



August 29, 2021

Trading Commentary - Flat

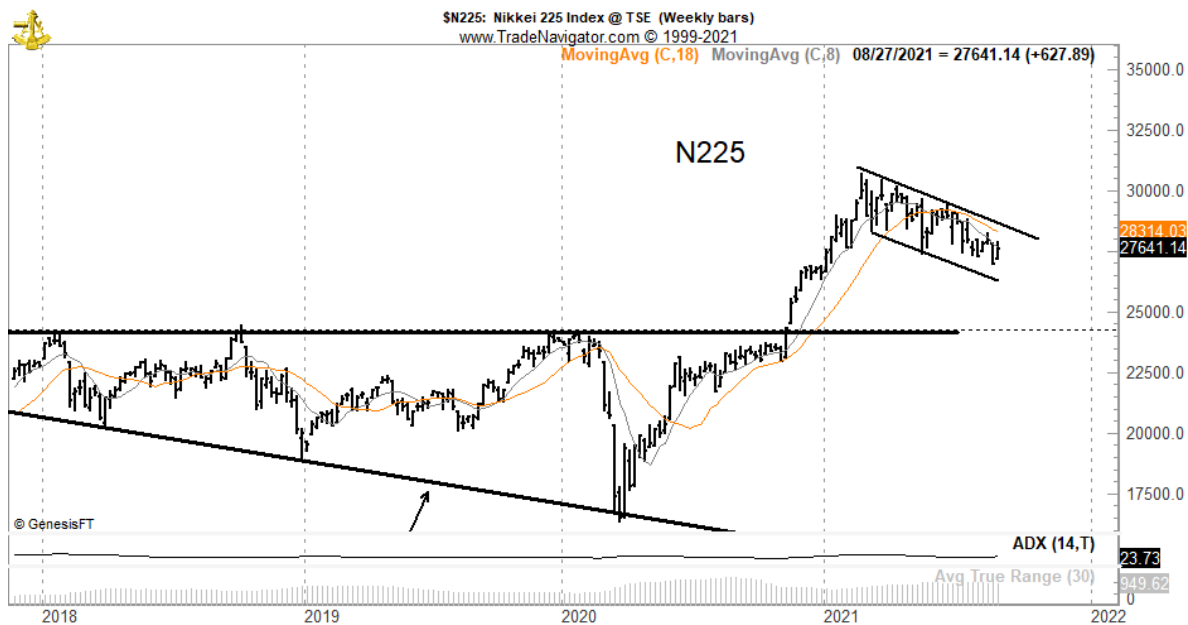
I do not recall the last time I entered a weekend completely flat – NO POSITIONS – in the Factor Prop Account. Going flat was not intentional per se – it was just a matter of a lack of trading signals across the board in all the asset classes I trade.

There is an old adage in the stock market to “sell in May and go away” (until October). I have been a net loser in the U.S. stock market since May even though some of the major averages have trended high. The charts below show the performance of the Factor Prop Account for trades closed since mid-May 1 in equities vs. futures/FX/cryptos. I must point out that the overall chart structure of the stock market is decisively BULLISH.

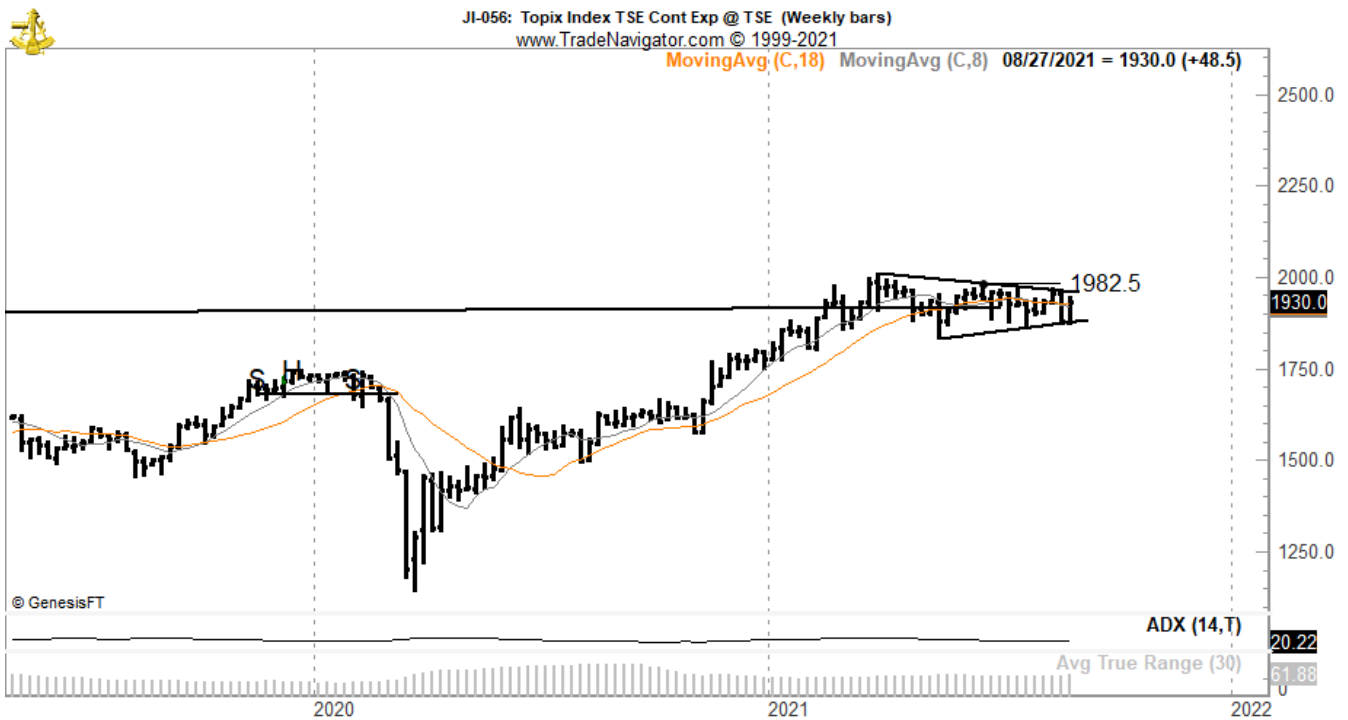
There are times when viewing the markets without the bias of holding trades allows for a bit more clarity of thought – or so I hope. Having no positions can allow a trader to step back and take a fresh look at the markets. I am not eager to jump back into positions nor am I particularly worried about entering new trades that will result in losses.

This weekend edition will focus on weekly patterns I see developing.

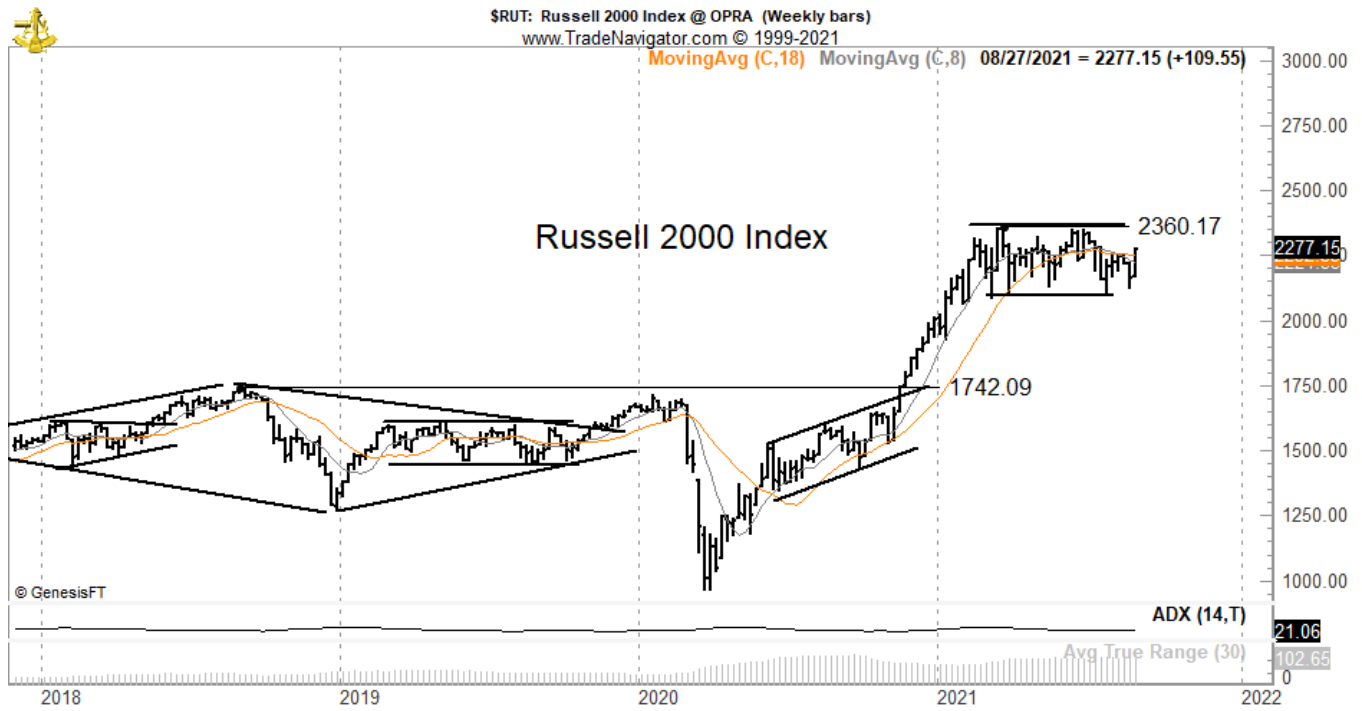
Nikkei Dow. I am interested in being long Japan and will monitor the channel on the weekly chart. It would be nice if a horizontal bottom pattern would develop on the daily graph.



