



July 11, 2021

## Thoughts on a Weekend Afternoon

### A different way to think about being stopped out of trades?

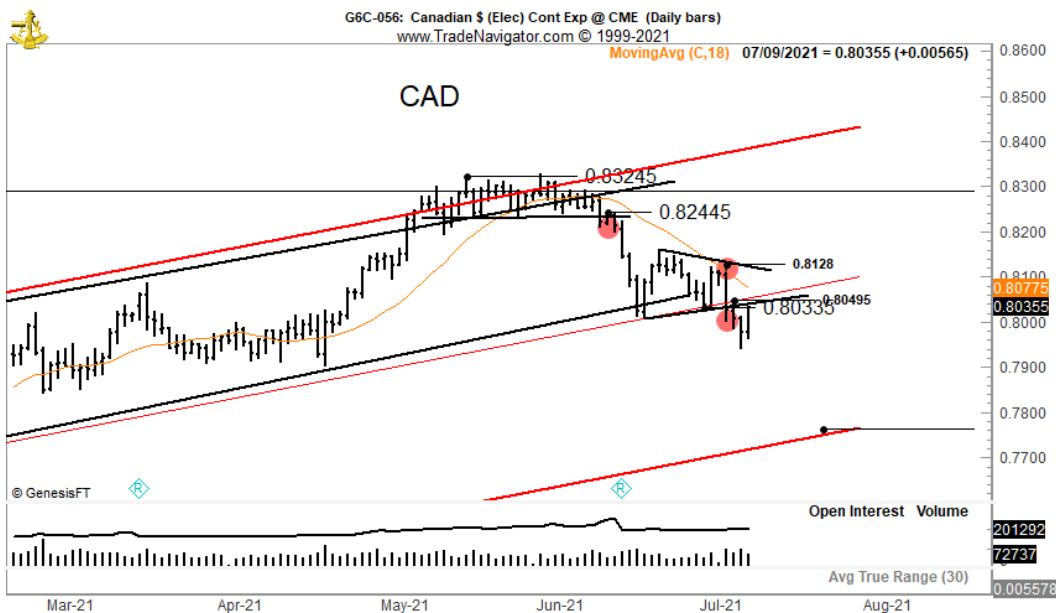
I heard another professional trader say something this week that I have never heard before, but that resonated deeply with me immediately. The trader stated that “stop-outs” and fees are nothing more than the overhead of a professional trading business. I will never forget this statement – I have known this truth for decades but never heard it phrased this way.

Trading for me is a business. Businesses have overhead expenses. Some businesses operate a fleet of trucks, have expensive computer networks or operate manufacturing plants and office buildings. I have none of these things. What I have are trades that I cut short to prevent large losses.

Being stopped out of trades is my business overhead.

### Markets

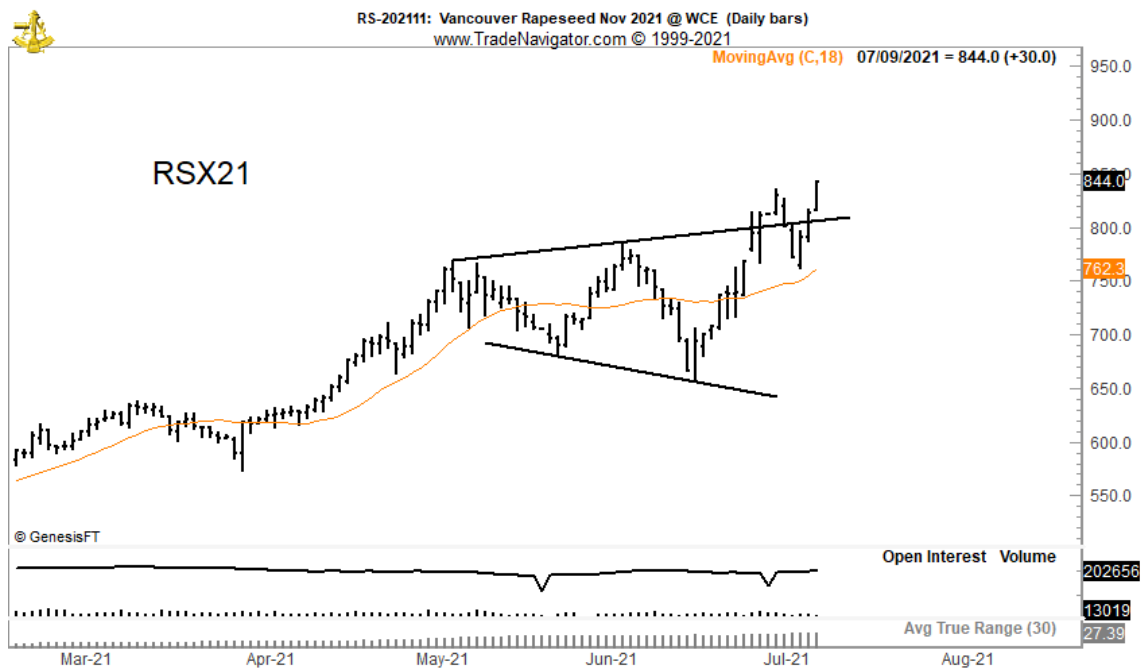
**Canadian Dollar.** I added to my short position on Tuesday when the decline completed a possible continuation triangle. I covered this pyramid position on Friday based on my trading rule to terminate positions that have a loss on a Friday close. Years ago, I found my weekends much more enjoyable when I faced Mondays only with profitable open trades. I remain short my initial position established on Jun 15. My experience is that Friday losses have a way of growing.



