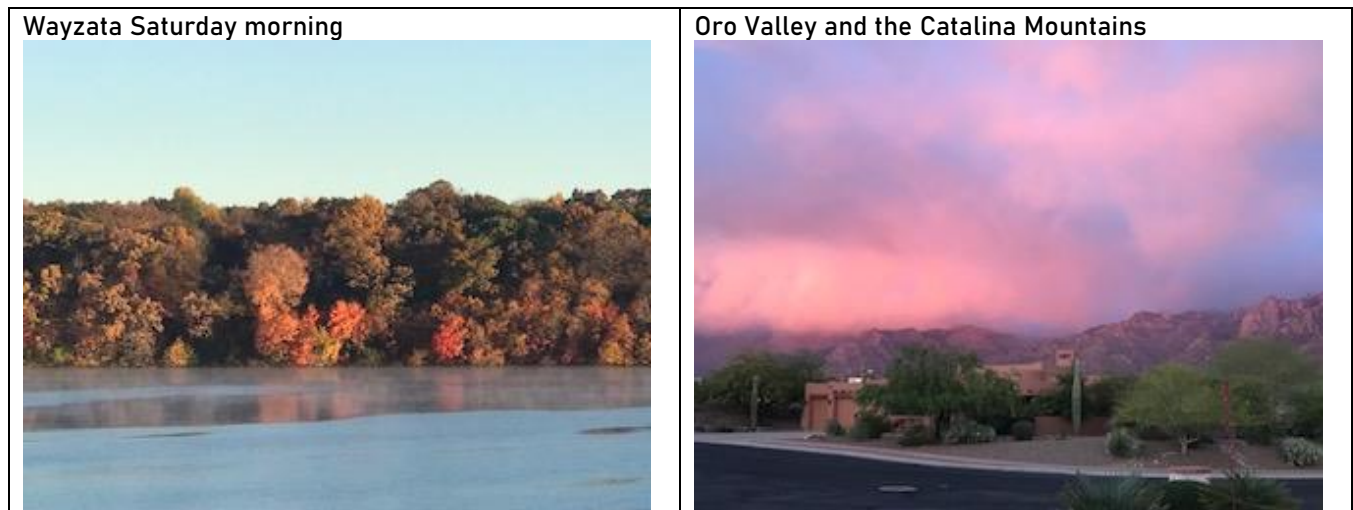




October 24, 2021

### Time for Seasonal Migration

My seasonal migration from the waters of Lake Minnetonka to the desert of Tucson will occur this week. The next update will be issued Nov 6/7.



### Opinion on Binance

This past week retail clients of BinanceUS were stopped out of long Bitcoin positions at robbery prices, filled at prices reported to be sub-\$10,000 per BTC. I know of Factor Members who received fills as low as \$38,000. BinanceUS claimed it was a glitch in their platform and blamed an algorithm (huh?)

Crypto trading is the wild west and exchanges are all but unregulated. Crypto is legally a caveat emptor world. Unfortunately, the crypto world contains unethical operators and exchanges who hide like cockroaches behind the lack of regulation and claimed computer glitches.

Traders need to understand the risks involved in all aspects of market speculation, especially in unregulated markets. Unethical behavior will always exist in speculative markets (no matter how much regulation is present). Yet, at a minimum I believe crypto exchanges should be bound by certain regulatory guidelines in those instances when its customers receive sell/buy stop-order fill prices beyond a certain percentage of the lows/highs of the average of five or so other exchanges. In these cases, an exchange should have the burden of providing certain transparent data:

1. Exchange must release a full time & sale log indicating time/volume/price
2. Exchange must prove that it did not take the other side of the customers trades
3. Exchange must report its daily lows/highs to reflect actual trades

I have been victim of abuse by crypto exchanges as well as by regulated futures exchanges. Once I had a Comex Silver stop filled \$2 below the trades made prior and after a cluster of fills that included my order. No fun.