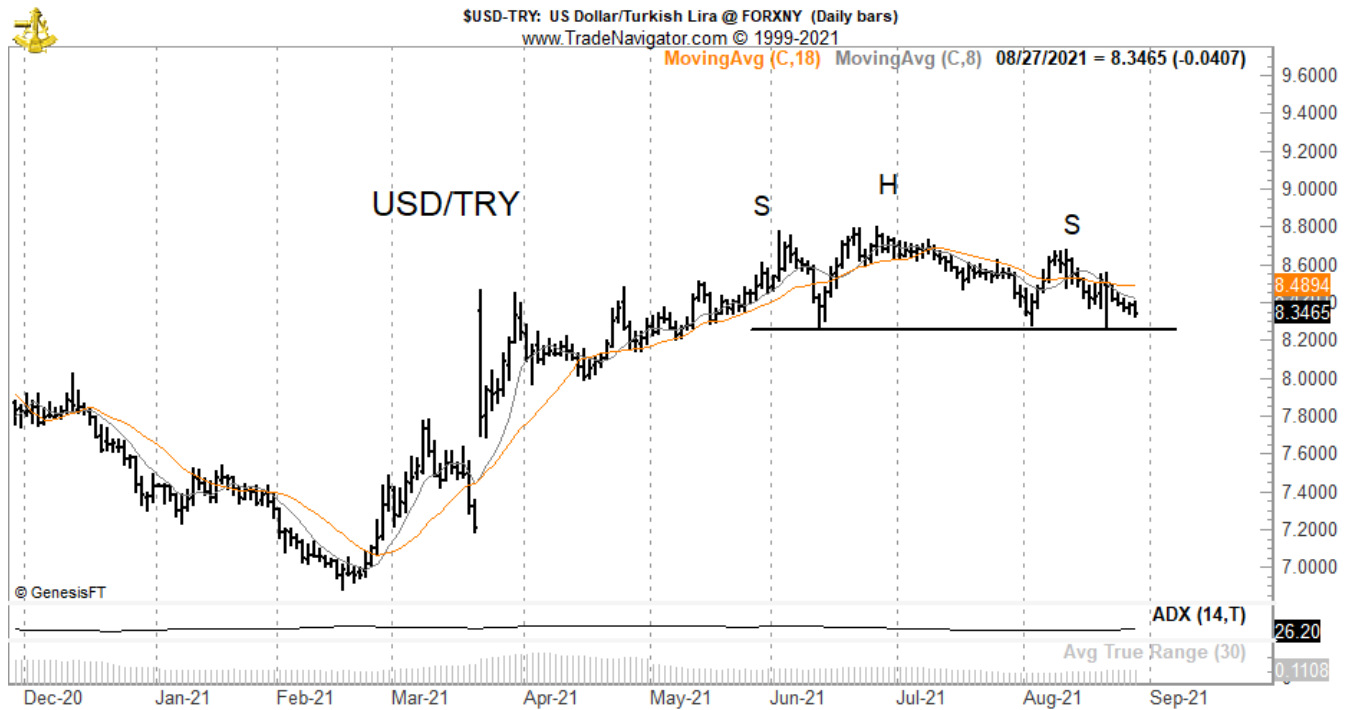
Topix. The long-term charts of the Topix is particularly compelling. The weekly chart is forming a symmetrical triangle, the upside breakout of which would be a major breakout into clear air.



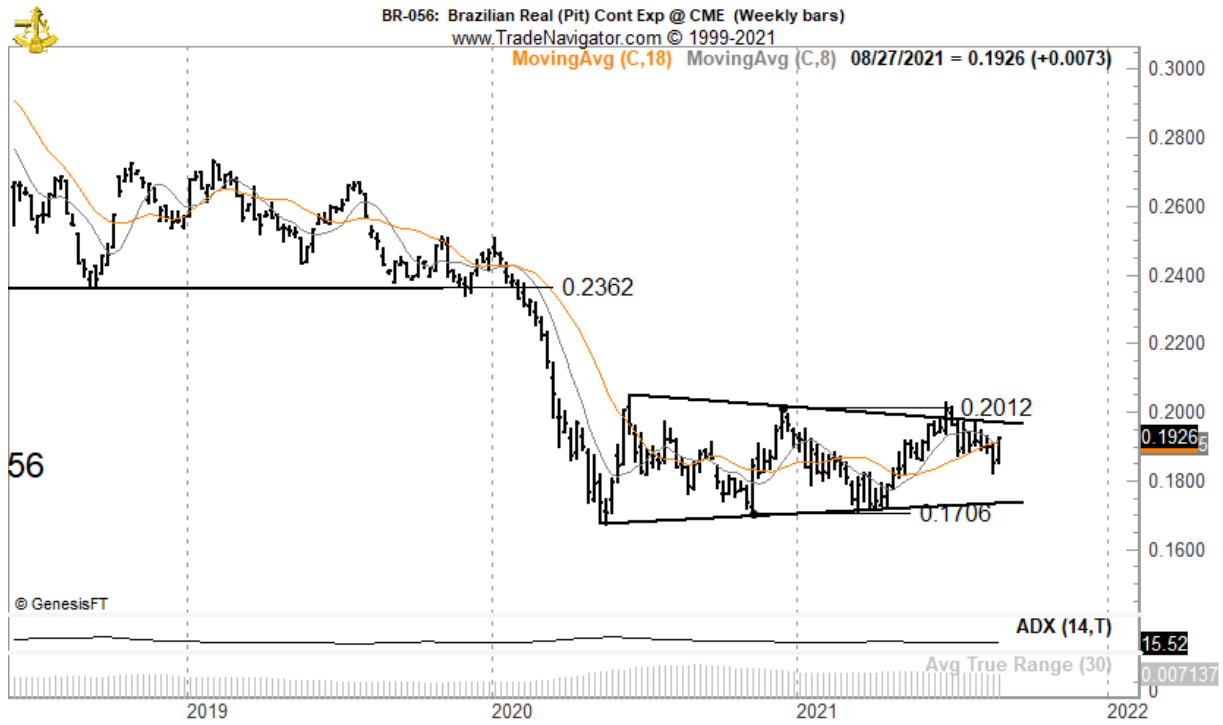
Russell 2000. The leadership in the U.S. stock market has been concentrated in tech stocks and large caps, yet this continuation rectangle in the Russell would offer a catch-up opportunity for small caps.



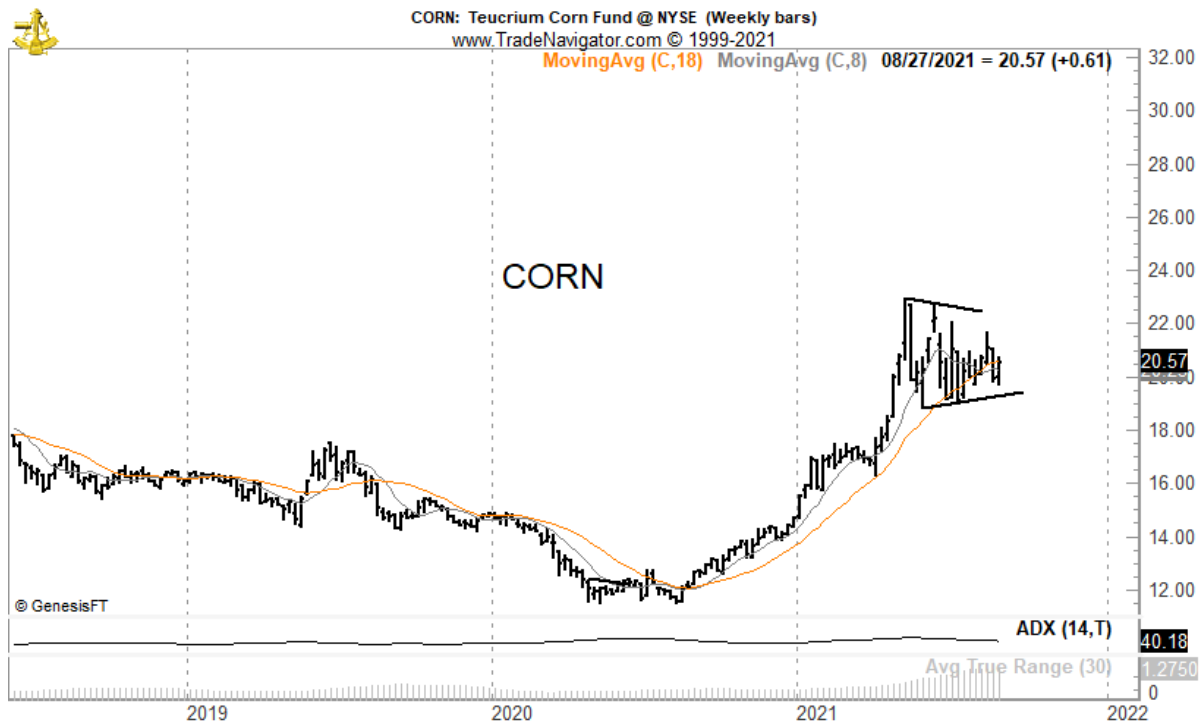
USD/TRY. While extremely thin, a compelling (and inconceivable) case can be made for shorting the USD against the Lira.