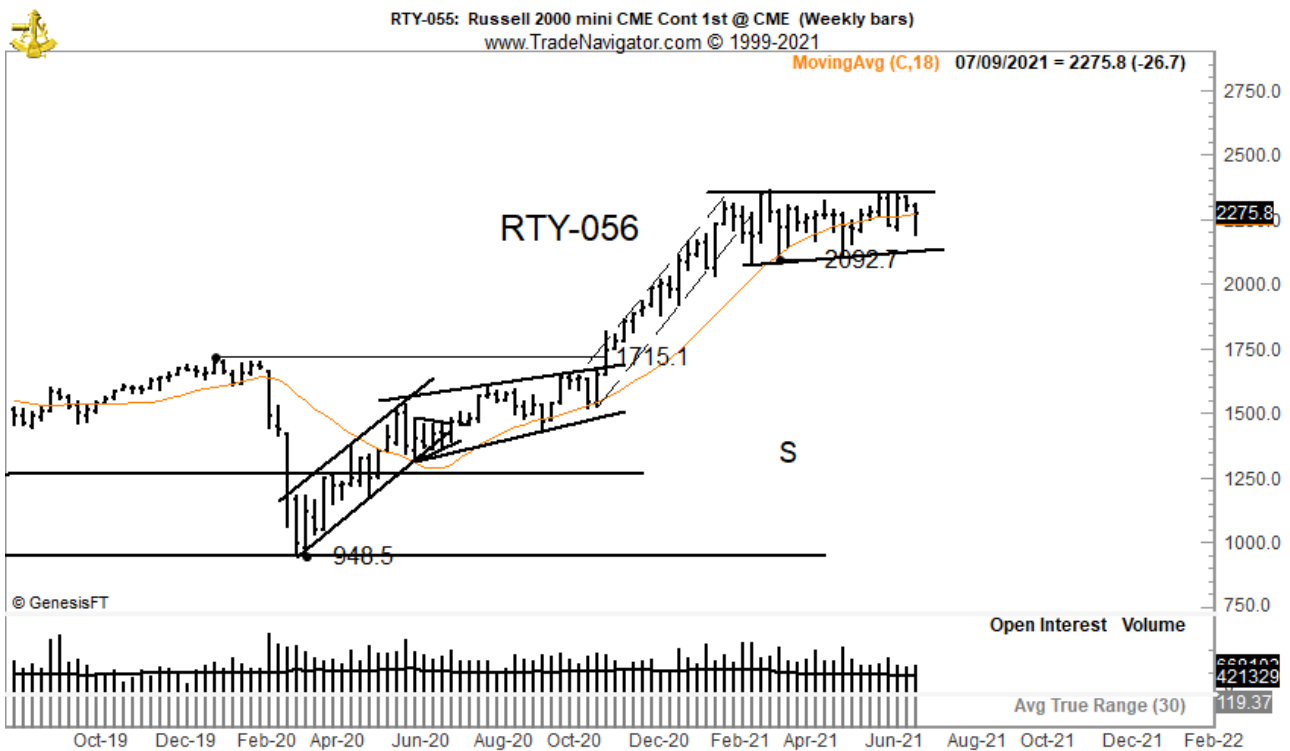
Mpls Wheat. I have overstayed my hand in the long position established on Jun 22. I would have covered half a position on Tuesday's sharp decline if I had been long a 100% position. As it was, my sell stop barely held. The daily chart is forming a possible bearish wedge.



Rapeseed. Talk about a royal fake out. I shorted Canadian Rapeseed early on Tuesday, anticipating a broadening top. I was stopped out on Thursday.



