



February 12, 2022

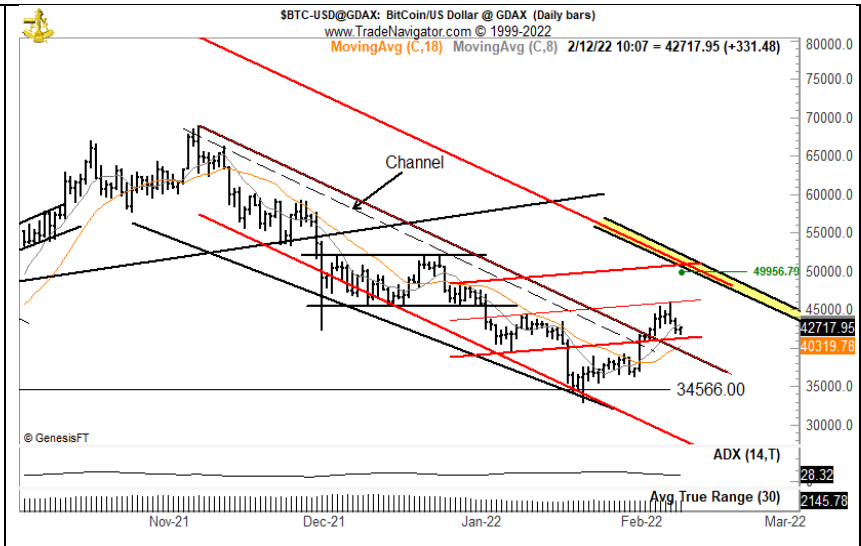
Markets of interest

It is no fun when some really good trades (interest rate markets, grains) must cover the losses of other trades, but that is how it works. Periodically I have a week when all cylinders are firing, but that is the exception. I am almost completely unexcited about markets as of Friday.

Note about Gold: One of the huge benefits of futures trading is that most of the nominal value of an account remains in cash – so the treasury function of a prop firm becomes extremely flexible. For example, as of Friday's close only 6.2% of Factor LLC's nominal account balance was needed to meet the margin requirements of the portfolio. Depending upon how Gold breaks out to the upside (if it does breakout), I may choose to buy spot Gold via the PAX Gold instrument offered by Paxos. This asset can be converted to physical Gold in London, so Pax Gold is more than a proxy instrument.

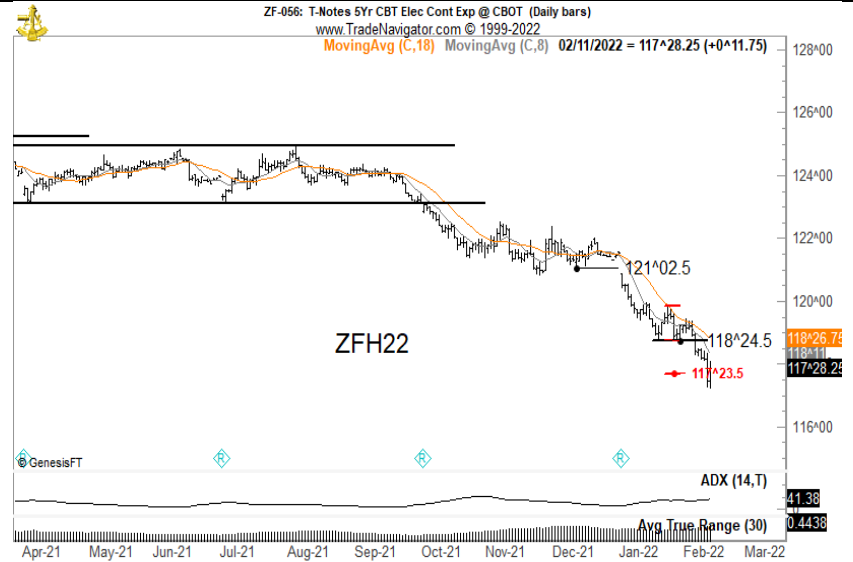
Bitcoin. Long 25%. I exited 25% based on the Weekend-Loss Rule. The daily chart has completed a channel (log scale). This is not so much a bullish pattern as it is the cessation of the bear trend. The market is currently stalling at resistance around 45,000. Should the market push through this resistance I would expect more selling in the high 40s (at the upper parallel red line). The daily chart could be forming a possible inverted H&S bottom.