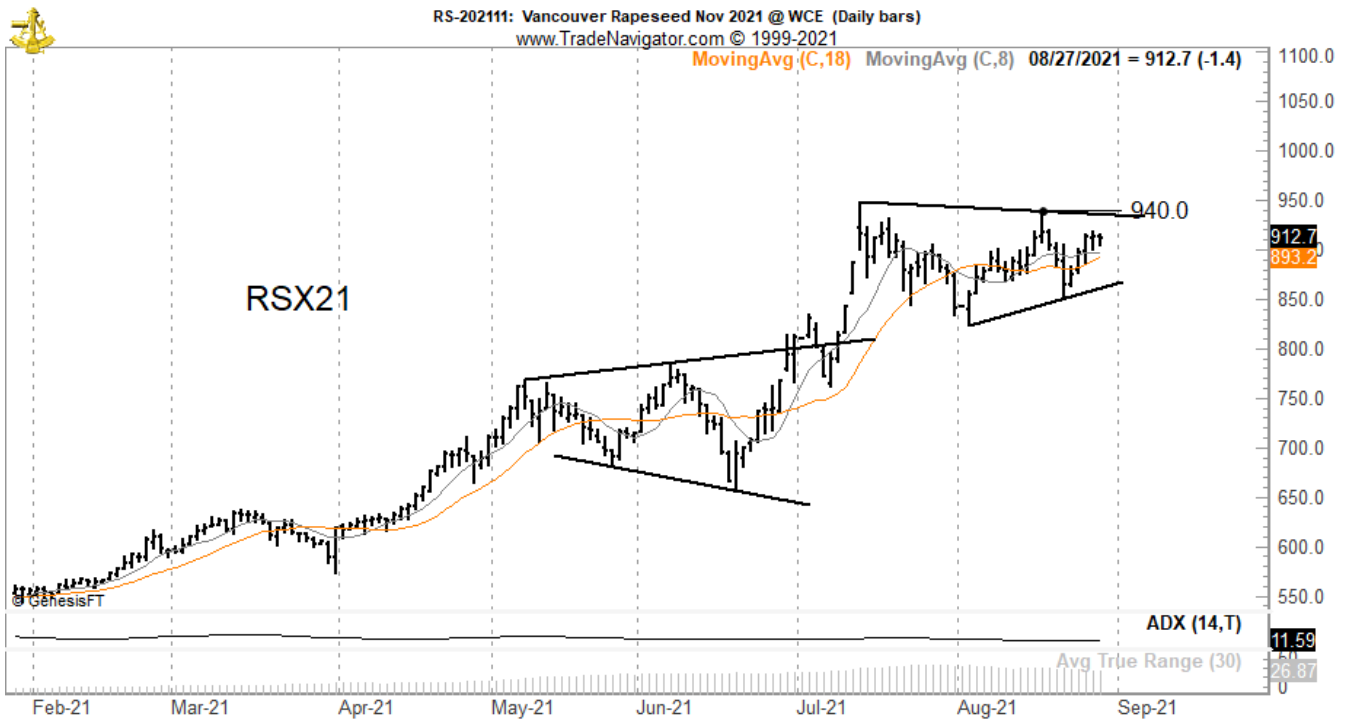
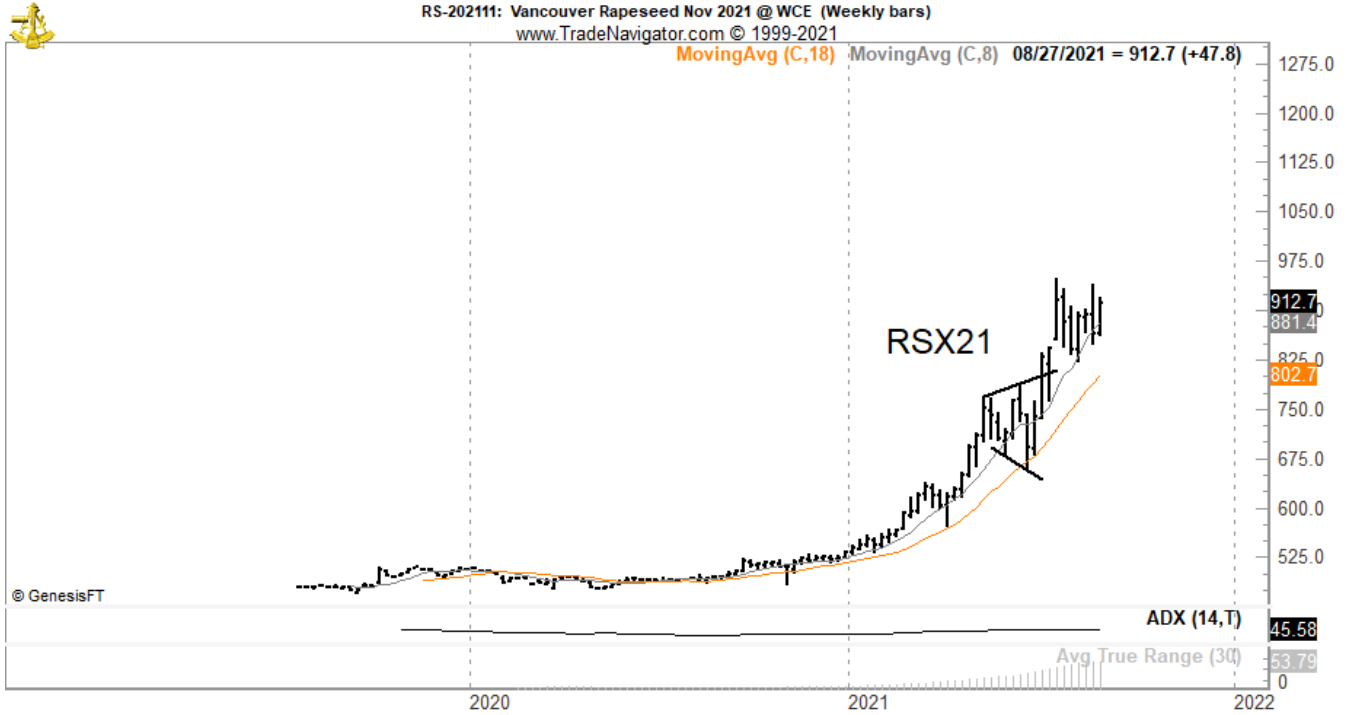
Brazilian Real. In addition to the Turkish Lira, the USD also looks vulnerable against the Real futures.



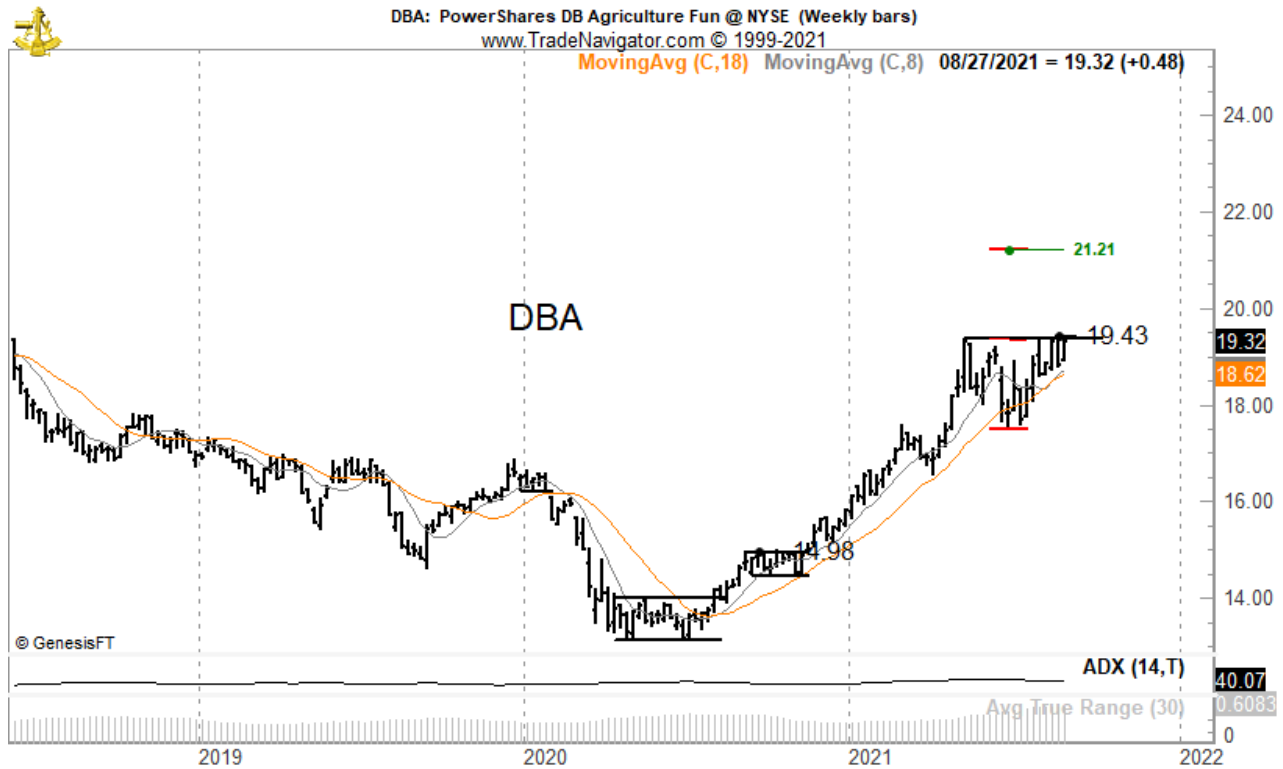
CORN. Futures trades can easily shake out overleveraged traders. The Corn ETF might be an alternative, especially for equity traders.