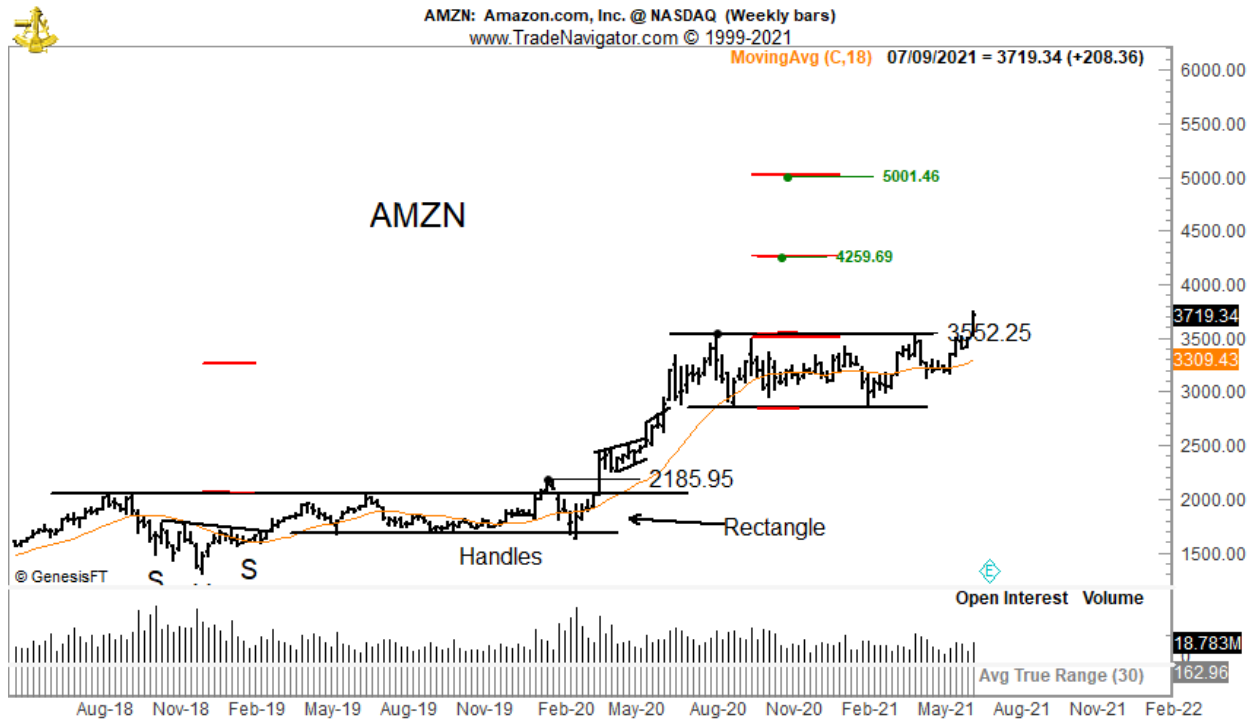
SCHA. I may consider this ETF or the Russell futures next week depending upon how the charts develop. The list of new highs in the stock market is getting thinner and thinner, with a small list of humungous caps carrying the weight. This lack of participation is negative unless mid- and small-caps begin to participate.



CNC. This chart displays a multi-year ascending triangle.



Amazon. The advance on Tuesday completed the 12-month rectangle.