Patterns: Possible ascending triangle on weekly chart; channel on daily chart.



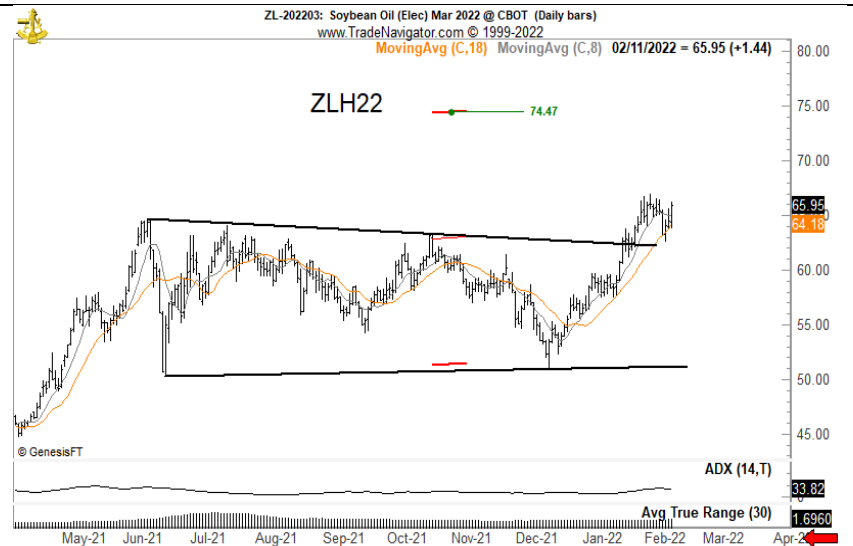
5-Yr T Notes: Short 50. Covered 50% on Friday. I will re-short a rally back to the 18 DMA.

Pattern: Strong trend, continuation pennant on daily graph



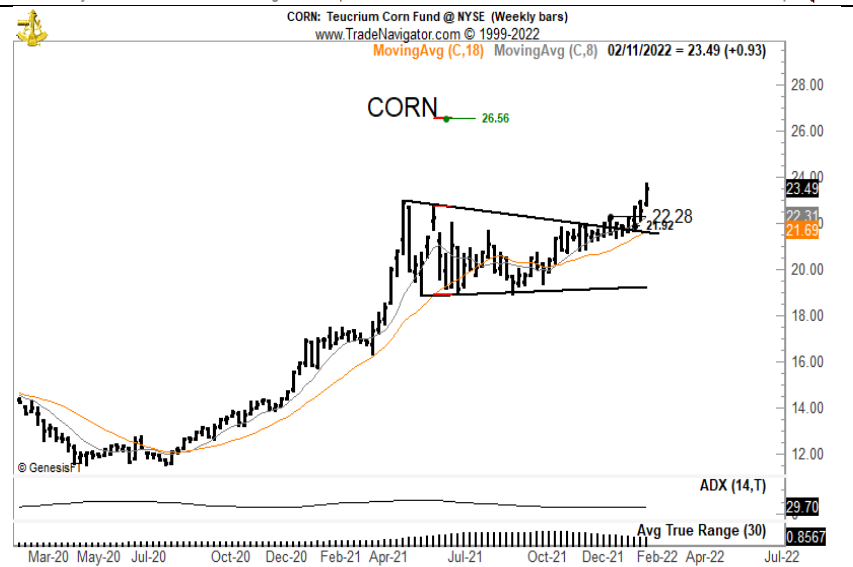
Soybean Oil: Long 50%. Stopped out of 50% on Wednesday. I would like to regain that stopped-out portion of the trade if a correction occurs next week.

