Several years ago, I announced that I would take even questionable buy signals in grains, realizing that prices are near historic lows.



Gold (Comex)

Factor is long a double tranche. The advance on Monday was a premature completion of the inverted continuation H&S pattern, confirmed (hopefully) on Friday. The wild swings in Gold the past couple of weeks have in large part been due to what traders call "the basis," the differential between the physicals market and the nearby futures contract. The futures have been running abnormal premiums to the physical due to some particulars with the delivery process.



Factor Tracking Account – Trades under Review

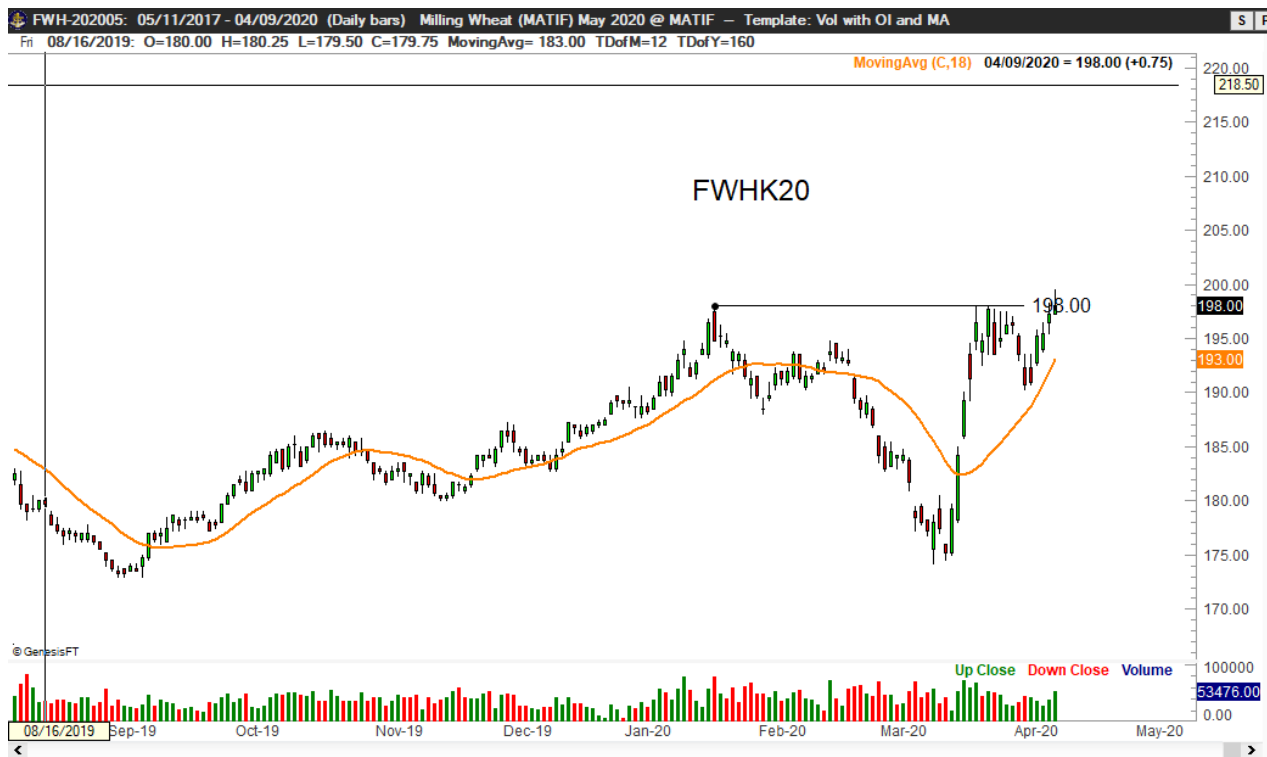
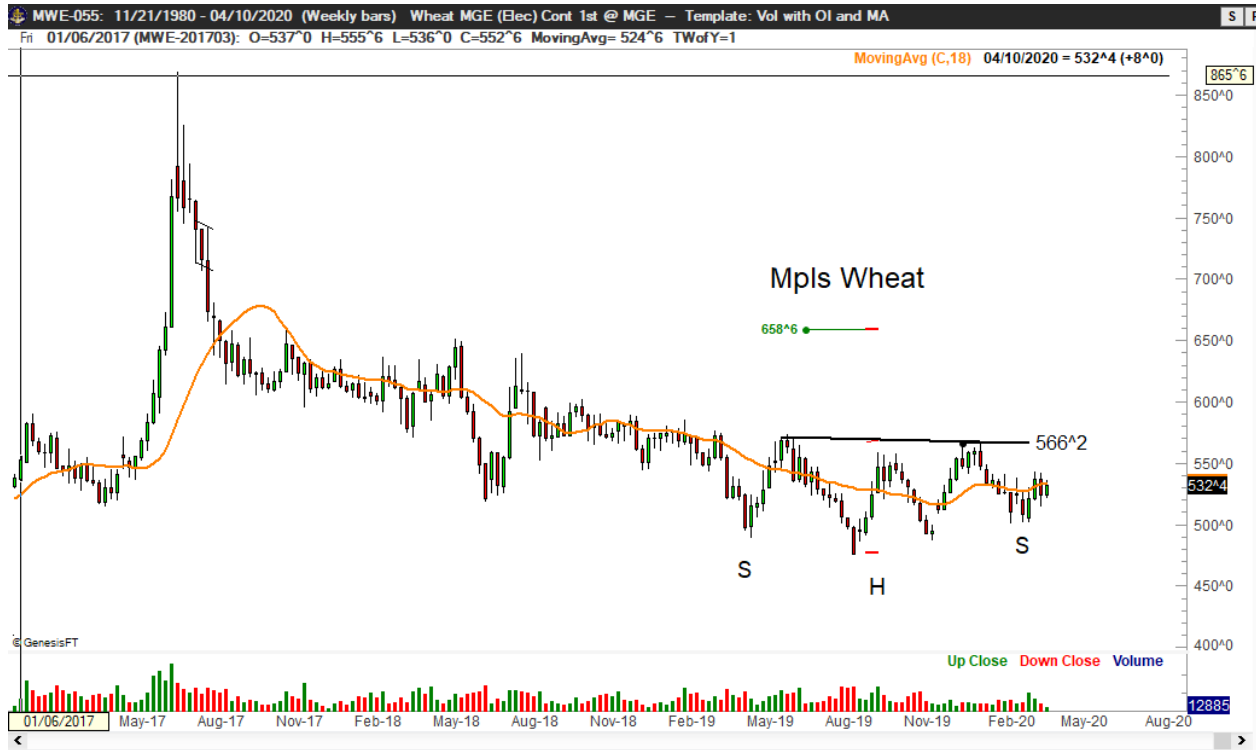
EUR/PLN (spot)