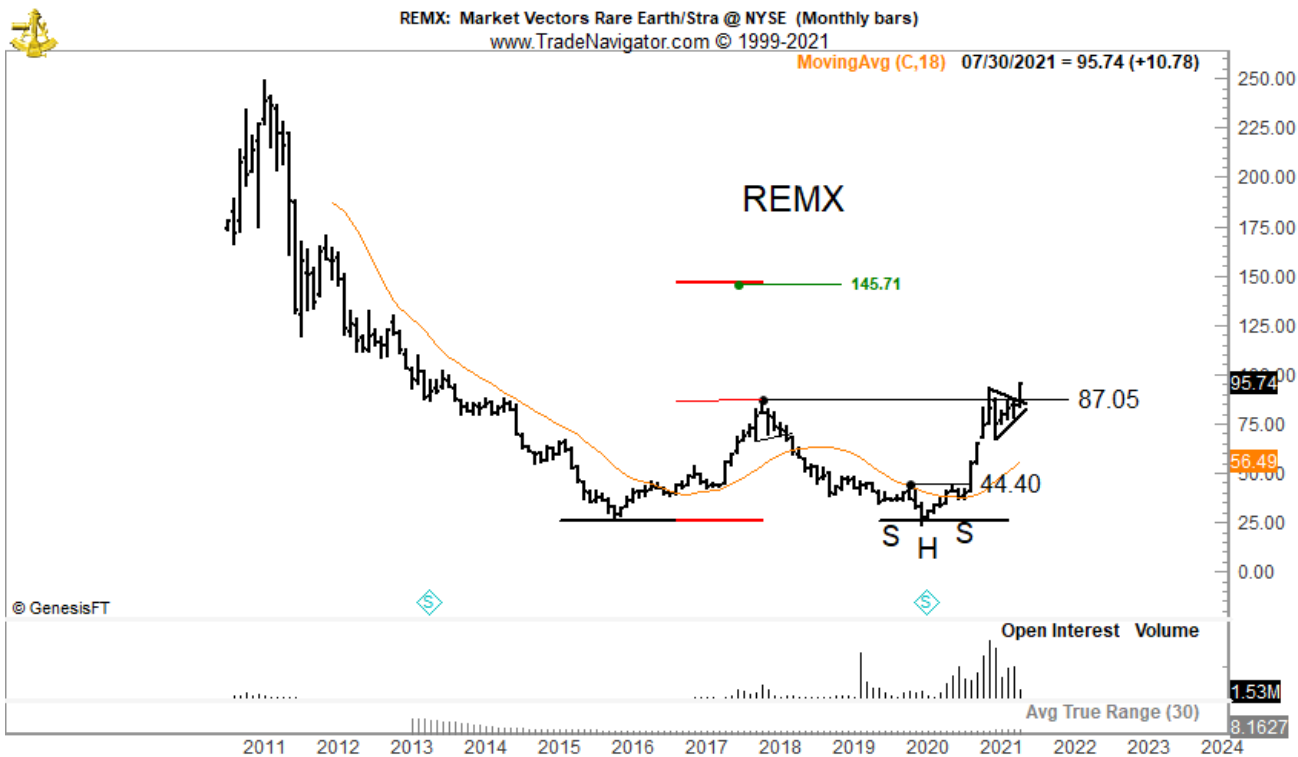
**SNOW.** The advance this past week completed a 4-month inverted H&S bottom. A Factor ADX/MA buy signal was triggered on Friday. I will attempt to buy a slight correction next week for the Factor Prop Account. I prefer H&S bottoms with an up-slanted neckline (or tops with a down-slanted neckline).



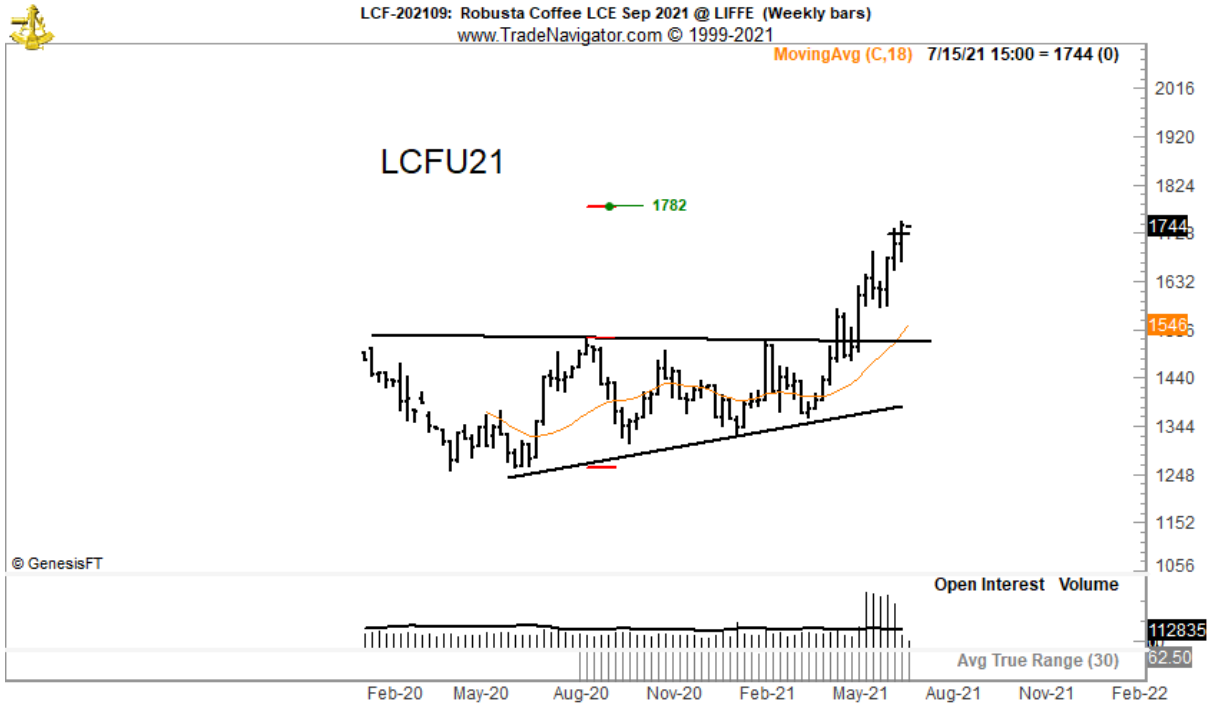
Silver. The weekly chart continues to intrigue me. This chart looks explosive but I have been frustrated by Silver futures for almost a year. I like the monthly chart of SIL, the Global X Silver Miners ETF.