Pattern: Symmetrical triangle on weekly chart



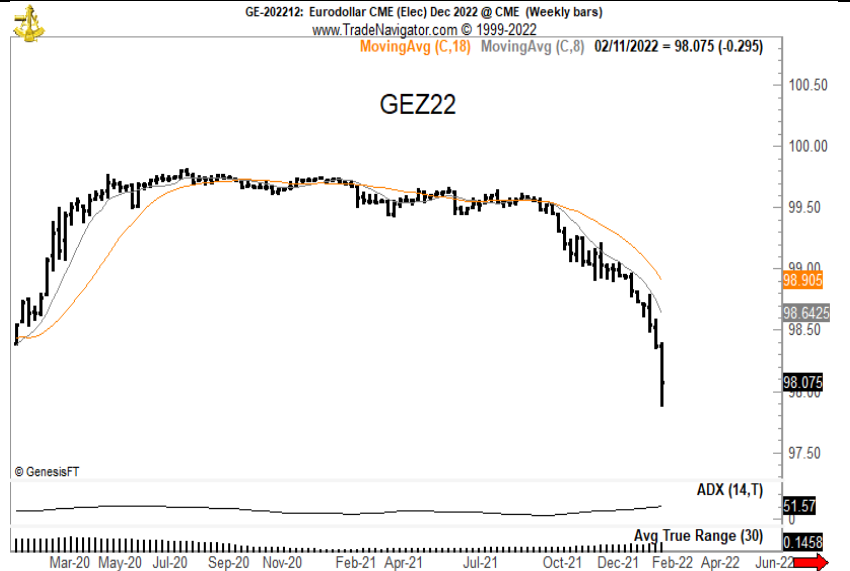
CORN (ETF): Long 100%.

Pattern: Symmetrical triangle on weekly chart



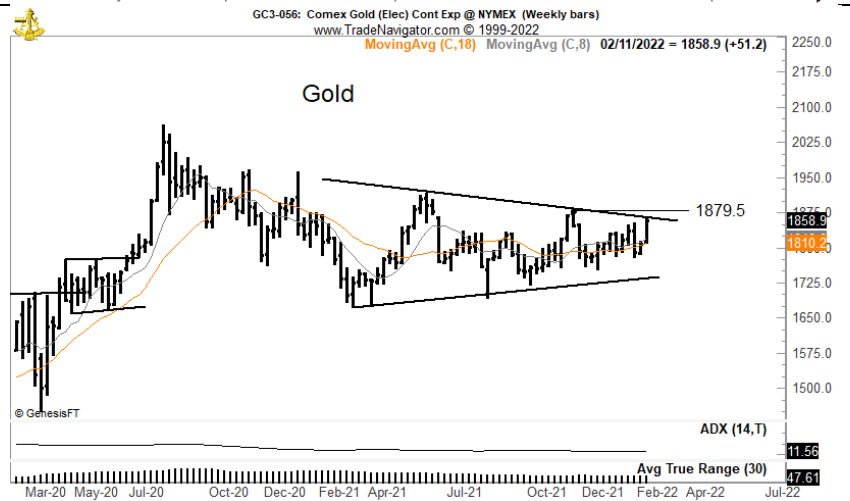
Dec 2022 Eurodollars. Short 50%. The downside has been overdone and a bounce should begin next week. I am not sure how high a bounce could go – if a bounce happens.

Pattern: None in Dec 22 contract. This was a case of just trying to hop aboard a moving train



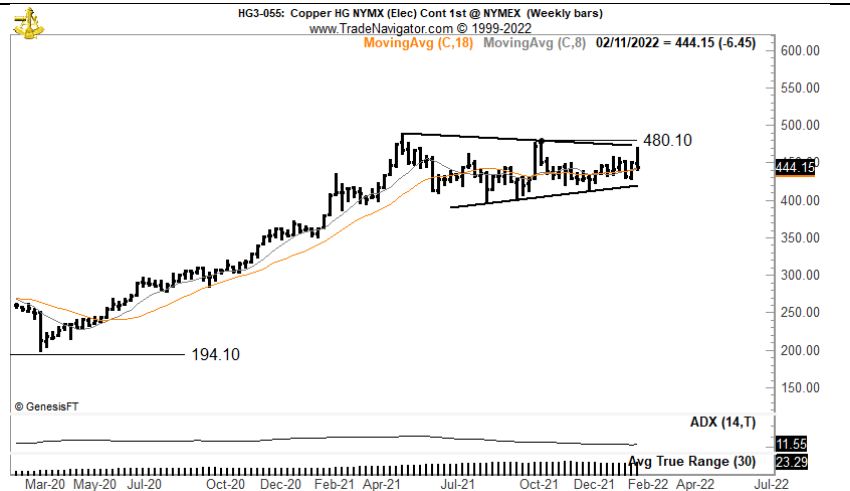
Gold. Flat. The rally Friday challenged the upper boundary of the symmetrical triangle. The Nov high is my breakout level.