## Trading Commentary

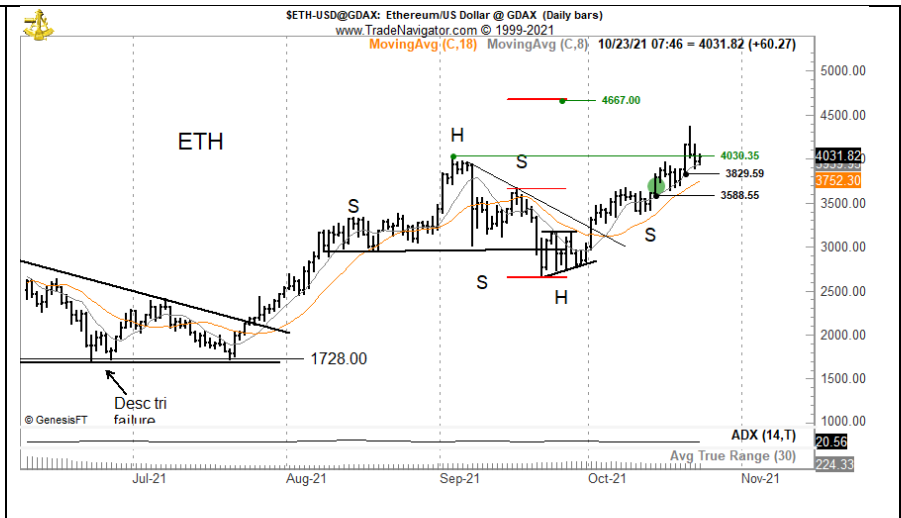
A year ago, all of my trades were managed with active and aggressive trade management practices. In the past year (especially recent months) I have transitioned to more loosely managing half of each trade with a focus on weekly chart patterns. This has been a learning process. While most of the ramifications of changes to trading practices can be anticipated, there will always be some surprises. I knew in advance that a simple transition of rules from daily bars to weekly bars would provide some wrinkles. This has been the case.

Here are some of the nuances I working through:

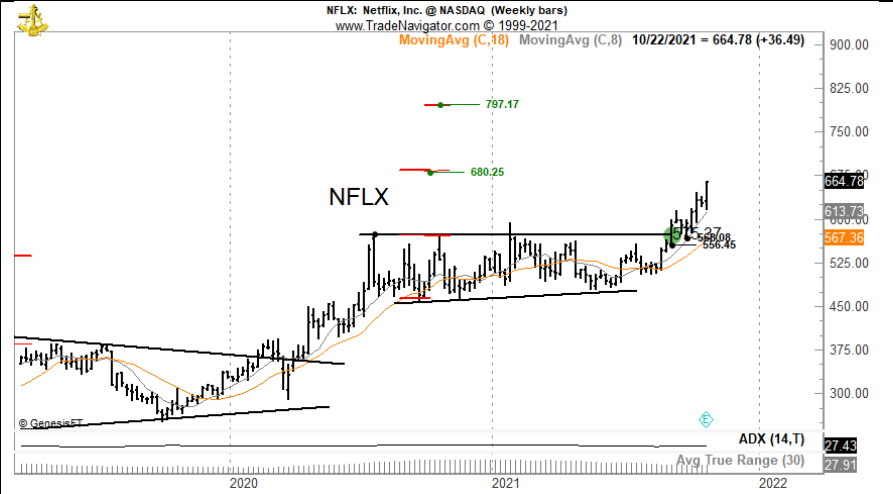
- Giving an “in-the-money” trade more wiggle room is very acceptable to me and is a matter of applying daily chart rules to weekly chart bars. Giving losing trades more wiggle room is an area I am working through. Eventually I will work out the translation of rules dealing with daily bars to weekly bars. Losing trades are abhorrent to me. So, the handling of losing trades within a framework of holding trades longer remains a work in progress.
- Taking profits at targets is my policy for the half of each position managed by daily charts. I am presently a bit double-minded on whether to take profits on the longer-term tranches or to let profits run through the targets. Again, this is a work in progress.
- When I enter only a 50% position, I am faced with the alternatives of splitting the trade 25%/25% or managing the trade as either a daily or weekly chart position. This is a work in progress. The decision to only take a 50% position is based on subjective factors. I have the raw data to determine the performance of full vs. partial positions. Maybe someday I will tackle this.