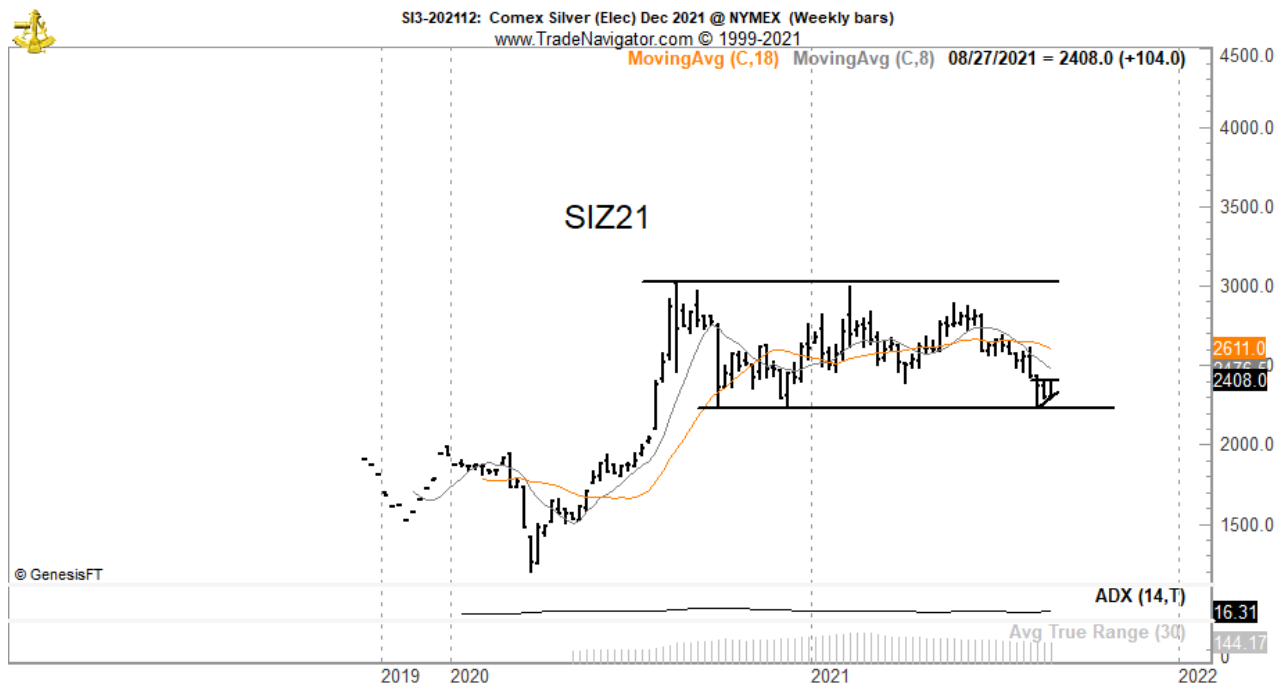
Canadian Rapeseed. This market is in a strong uptrend. A 7-week continuation pennant is forming.



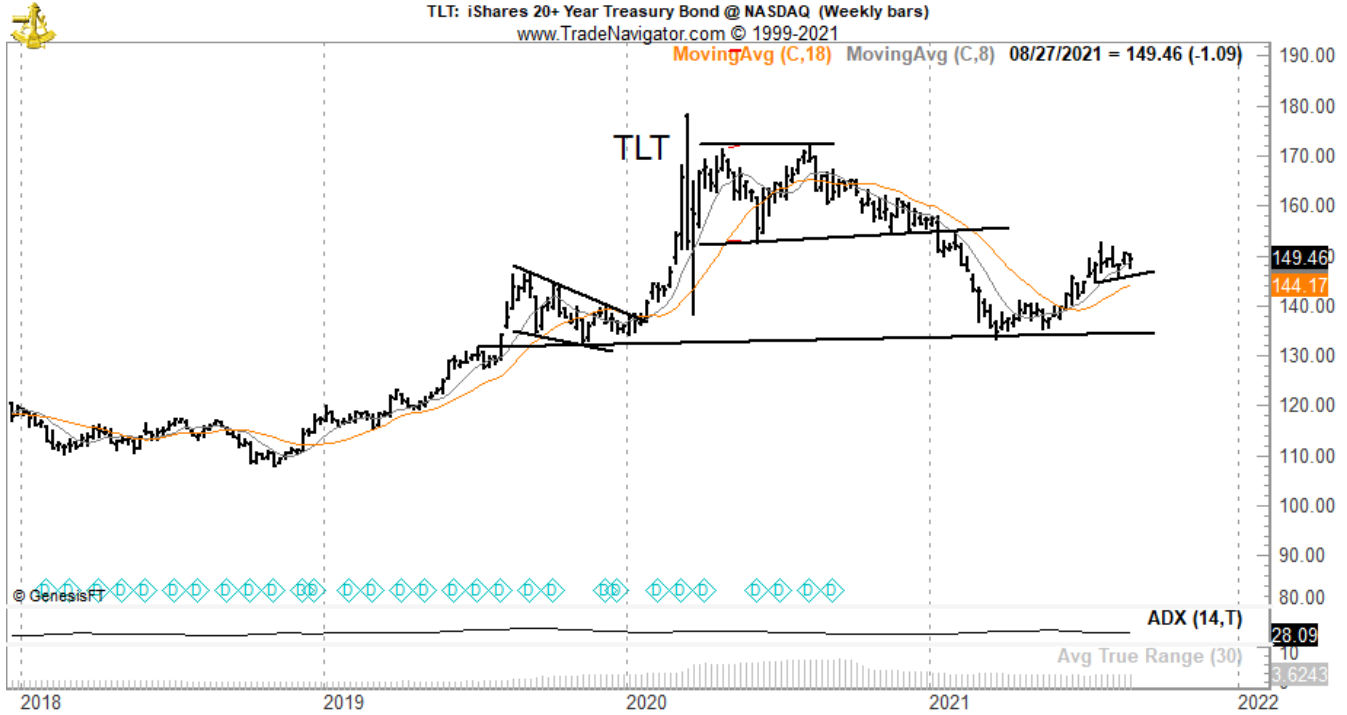
DBA. This is an agriculture ETF/ETN. This is a really strong chart and a trade I will take if a breakout occurs.



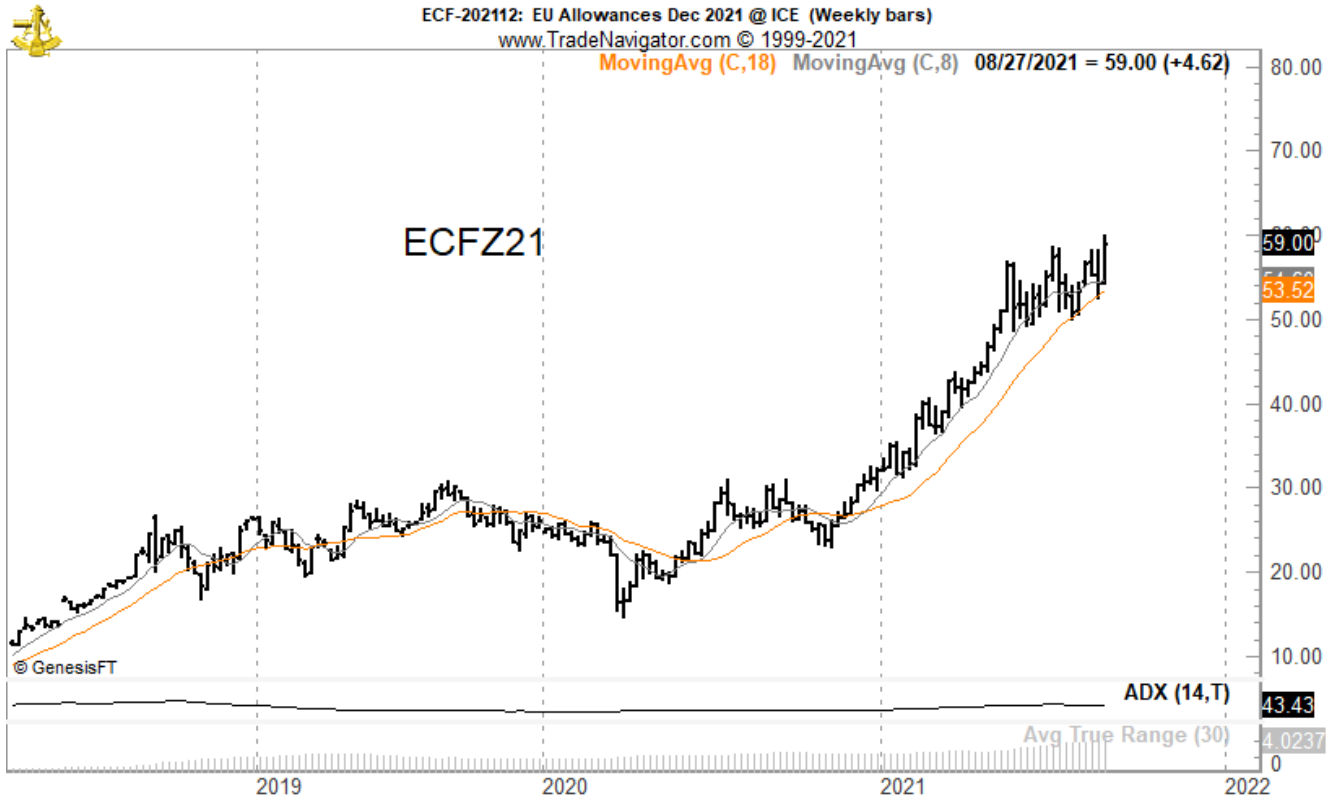
Dec. 2021 Silver. The weekly chart displays a 12-month rectangle. A small ascending triangle has been arguably completed on the daily chart (not shown).