Patterns: Possible Cup and Handle on the monthly graph and symmetrical triangle on the daily chart

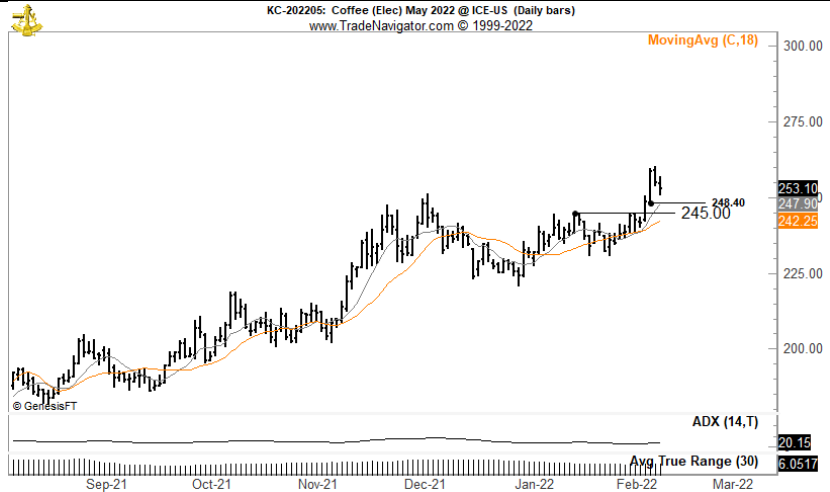


Copper. Flat. I have no interest in trading this market as long as it chops within the boundaries of the ongoing triangle.

Pattern: Symmetrical triangle on weekly chart

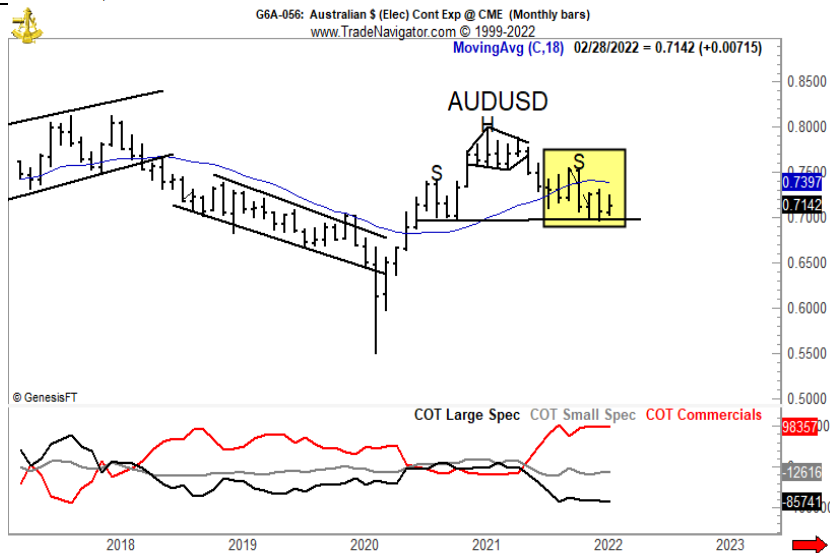


NY Coffee. Long 50%. The rally on Wednesday completed a symmetrical triangle on the weekly chart.