## Beginning Trades and New Trades During the Week

**ETH.** Long 50%, having stopped 50% when the market experienced a reversal on Thursday, then declined on Friday below Thursday's low and the Sep high. It may prove that Wednesday's low was a safer risk level, but the market had reached 70% to the 4667 target so was in a more defensive mood. The charts remain long-term bullish. The weekly chart presents the possibility of a massive Cup and Handle.



**NFLX.** I am long 50%.



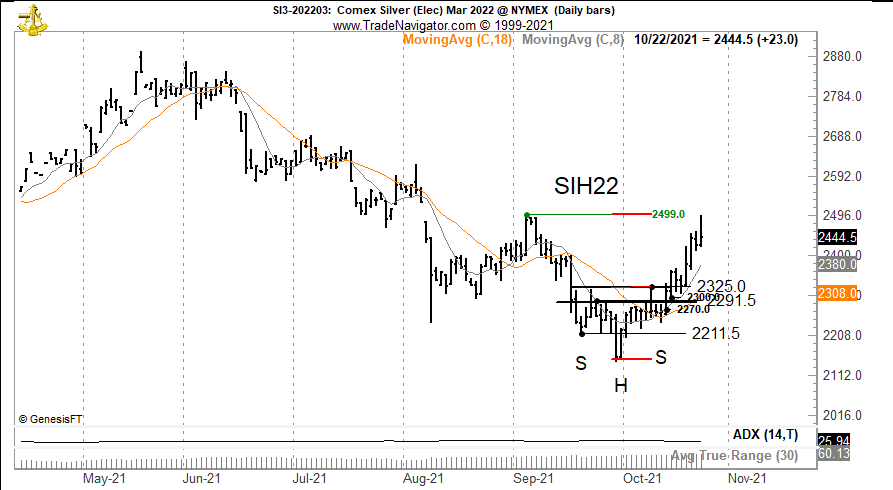
**GEZ24.** I covered 50% of my remaining short position this past week and remain short 25%.



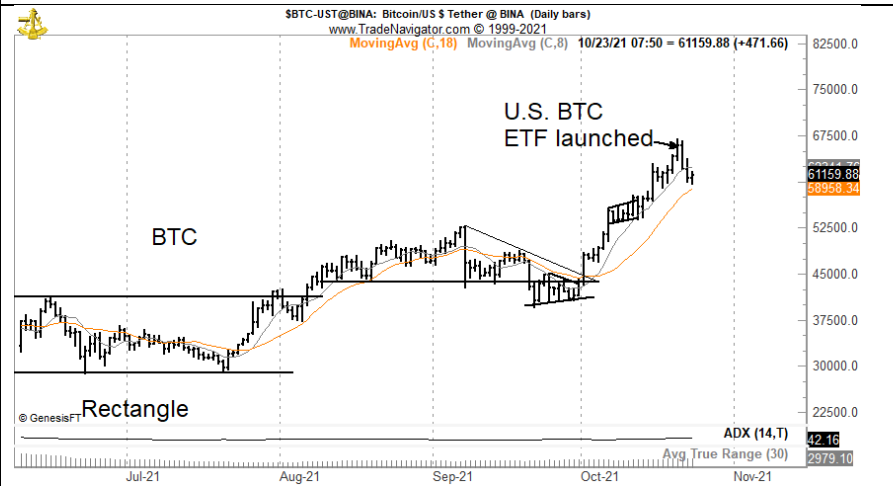
**DBC.** I am long 50%, having covered half my position this past week based on the 3-day trailing stop rule.