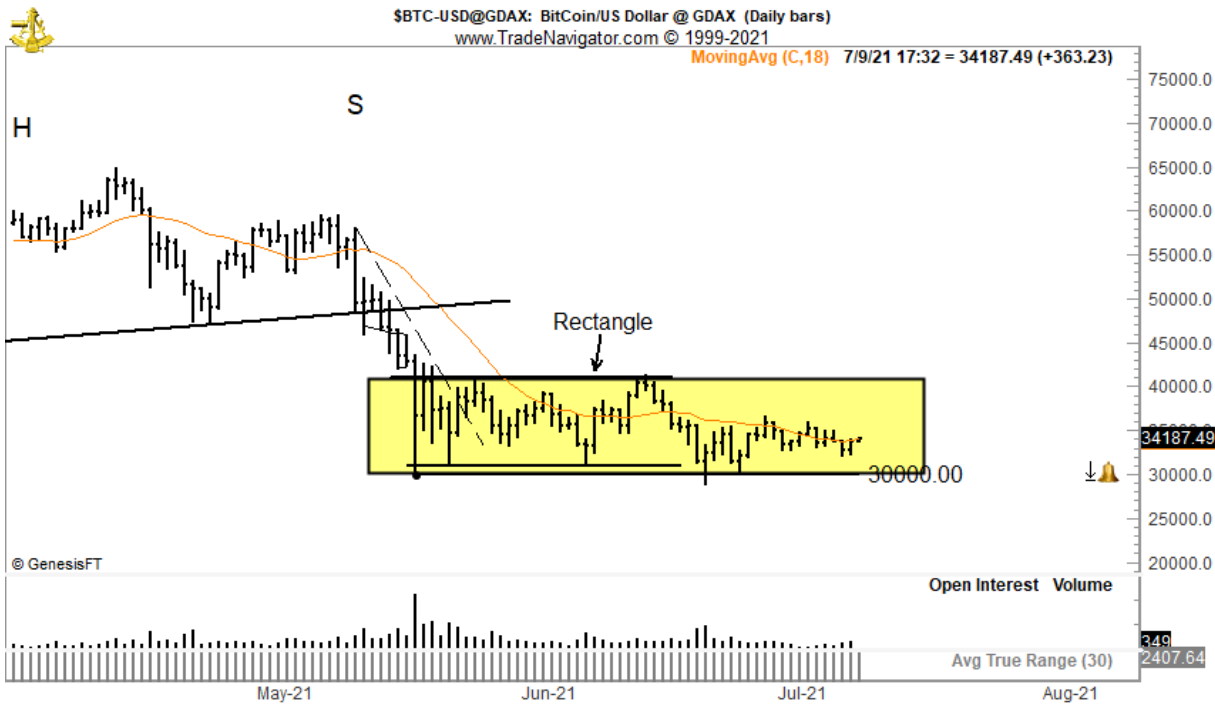
**REMX**. The daily chart completed a possible continuation symmetrical triangle this past week. This ETF arguably is poised to completed a massive double bottom on the monthly graph. I missed the breakout of the triangle so I will attempt to buy a partial retest. I view this ETF as a long raw material play.



**London Coffee.** I remain 100% long. The market is approaching the initial target. The continuation chart has further targets.