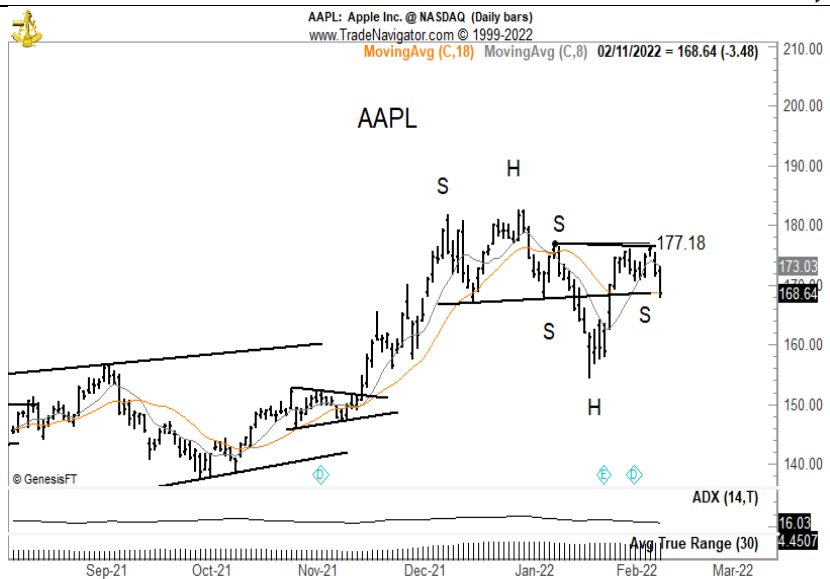
Australian Dollars. Flat. I continue to note the arguable H&S top forming in the Aussie \$. It can be correctly argued that the historic Commercial long and Spec short COT profile is constructive. Yet, note that Sep 2018 – Mar 2020 decline occurred with large Commercial long positioning.

Pattern: H&S top on weekly and monthly graphs.



Apple. Flat.

Pattern: The possible interlocking Head and Shoulders on daily chart will no longer be valid should the decline continue.

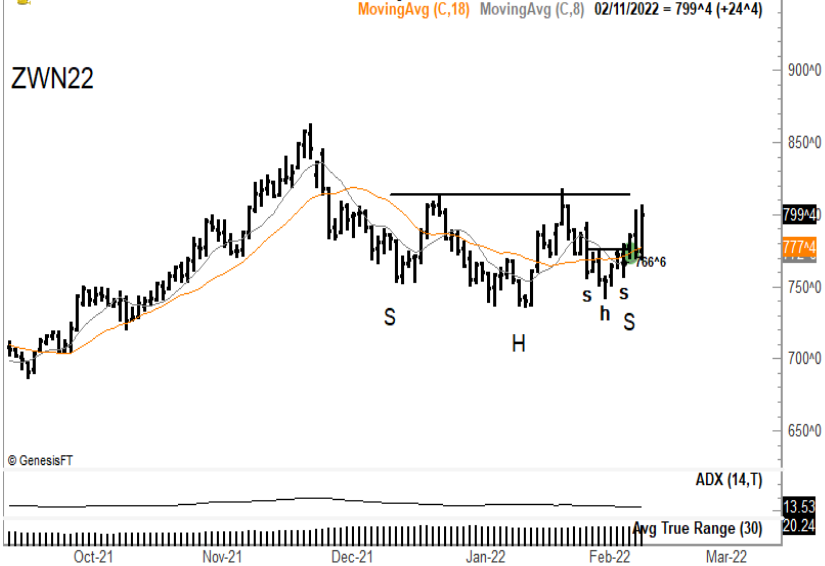


Chicago Wheat. Long 100%. The extreme long-term trend is up (see below). The nature of the right shoulder of the unfolding inverted H&S on the daily chart of the Jul contract allowed me to enter an anticipatory position. A completion of the H&S should allow me to pyramid.

