

The Monthly - June 2020

SSR Move Underway

EUR/USD

The advance and close on May 28 completed an 11-week symmetrical triangle, launched by an imbedded 8-week inverted H&S construction. The targets are 1.1257 and 1.1598. The set-up will be negated by a close below 1.0870.



Markets on the radar screen as previously issued or pending Special Situation Reports (SSRs)

U.S Treasuries

The 5-Yr and 10-Yr T-Notes are forming continuation ascending triangles (a Cup and Handle labeling is also appropriate).





Crown Castle International (CCI)

This stock has experienced a spectacular bull trend for many years. The daily and weekly charts display a 14-week Cup and Handle pattern, arguably completed on May 29. One more higher close will confirm this bullish chart construct. Longs in this stock could be defended below the May 21 low of 148.38, the May 27 low of 158.09 or in relationship to the 18 DMA.



Canadian Dollar – SSR Pending

I continue to believe that the 4+ year H&S pattern on the monthly weekly chart is a valid interpretation. The market could simply be in the process of retesting the neckline of the H&S pattern at .7330. I will be monitoring the daily chart for an indication that the rally is complete, and will issue a SSR accordingly. One possibility is that a decline below .7072 would be an “end-around” the symmetrical triangle.





Gold – SSR Pending

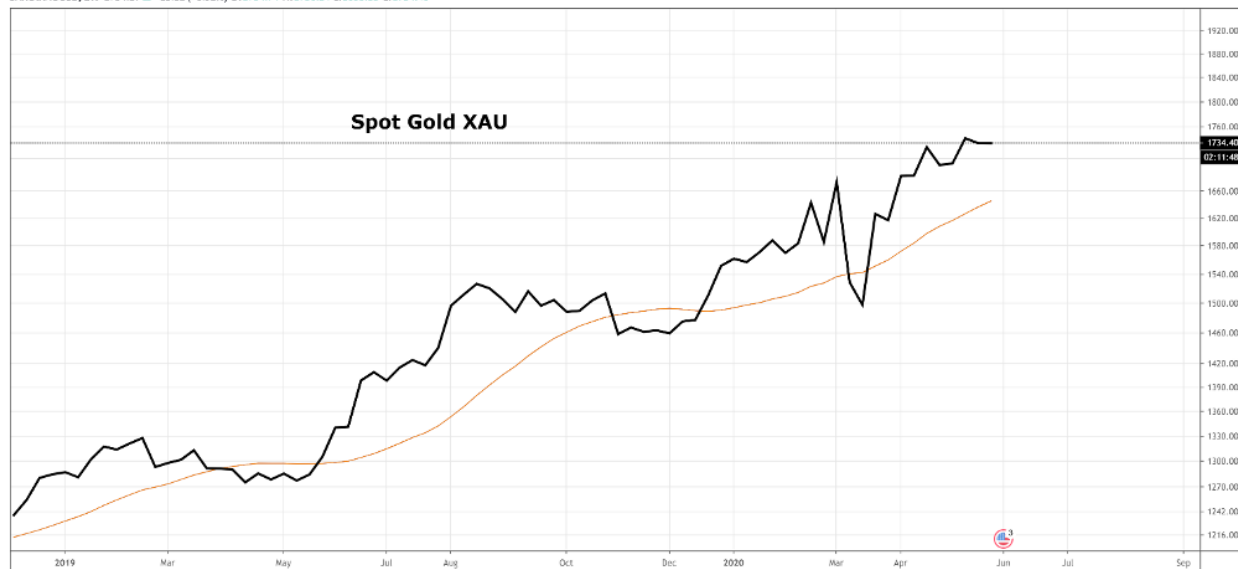
Ugh! I feel like I have been in the spin cycle with this market. The breakout of the massive inverted H&S bottom on the monthly chart was an easy trade. In fact, Gold was a wonderful example of classical charting principles until the COVID-19 decline in Mar. Gold has been a difficult trade since.

I continue to believe Gold is going higher – much higher. Yet, I feel a little snake-bitten by the market. The daily chart of the Aug contract displays a possible ascending triangle. The Real Range chart displays a continuation rectangle pattern in greater clarity, whereby a decisive close (25% to 50% of ATR) above 1772 would be a buy signal. Most impressive to me is the steady uptrend in spot (physical) Gold.