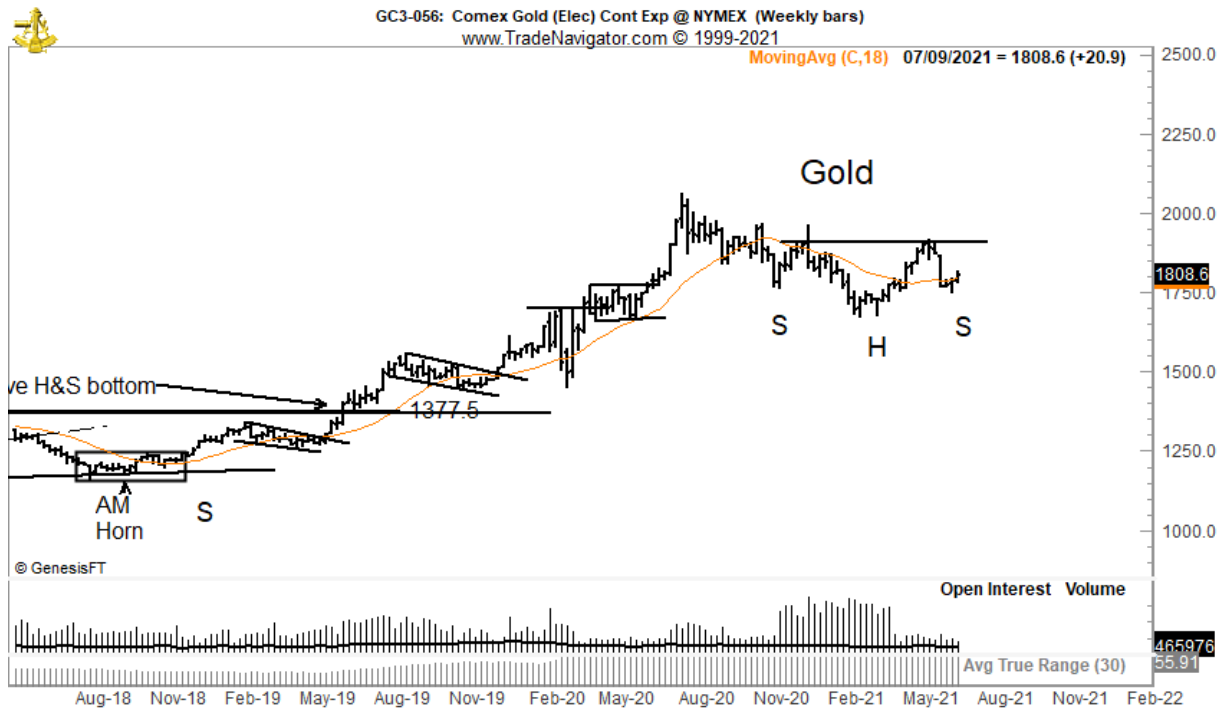


**Bitcoin.** The rectangle continues to unfold. I am willing to go with this market in whichever direction the rectangle is resolved. I am a long-term bull on BTC, but to be really honest I must say the charts are negative.