Pattern: Possible right shoulder low of an 11-week inverted H&S



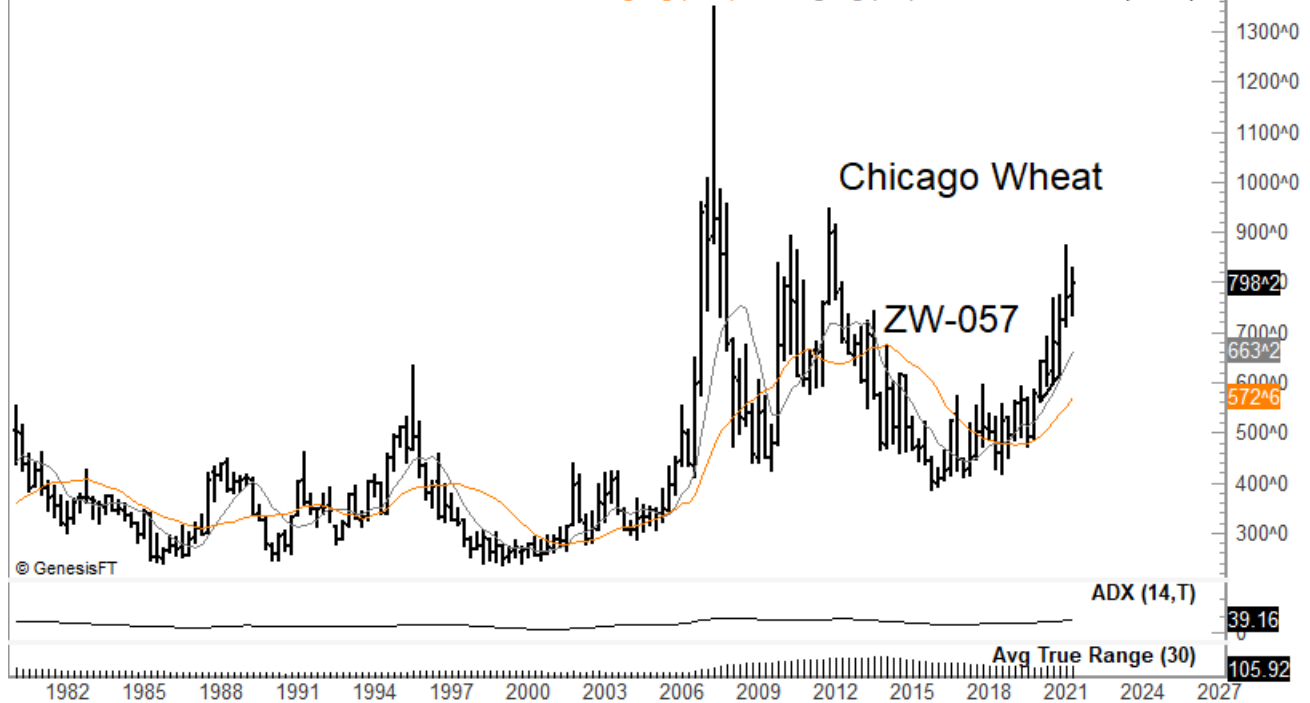
ZW-202207: Wheat CBT (Elec) Jul 2022 @ CBOT (Daily bars)
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ZW-057: Wheat CBT (Elec) Cont Liq @ CBOT (Quarterly bars)

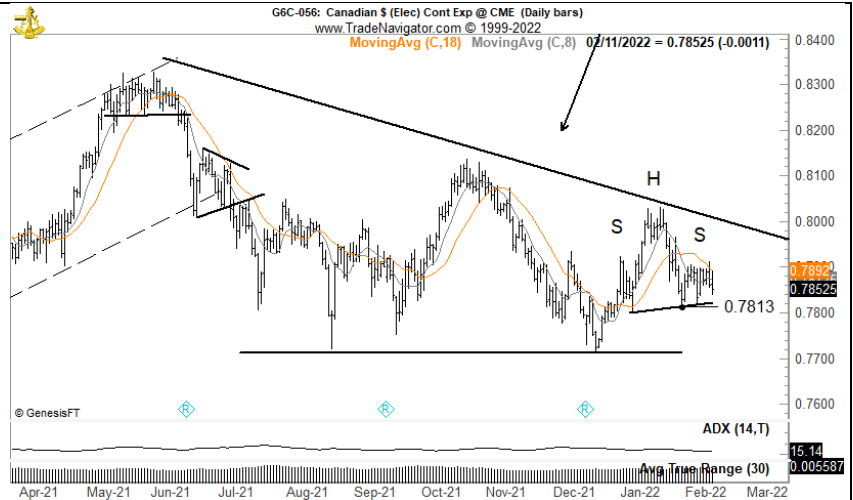
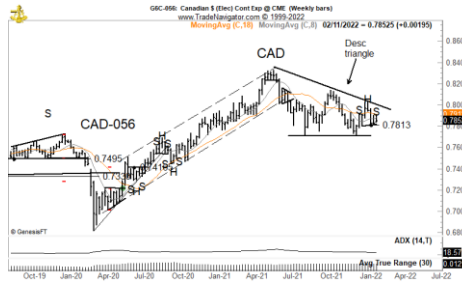
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MovingAvg (C,18) MovingAvg (C,8) 03/31/2022 = 798^2 (+28^0)