I really like the chart construction in EUR/Zloty. The monthly chart has completed a multi-year triangle. A run at resistance at 4.95 is feasible. The daily chart could be forming a half-mast flag. Note: One of my worst fills ever was in the Zloty. Trade with caution.



Mpls & European Wheat

The weekly chart of Mpls Wheat exhibits a possible inverted H&S bottom pattern. I am interested in this market, but need a measured risk entry point. European Milling Wheat has led global Wheat markets to the upside.



5-Yr T Notes (BOT)

Most of the interest rate markets are setting up for signals, I like the charts of the 5-Yr Notes the best. The yield chart displays a descending triangle with an implied target of -18 BPs (negative yield). The daily June futures chart displays a Cup and Handle with a target of 128^00. Depending upon the exact nature/timing of the breakout, I might put some weight into this trade (100 BP risk).



Dollar General (NYSE)

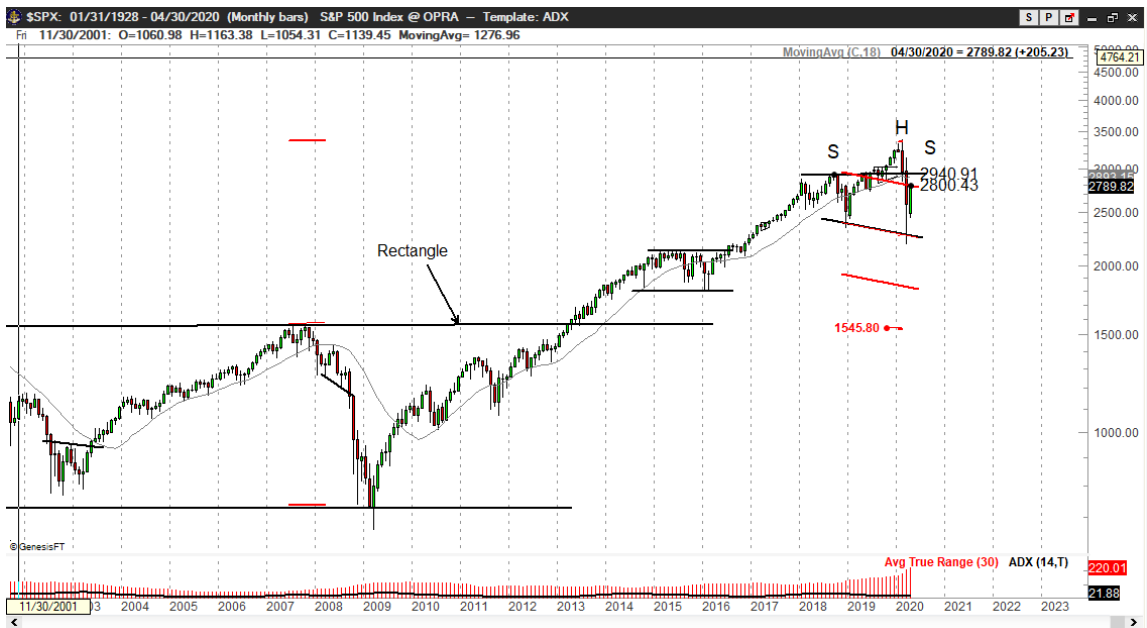
This chart construction is best described as a right-angled broadening triangle. The RABT typically breaks out of the horizontal boundary. My ATR stop (80% tolerance) is at 174.65.



Other Markets

S&Ps

Never fight the Fed. The S&Ps have now corrected 50% of their Feb-Mar decline. There is a chance the current rally could form a right shoulder for a massive H&S top. Resistance exists between 2800 and 2950. I have no desire to pick an arbitrary top to this rally.



Interesting charts from the past week

Canadian Dollar futures
I want to monitor this market for a possible continuation pattern.



AAPL
Is the correction over?



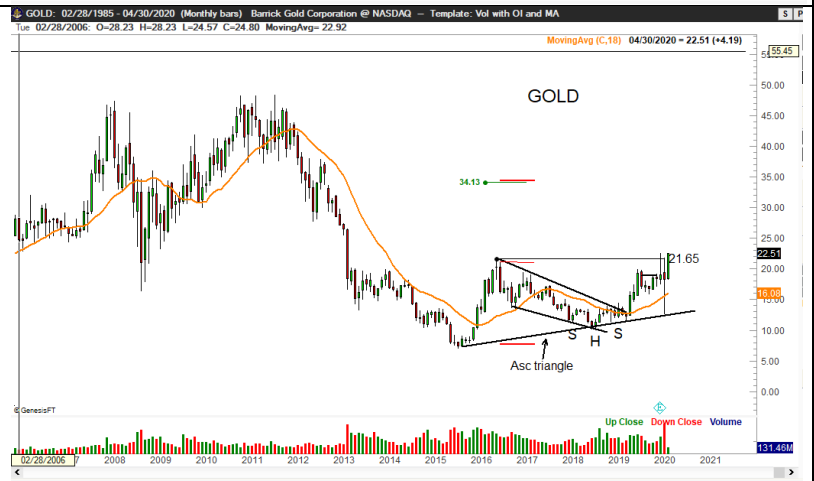
30-Yr T Bonds
This daily chart is best described as a continuation inverted H&S pattern with an abbreviated left shoulder.



USD/JPY spot
I can make a case for a decline to 97.79.