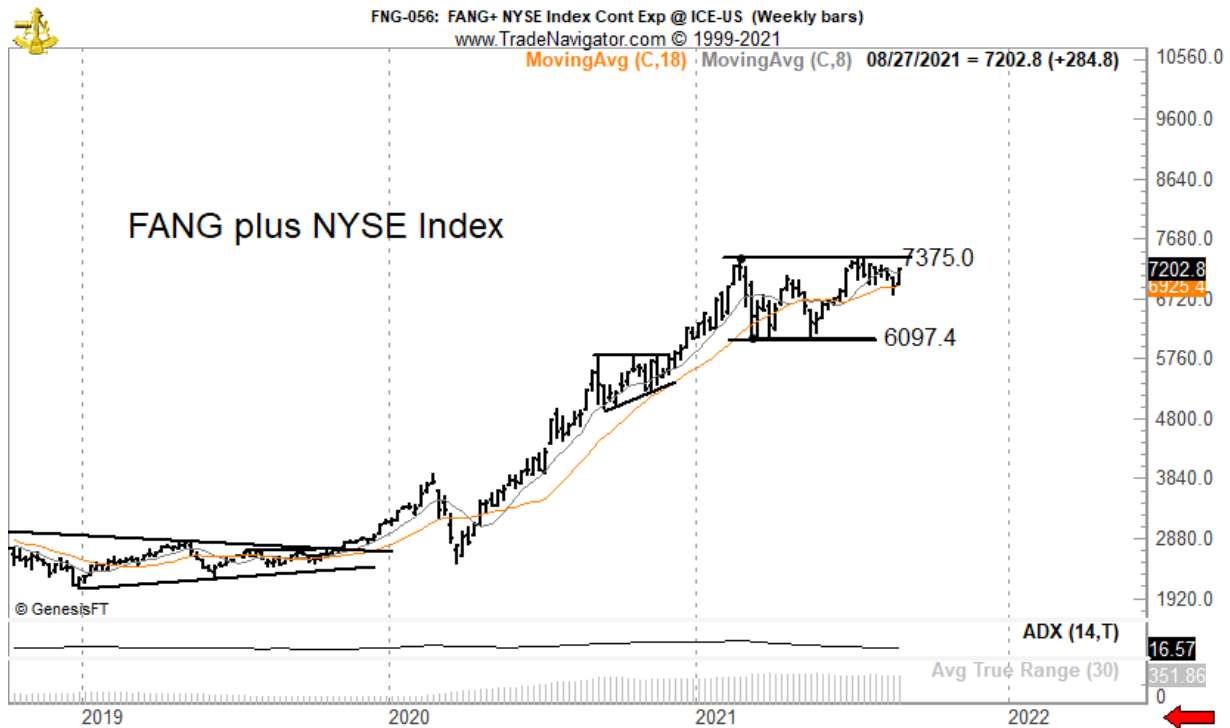
TLT. Someday perhaps interest rates will trend higher (prices lower). This is a chart to watch.



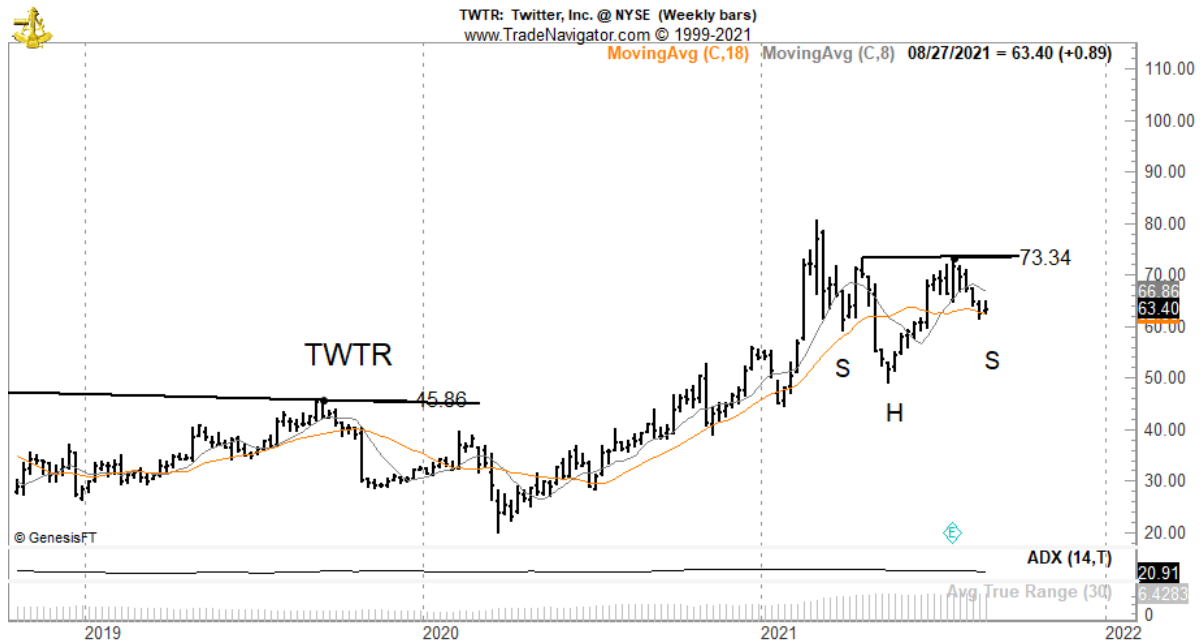
EU Carbon Offsets. Friday's strong close suggests that another strong upward price thrust might have started.



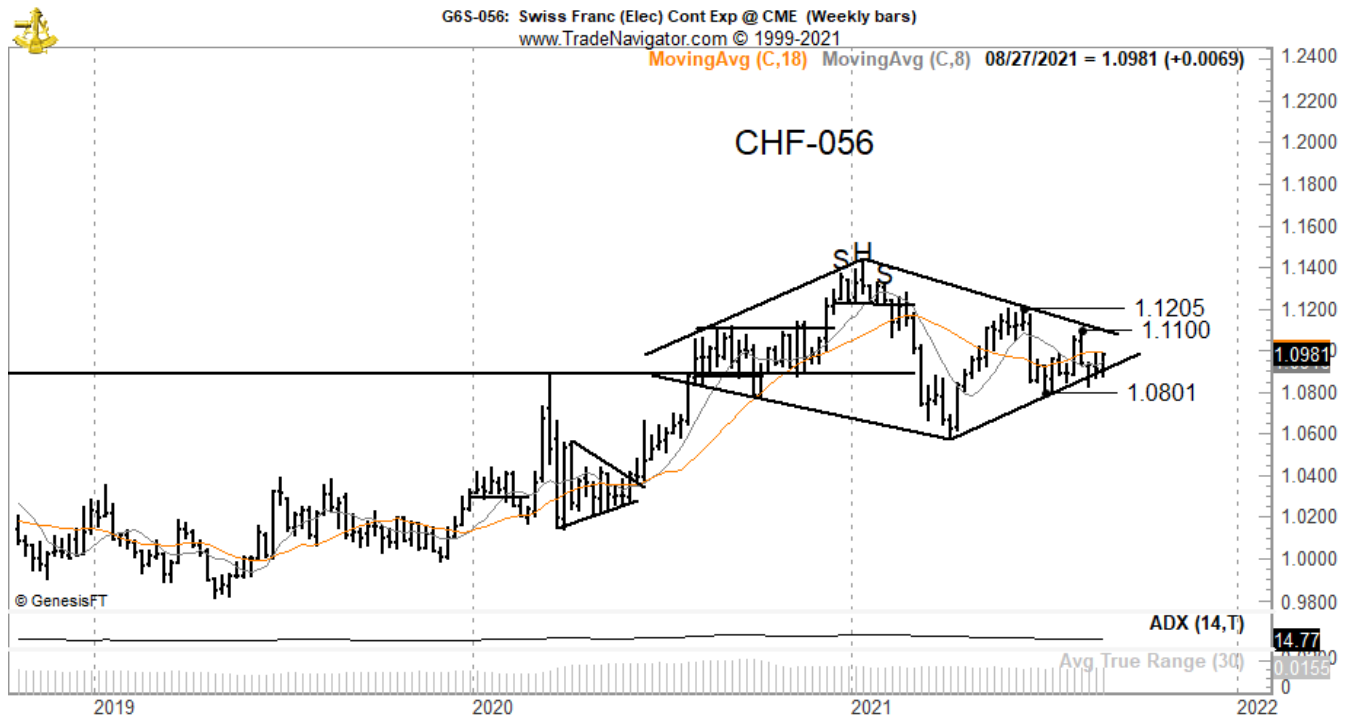
FANG plus NYSE. This chart appears to be forming a continuation rectangle (can also be interpreted as a complex Cup and Handle).