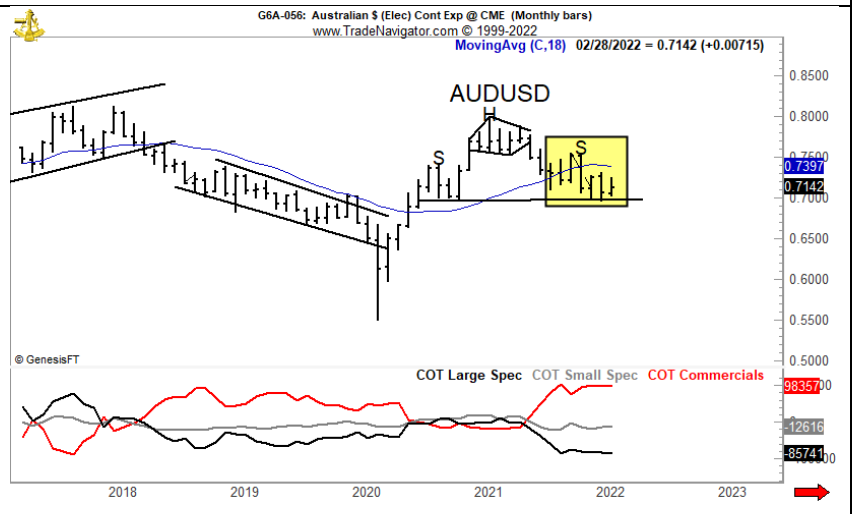
Canadian Dollars. Flat. This is currently my favorite pending market. Being my favorite pick is not necessarily a good thing.

Pattern: A H&S top pattern on the daily graph could provide the launch for the completion of a major descending triangle on the weekly chart




Australian Dollars. Flat. I continue to note the arguable H&S top forming in the Aussie \$. It can be correctly argued that the historic Commercial long and Spec short COT profile is constructive. Yet, note that Sep 2018 – Mar 2020 decline occurred with large Commercial long positioning. I am very curious that both the Aussie and Canadian Dollar are potentially very weak in the face of the strength in energy prices.

Pattern: H&S top on weekly and monthly graphs.




plb
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Tracking sheet for the week of Feb 6 ending Feb 11

			Weekly position/symbol tracking - Prop ONLY		
W/O Feb 6					
Beginning Trades	Beginning Positions	Starting radar list for New Initial Positions	Symbols / orders added during week	Actions, End of week position	BP +/-
ZLH22	L 100%	Bean Oil		S 50% W 65.02, long 50%	13
UPS	L 100%			S 100% F 220.70, flat	-15
CORN	L 100%	ETF		Hold	
ZFH22	S 100%	5-Yr Notes		B 50% F 117^17, short 50%	74
ESH22	S 50%	S&Ps		B 50% Th 4524.75, flat	12
GEZ22	S 50%	Eurodollars (int. rate)		Hold	
		G CJ22 - Gold		Unable	
		Bitcoin		B 50% Tu 42305.5; S 25% F 42401	nil
		Canadian \$ futures		Unable	
		AAPL		Unable	
		PLJ22 - Platinum		Unable, then cxld	
		HGK22 - Copper		Unable, then cxld	
		RTYH22 - Russell		Cxld	
			NY Coffee	B 50% W 248.10, long 50%	
			Chi Wheat	B 100% W 7.7825; long 100%	
					84

Tracking sheet for the week of Feb 13, 2022

			Weekly position/symbol tracking - Prop ONLY		
W/O Feb 13					
Beginning Trades	Beginning Positions	Starting radar list for New Initial Positions	Symbols / orders added during week	Actions, End of week position	BP +/-
ZLH22	L 50%	Bean Oil			
CORN	L 100%	ETF			
ZFH22	S 50%	5-Yr Notes			
BTC	L 25%				
GEZ22	S 50%	Eurodollars (int. rate)			
KCK22	L 50%	NY Coffee			
ZWN22	L 100%	Chi Wheat			
		Canadian \$ futures			
		AAPL			
		G CJ22 or PAX Gold			
		Australian Dollars			
					0