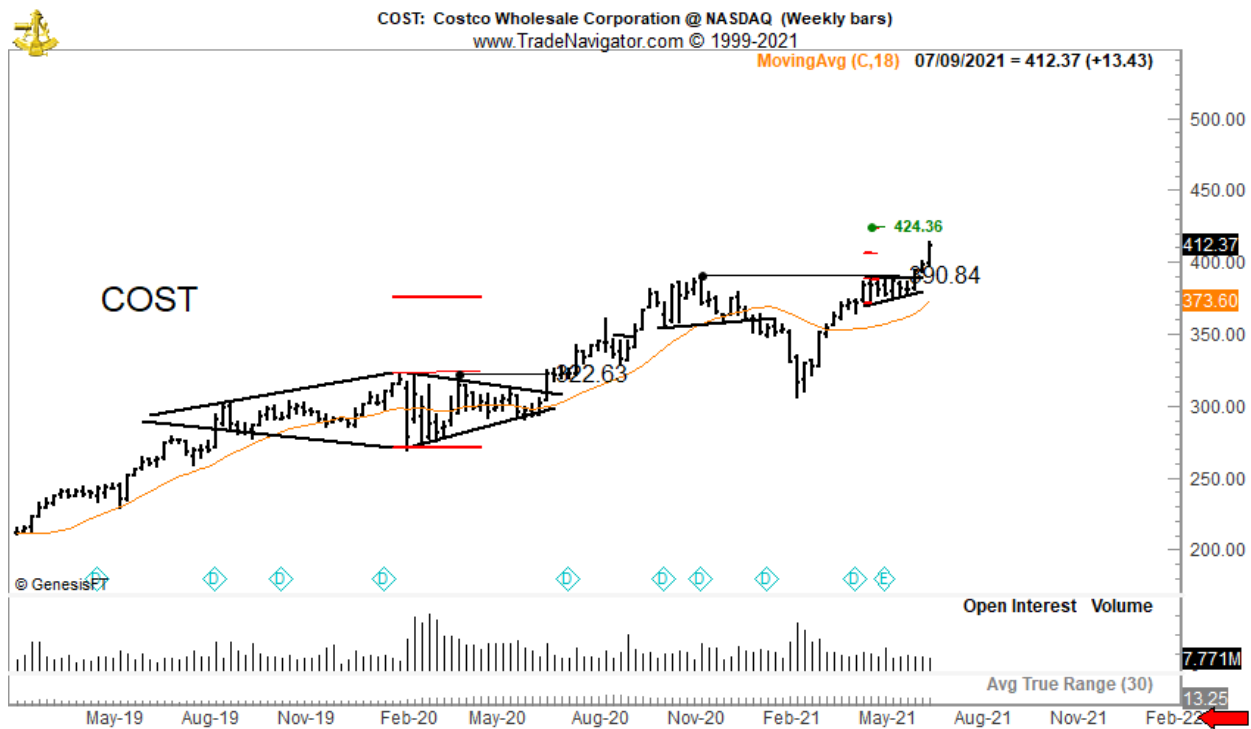




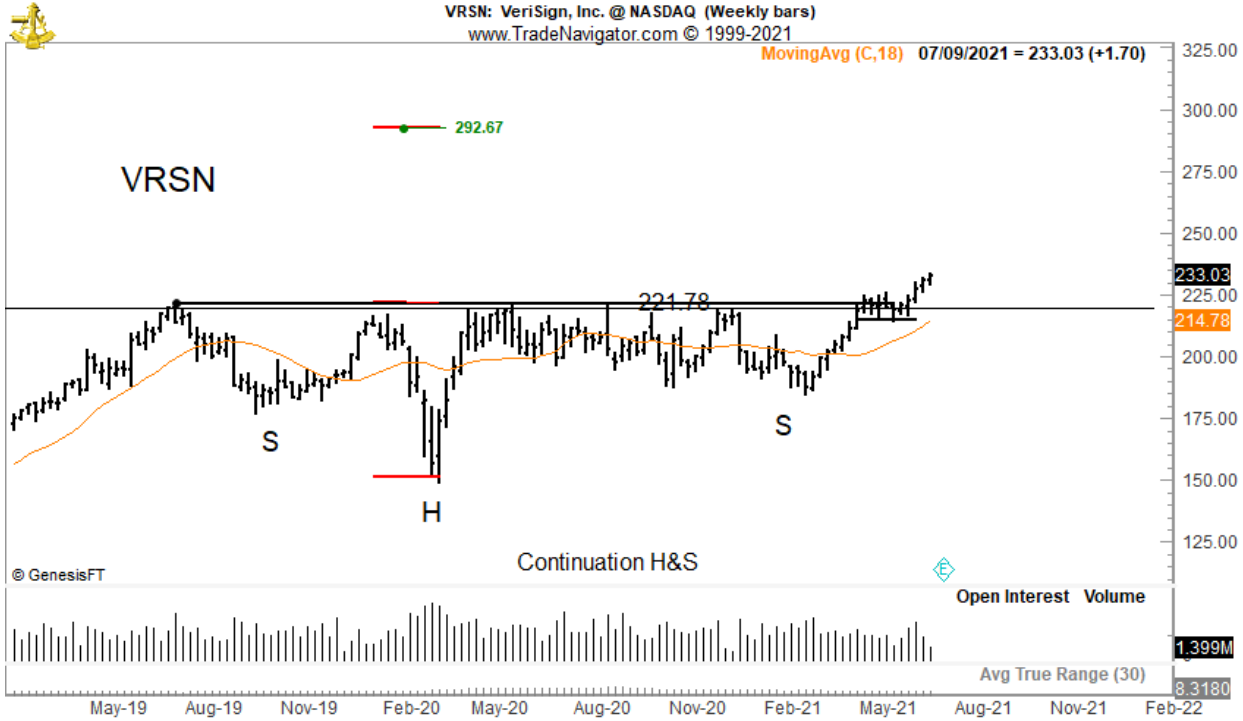
**Gold.** If the Jan 4-6 advance is ignored as a Schabacker out-of-line movement, then the weekly chart displays a possible inverted H&S bottom.



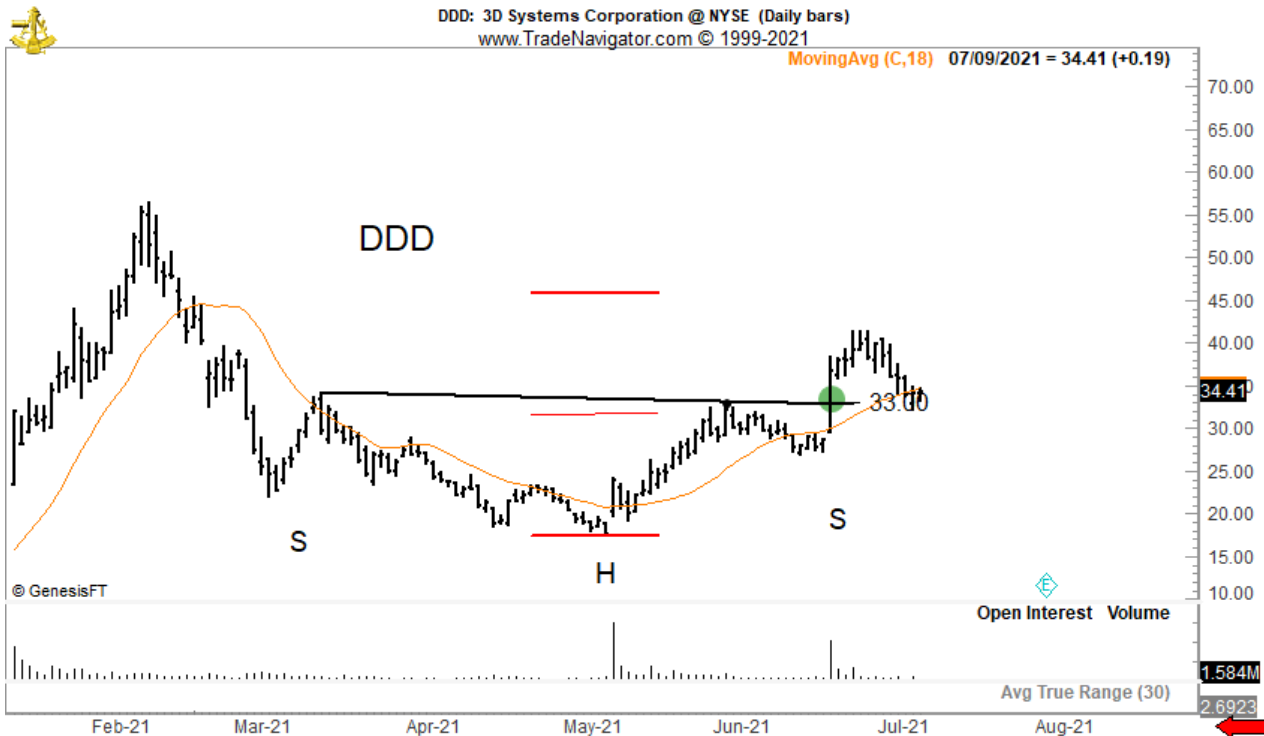
**COST.** The bull market has been orderly. I remain long.