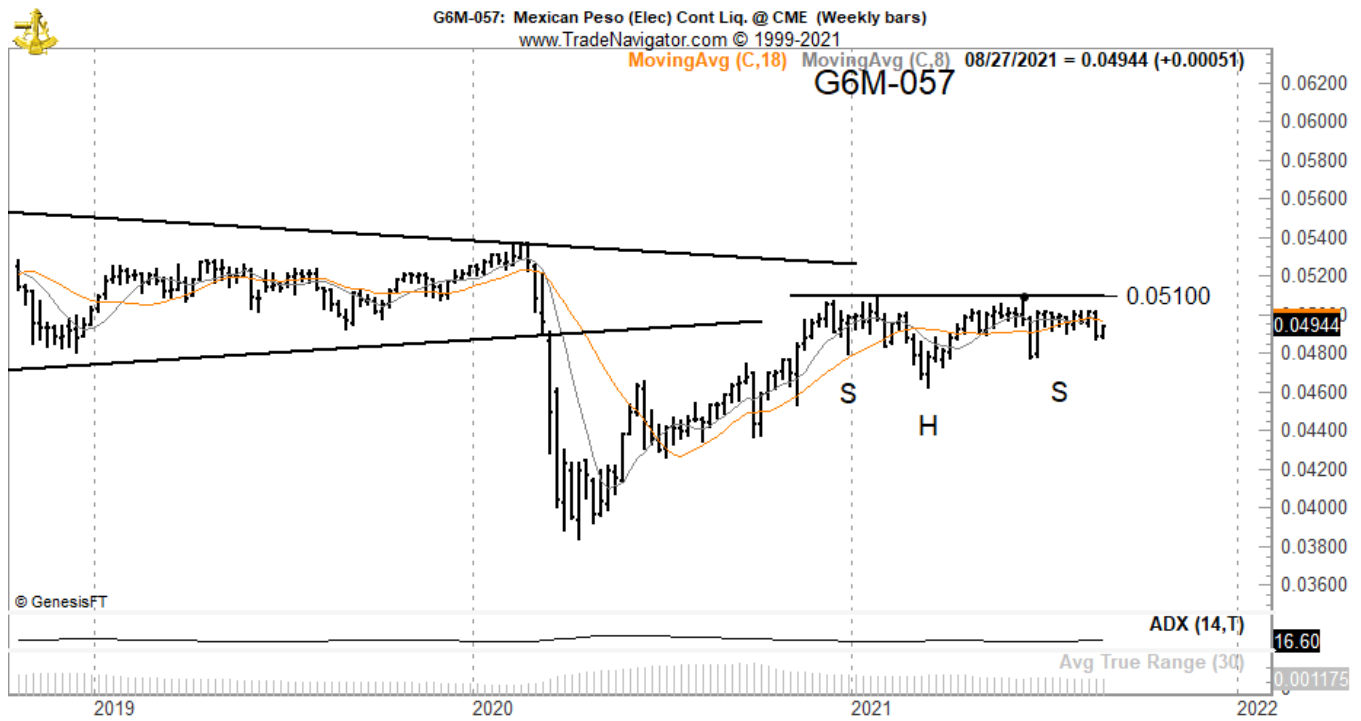
Twitter. A continuation inverse H&S is forming on the weekly graph.



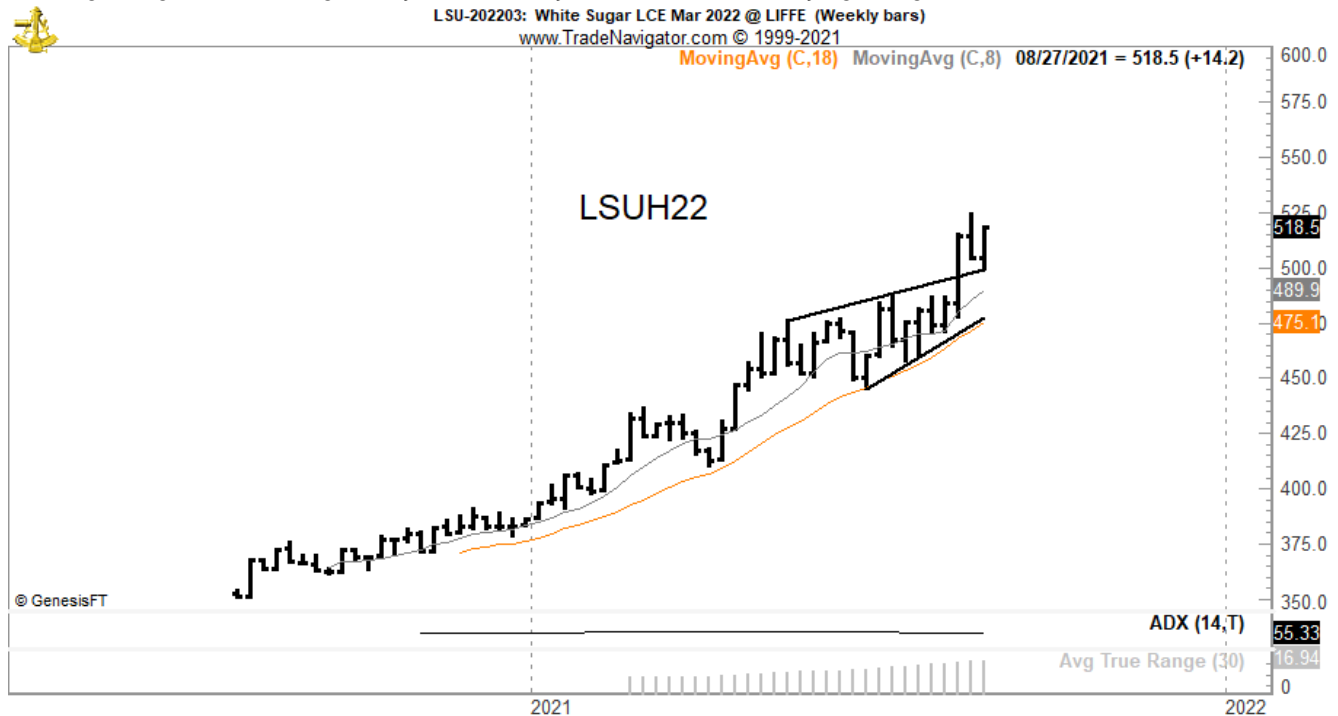
Swiss Franc futures. A 13-month rectangle is forming at the upper boundary of a multi-year rectangle.



Mexican Peso futures. An inverted continuation H&S is forming on the weekly graph.



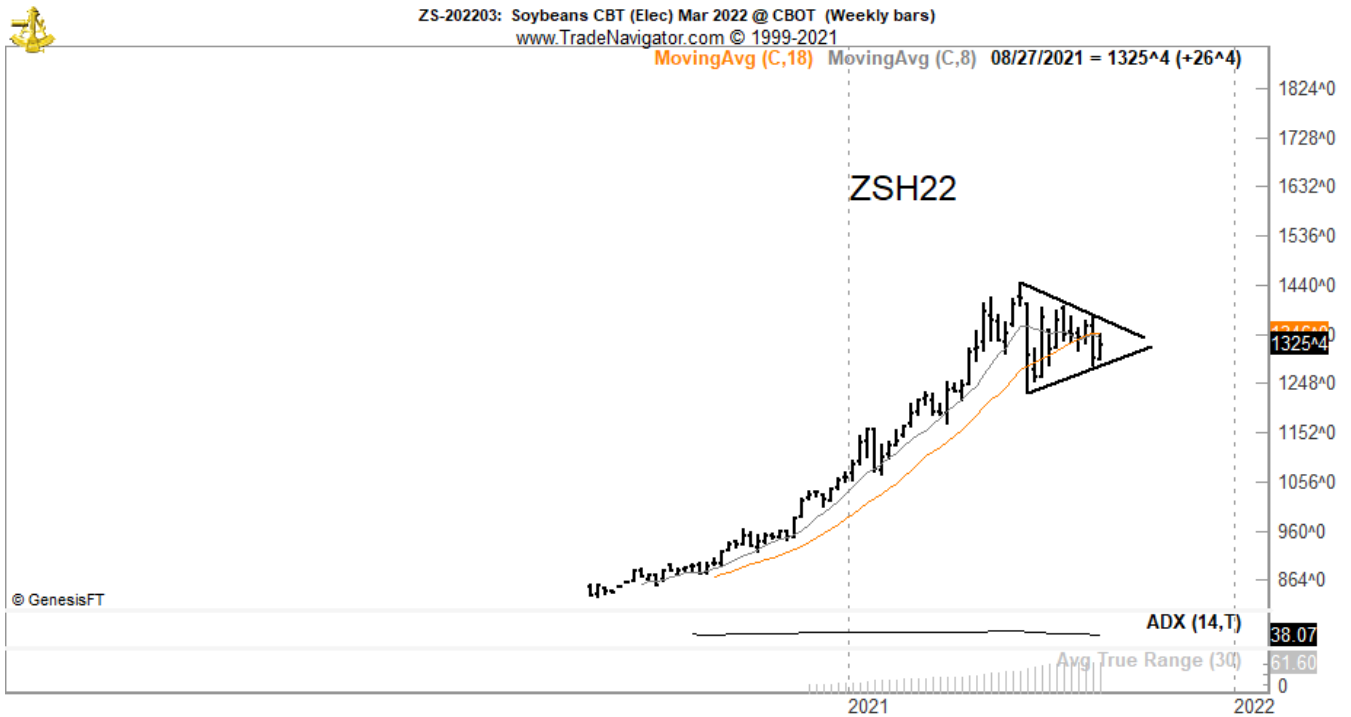
London Sugar. The weekly chart of the Mar 2022 contract has undergone a successful retest of the completed running wedge. I am willing to buy a secondary retest of the underlying wedge.