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SAO:XAUUSD, 1W 1734.27 ▲ +15.52 (+0.92%) O:1734.74 H:1736.24 L:1693.83 C:1734.40



TradingView

Editorial comment about the Special Situation Report concept

Special Situation Report trades are those that I believe offer the opportunity for a longer hold time. Yet, the expectation of “specialness” by Factor members is an aspect of the Special Situation Report concept that I do not like. In my world of trading, a trade is a trade is a trade. A trade is nothing more than a datum point in a series of data points subject to random probability sequencing.

Right now, I am pigeon-holed with the Special Situation Report concept, but I am exploring other ways to alert you to trading opportunities that do not carry with them higher expectations.

Other Charts of Interest (as of this date) that might offer swing trading opportunities Corn

Strong historical support on the monthly graph, which also displays a 6-year rectangle. There is near-record commercial long positioning. A symmetrical triangle has formed in the Dec contract.





AMD (NASDAQ)



2020 Special Situation Report Log

THE FACTOR REPORT		2020 Special Situation Report Log							
Market	SSR Date	Initial Patterns ID'd	Subsequent Patterns	Triggered	Date Triggered	Price Triggered	Targets	Negation Price	Outcome
T-Notes (CBOT)	7-Apr	Completed 8-year rectangle, multi-yr cont. H&S; 9-wk coil	3-mo asc triangle	Not yet					TBD
CAD/JPY	6-May	50-yr trend; 11-wk sym tri; 8-wk H&S	-	No	-	-	-	-	Not triggered; cancelled
EUR/USD	28-May	14-week asc triangle	-	Yes	28-May	1.1033 ID; 1.1077 C	1.1257; 1.1598	1.087	
CCI (NYSE)	29-May			Yes	29-May	170.11 ID; 172.16 C	217.87	148.38	

See ongoing postings on the @factor_members private Twitter feed (simulcast on the Factor Member website). [Steps for access.](#)



Spotlight Tweets - Factor Member Private Twitter

Are you following our private Twitter? [Steps for access](#)



FactorMembers  @factor_members · May 6



Human aspects of trading

IMO, it's dangerous to put false hope in any trade

My expectations and hopefulness for trades are inversely correlated with outcomes

Usually, the trades I expect less of are the ones that best perform.

I love trades that surprise me



FactorMembers  @factor_members · May 6



The Process of Trading

My hope is NOT in the next trade in the sequence

My confidence is in my trading process in its complicated entirety



FactorMembers  @factor_members · May 11



Risk/Trade Management

Is Vilfredo Pareto's Principle true?

If so, the implications should dominant your trading.

If 15% or 20% of your trading produces 80% to 85% of your net outcome...

...your job is to manage the loss on 80% of your trades...

And let Pareto do the rest.





FactorMembers  @factor_members · May 13



Human aspects of trading

One reason trading is so difficult is that it is an upstream swim against human emotions

Our emotions attempt to sabotage us at every turn

Vincit qui se vincit
Several translations, but one I like
"He who conquers, conquers self"



FactorMembers  @factor_members · May 25



Risk/trade management
Human aspects of trading

It does not bother me to be wrong on an idea, market analysis, chart analysis, price projection, et al

I lose on half my trades

A trade is nothing more than a datum point in a series of data points, subject to random sequencing



FactorMembers  @factor_members · May 27



Trading commentary
1 of 2

If you are trading a speculative account...

Can you clearly articulate in 280 characters or less the essence of how you trade so that other traders would have a clear understanding of your approach?

If not, you have work to do.



From our Content Library

A Life in Charts - Episode One

<https://youtu.be/xha1Xw5YOzA>

Spotlight Links

- [The Factor Report, May 29, 2020 Week Ending Wrap Up and Q&A - video](#)
- [Real Vision video series with Peter - five videos](#)
- [Meaningful Schabacker quotes from Factor Members on Member Twitter](#)

Original post: <https://www.peterlbrandt.com/the-monthly-june-2020/>