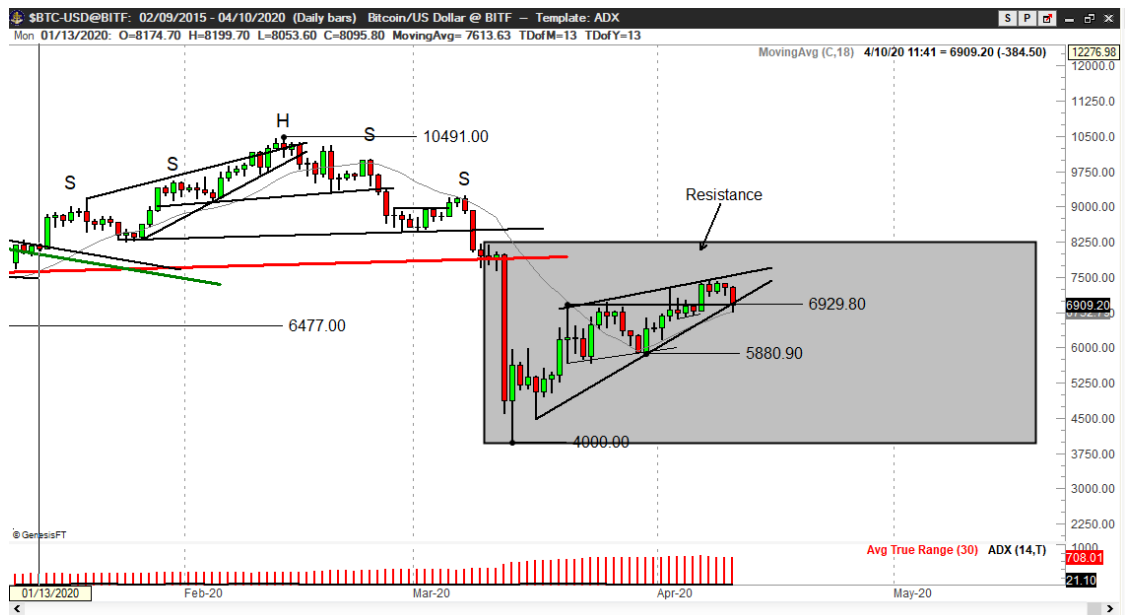
GOLD
Barrick is poised to complete a multi-year ascending triangle with an implied target of 34.13. Depending upon the nature of the breakout, I might attempt to buy this stock.



The Factor Crypto Corner

Bitcoin

My best guess at this time is that BTC will develop into a broad trading range between 4,000 and 8,000 or so. The decline on Friday could be completing a wedge, a highly unreliable pattern.



Factor Tracking Account, April 10, 2020

A complete listing of the Factor Tracking Account trades for 2020 is issued monthly.

Factor LLC																		4/10/2020	
Model Tracking Account Trade History and Portfolio																		Constant nominal capitalization: \$200,000	
(See disclaimers and notes below)																			
Market		Entry							Stop Date Δ	Target	Pattern		Exit		Net	Capital to carry trade	Value of trade (entry)		
		Date	L/S	Price	Size	Initial stop	BP risk	Current Stop			Weekly	Daily	Trade date	Price					
G6CM20	Canadian Dollar	2/27/20	S	0.7482	1	0.7537	28	0.7116	4/6	.6821 r	Poss 4-yr H&S	6-mo RABT	7-Apr	0.7117	\$ 3,645	Closed	-		
CTXS	Citrix	3/27/20	L	136.07	80	125.78	41	136.09	4/9	161.87	8-mo running wedge	Running wedge				\$ 10,886	\$ 10,886		
ZNM20	10-Yr T Notes	3/27/20	L	138^23	1	137^19	52	138^22	4/2	141^24		3-wk inv cont H&S	6-Apr	138^22	\$ (37)	Closed	-		
USD/CAD	USD/CAD	4/1/20	L	1.4081	70k	1.3888	47	1.4067	4/5	1.5147	4-yr inverted H&S	MA retest	7-Apr	1.4065	\$ (91)	Closed	-		
MGCM20	Micro Gold	4/2/20	L	1620.7	4	1594.70	52	1664.30	4/9	1937.00		Poss 6-wk inv H&S				\$ 3,600	\$ 64,828		
MGCM20	Micro Gold	4/7/20	L	1700.7	2	1668.30	33	Mkt	4/7	1937.00		7-wk inv H&S	7-Apr	1679.4	\$ (432)	Closed	-		
MNQM20	Micro NASDAQ	4/7/20	L	8001.0	2	7769.00	56	8002.0	4/7	8583.0		4-wk inv H&S	7-Apr	8001.0	\$ 2	Closed	-		
EUR/USD	EUR/USD	4/7/20	L	1.0852	40k	1.07620	40			TBD	50-yr support	Bottom pick				\$ 2,170	\$ 43,408		
MGCM20	Micro Gold	4/9/20	L	1711.2	2	1667.80	43	1674.70	4/9	1777 r		7-wk inv H&S				\$ 1,800	\$ 34,224		
KWN20	KC Wheat	4/9/20	L	4.915	1	4.77	18	4.79	4/9	5.94						\$ 1,200	\$ 24,575		
KWN20	KC Wheat	4/9/20	L	4.915	1	4.835	20			5.19						\$ 1,200	\$ 24,575		
Trades as of															\$ 3,087	\$ 20,856	\$ 202,496		
Indicates open position value as of																Levered at	1.01		
ROR YTD																Cap utiliz.	10.4%		

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE

r = revised RO = Rollover A = Alert █ = Margined d = Day

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.

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