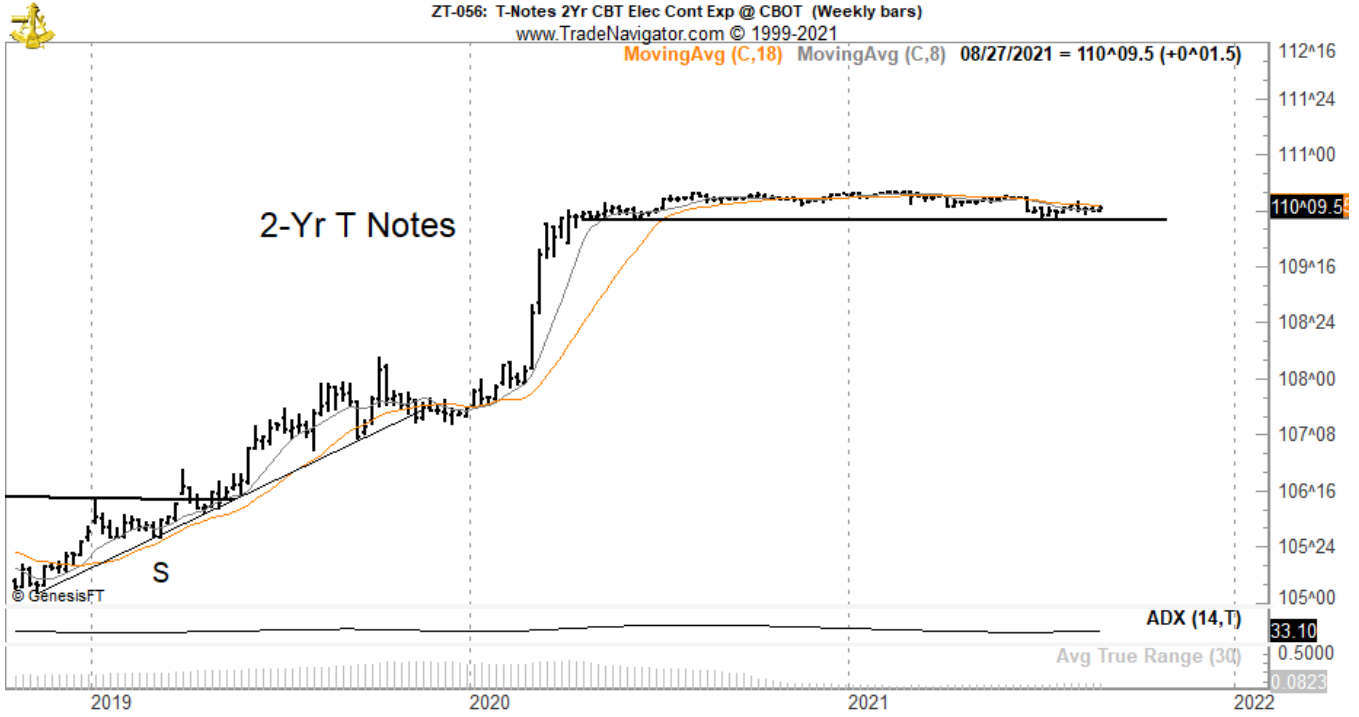
Soybean Oil. The chart of the Dec contract is worth watching.



Mar 2022 Soybeans. A chart worth monitoring.



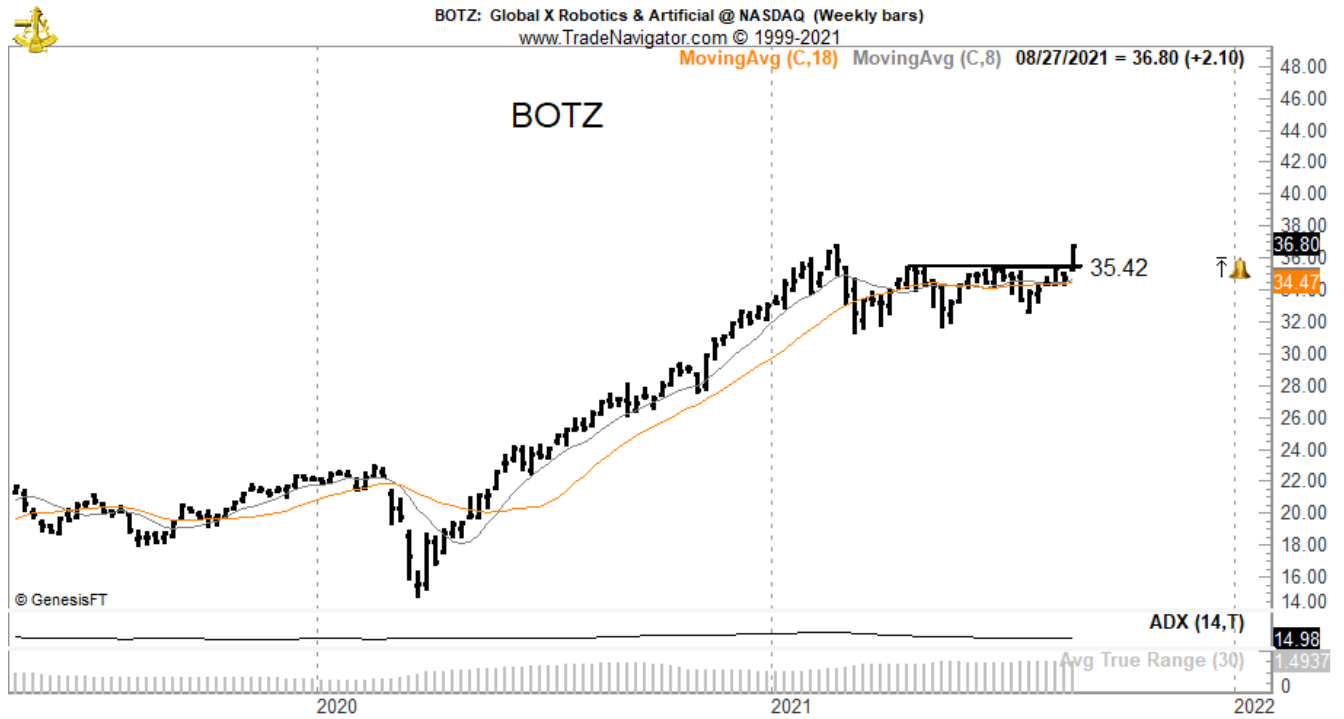
2-Yr Notes. If the Fed ever decides to truly give up the ship on its ZIRP, this could be one heck of a chart.



ARK. The construction of a possible inverse continuation H&S pattern continues.



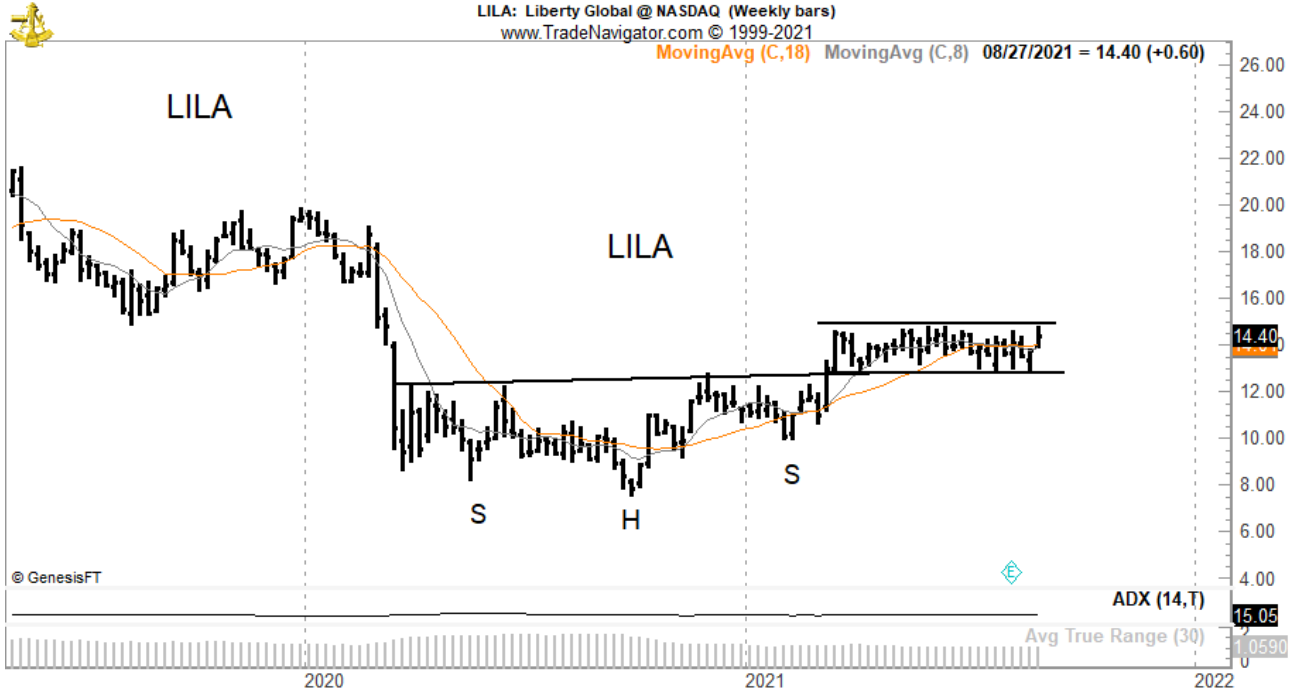
BOTZ. A continuation pattern was completed this past week in this stock. Corrections can be bought.