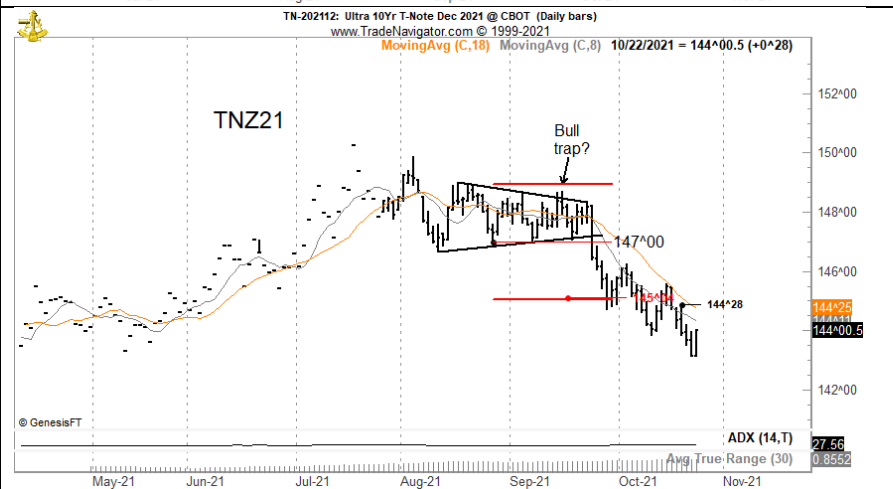
**Silver.** I remain long 50%, having covered half of my trade at the initial target of the Sep high on Friday. I will re-buy if the 18 DMA is retested. There is a chance the Sep low will remain the low for a very long time.



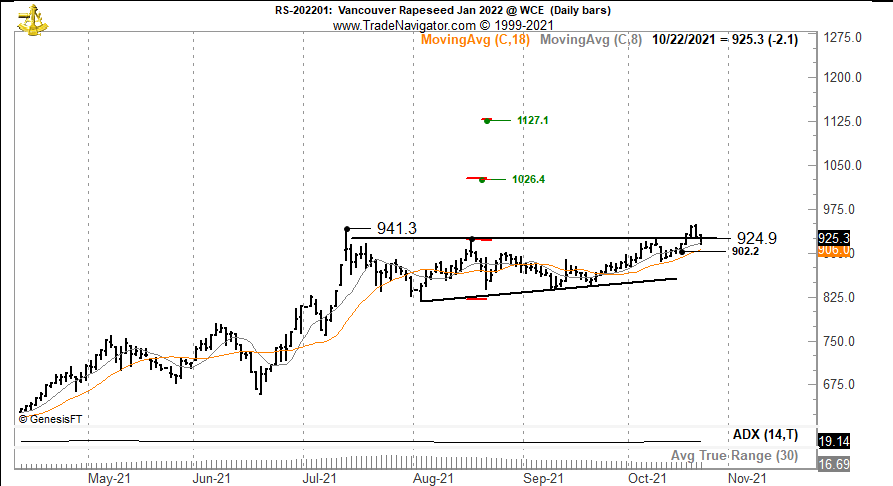
**Bitcoin.** All charts have been met in BTC. A 3DTSR was triggered on Friday. I am now FLAT. The major trend remains up on the monthly, weekly and daily charts. I expect BTC to remain the lead sled dog.



**10-Yr T Notes.** I remain 50% short.



**Rapeseed/Canola.** The breakout on Tuesday was quickly halted, followed by a hard retest on Friday. I covered half of a new long position based on my rule not to carry a losing trade home on Friday.



**China A50 futures.** I remain long a 50% position.



**LIT.** The advance on Monday completed a 11-week rectangle contained within a tight range. I love these patterns – although they have their fair share of false starts and failures. I went long 100%, but covered half on Friday based on the “weekend-loss” rule. I will take a look at re-establishing a full position next week.