**VRSN.** This trade is definitely not out of the woods yet. I remain long.




**DDD.** I existed half of my long position based on my Friday loss rule. I will not give this retest much more room before leaving the trade.



Tracking sheet for the week of Jul 4 as of Friday, Jul 9

|  |                    |                     | Weekly position/symbol tracking - Prop ONLY |                                      |
|---|--------------------|---------------------|---|--------------------------------------|
| W/O July 4  |                    |                     |   |                                      |
| Starting trade  | Starting positions | Starting radar list | Symbols / orders added during week          | Actions, End of week position        |
| CADU21  | S 50%              |                     | Canadian \$                                 | Hold                                 |
| COST  | L 50%              |                     |   | Hold                                 |
| DDD   | L 100%             |                     |   | S 50% Tu 35.31, long 50%             |
| LCFU21  | L 100%             |                     | London Coffee                               | Hold                                 |
| MWEU21  | L 50%              |                     | Mpls Wheat                                  | Hold                                 |
| NZDU21  | S 50%              |                     | New Zealand \$                              | Hold                                 |
| SBH22   | L 100%             |                     | #11 Sugar                                   | S 100% W 1797                        |
| VRSN  | L 100%             |                     |   | Hold                                 |
|   |                    | AMZN                |   | B 100% Tu 3585.22, long 100%         |
|   |                    | CTZ21               | Dec Cotton                                  | Cxld                                 |
|   |                    | SCHA                |   | Cxld                                 |
|   |                    | ZCZ21               | Dec Corn                                    | Cxld                                 |
|   |                    | CNC                 |   | Unable                               |
|   |                    | CADU21              |   | S 50% Tu 8021, B 50% F 8031          |
|   |                    | RSX21               |   | S 50% Tu 794.4, B 50% Th 811.1, flat |
|   |                    | GCZ21               |   | Unable                               |
|   |                    | SIL                 |   | Unable                               |
|   |                    | REMX                |   | Unable                               |
|   |                    | SNOW                |   | Unable                               |
|   |                    |                     |   |                                      |
|   |                    |                     |   |                                      |

**Tracking sheet for the week of Jul 11**

|  |                    |                     | Weekly position/symbol tracking - Prop ONLY |                               |
|---|--------------------|---------------------|---|-------------------------------|
| W/O July 11   |                    |                     |   |                               |
| Starting trade  | Starting positions | Starting radar list | Symbols / orders added during week          | Actions, End of week position |
| AMZN  | L 100%             |                     |   |                               |
| CADU21  | S 50%              |                     | Canadian \$                                 |                               |
| COST  | L 50%              |                     |   |                               |
| DDD   | L 50%              |                     |   |                               |
| LCFU21  | L 100%             |                     | London Coffee                               |                               |
| MWEU21  | L 50%              |                     | Mpls Wheat                                  |                               |
| NZDU21  | S 50%              |                     | New Zealand \$                              |                               |
| VRSN  | L 100%             |                     |   |                               |
|   |                    |                     | CNC   |                               |
|   |                    |                     | REMX  |                               |
|   |                    |                     | Silver                                      |                               |
|   |                    |                     | SNOW  |                               |
|   |                    |                     | SCHA or RTY                                 |                               |
|   |                    |                     |   |                               |
|   |                    |                     |   |                               |

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