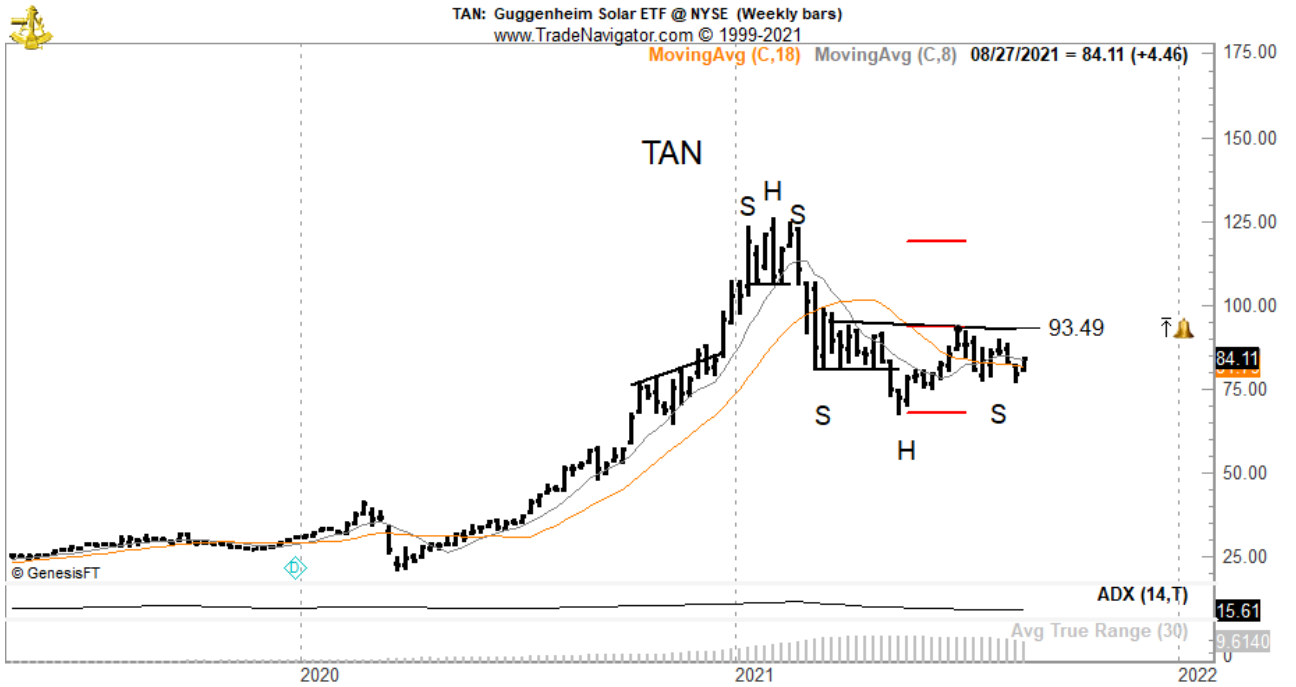
AVGO. This stock is quite close to completing a breakout.



LILA. A 6-month rectangle has formed as the retest of an underlying H&S bottom.



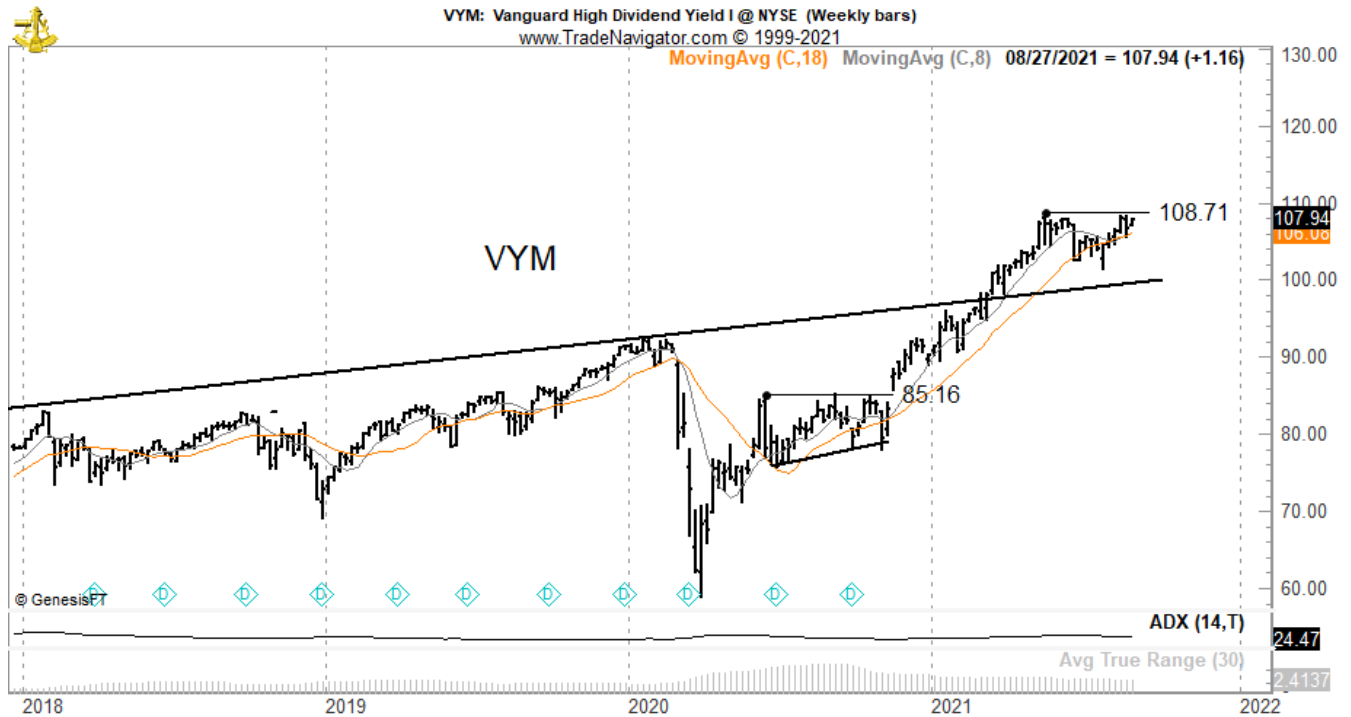
TAN. An inverse continuation H&S is forming.



XLI. This ETF is forming a possible 15-week continuation rounding pattern on the weekly chart.




VYM. The weekly chart of this high-dividend yield ETF is prepared for another strong upward thrust.




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Tracking sheet for the week of Aug 22 as of Friday, Aug 27

			Weekly position/symbol tracking - Prop ONLY	
W/O Aug 22				
Starting trade	Starting positions	Starting radar list	Symbols / orders added during week	Actions, End of week position
BTC	L 50%			S 50% Th 47349.08, flat
CADU21	S 50%	Canadian \$		B 25% M 7822, B 25% Tu 7911, flat
XLU	L 50%			S 50% F 68.49, flat
ZLZ21	S 100%	Bean Oil		B 35% M 5703. B 65% Tu 60.14, flat
		ARKK		Unable
		AVGO		Unable
		CLZ21		S 50% M 6415, B 50% M 6498, flat
		XLU		Unable
		GBP/JPY		Unable
			ZMZ21	Unable
			LEZ21	Cxld
			BBY	Unable

Tracking sheet for the week of Aug 30

 <p>THE FACTOR REPORT</p>			Weekly position/symbol tracking - Prop ONLY	
W/O Aug 29				
Starting trade	Starting positions	Starting radar list	Symbols / orders added during week	Actions, End of week position
None				
		N225Z21	Nikkei Dow	
		RTYZ21	Russell 2000	
		CORN (ETF)		
		RSX21	Canadian Rapeseed	
		DBA		
		G6M21	Mex Peso futures	
		LSUH22	London Sugar	
		ARKK		
		AVGO		
		TAN		

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