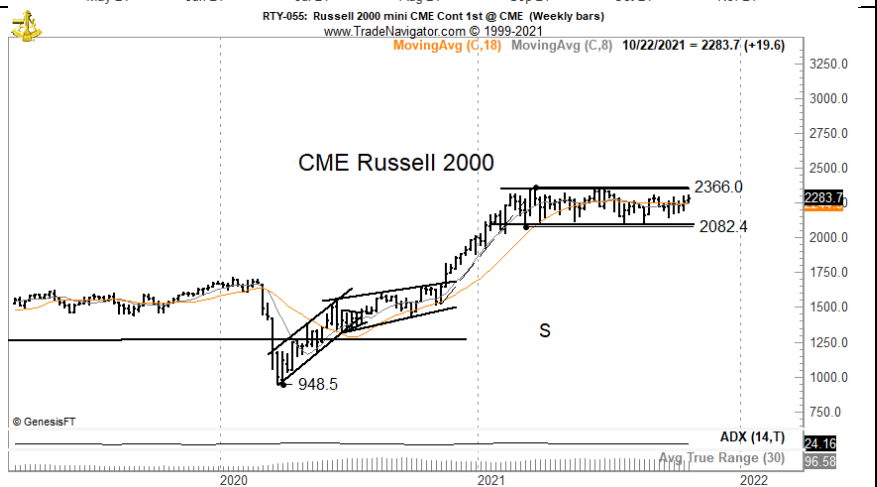
Charts not shown: None

**Markets/symbols to be monitored next week**

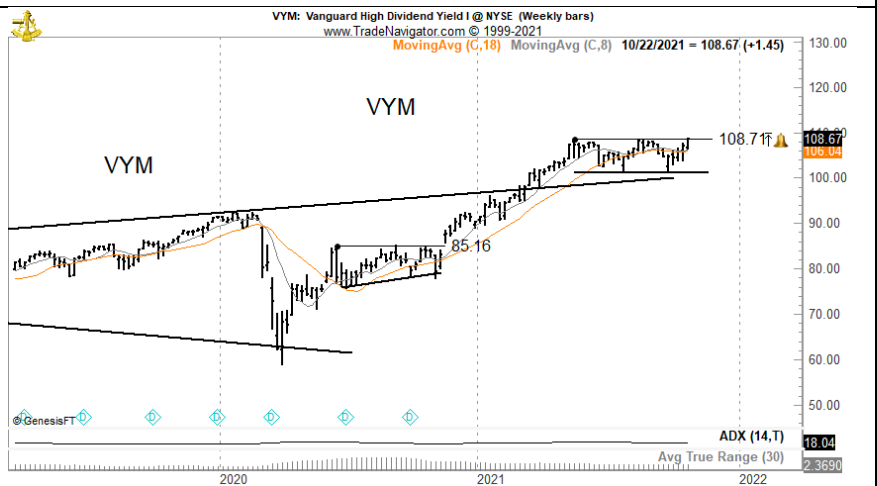
**Kansas City Wheat.** The advance this past week completed a possible running wedge



**Russell.** The market has been forming a rectangle for most of 2021.




**VYM.**




For others, see attached table

**Tracking sheet for the week of Oct 17 ending Oct 22**

			Weekly position/symbol tracking - Prop ONLY		
W/O Oct 17					
Beginning Trades	Beginning Positions	Starting radar list for New Initial Positions	Symbols / orders added during week	Actions, End of week position	BP +/-
	L 50%			S 50% F 61508.50, flat	244
	L 50%		China A50	Hold	
	L 50%		ETF	Hold	
	L 100%		Ethereum	S 50% F 3973.2, long 50%	34
	S 50%		Euro\$ futures	B 25% Th 98.23, short 25%	37
	L 50%			Hold	
	L 50%			Hold	
	S 50%			Hold	
		AMAT		Unable	
		DBA	U.S. ETF	Unable	
		EWQ	France ETF	Unable	
		LSUZ21	London Sugar	Cxld	
		RSF21	Canadian Canola	B 100% W 931.1, S 50% F 922.7, long 50%	-13
		RTYZ21 or ESZ21	Russell futures	Unable	
		SIH22		B 50% M 23.12, S 50% F 24.89, long 50% (above)	106
			LIT	B 100% Tu 88.41, S 50% F 87.83, long 50%	-5
			CME	Unable	
			VYM	Unable	
					403

Tracking sheet for the week of Oct 24

		Weekly position/symbol tracking - Prop ONLY			
W/O Oct 24					
Beginning Trades	Beginning Positions	Starting radar list for New Initial Positions	Symbols / orders added during week	Actions, End of week position	BP +/-
CNZ21	L 50%		China A50		
DBC	L 50%		ETF		
ETH	L 50%		Ethereum		
GEZ24	S 25%		Euro\$ futures		
LIT	L 50%				
NFLX	L 50%				
RSF21	L 50%				
SIH22	L 50%				
TNZ21	S 50%				
		AMAT			
		CME			
		DBA	U.S. ETF		
		ETH			
		EWQ	France ETF		
		RSF21	Canadian Canola		
		RTYZ21	Russell futures		
		VYM			
					0

plb

end