



February 19, 2023

Positions at end of week

- Long 50% FTSE futures
- Long 50% Russell futures
- Short 100% Eurodollars futures
- Short 50% SOFR futures

Trades are setting up in London Cocoa and GBPCHF. As a general comment, in my Friday full symbol scroll I was struck by the near-complete lack of quality developing patterns. I trust we will get some great patterns as the year moves forward. My gut tells me that the urge to find trades will not be a profitable endeavor in the near-term.

Commentary

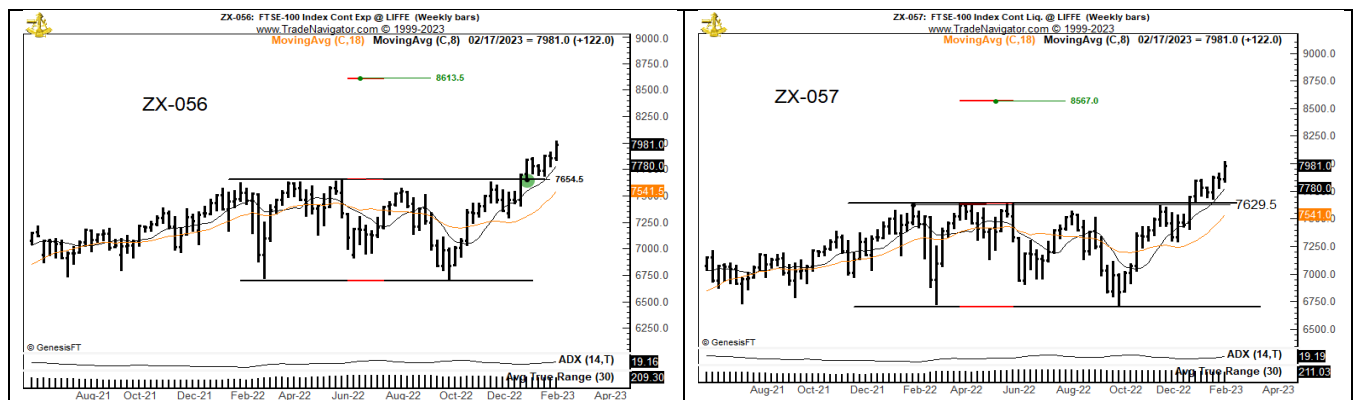
Two items:

Targets. I receive a ton of questions about price targets. My sense is that novice and aspiring traders are way too over-concerned about targets. If I eyeballed the same chart a dozen times I would likely come up with a dozen slightly different price targets. And, in futures markets the targets of the three major continuation chart varieties (055 roll at first notice day, 056 roll at last trading day and 057 plot the most active contract) are often quite different and even vary from the target of an individual contract month. Just use common sense when calculating a target. The target orders I place are typically based on the target of the traded contract month. A case in point is found below for FTSE.

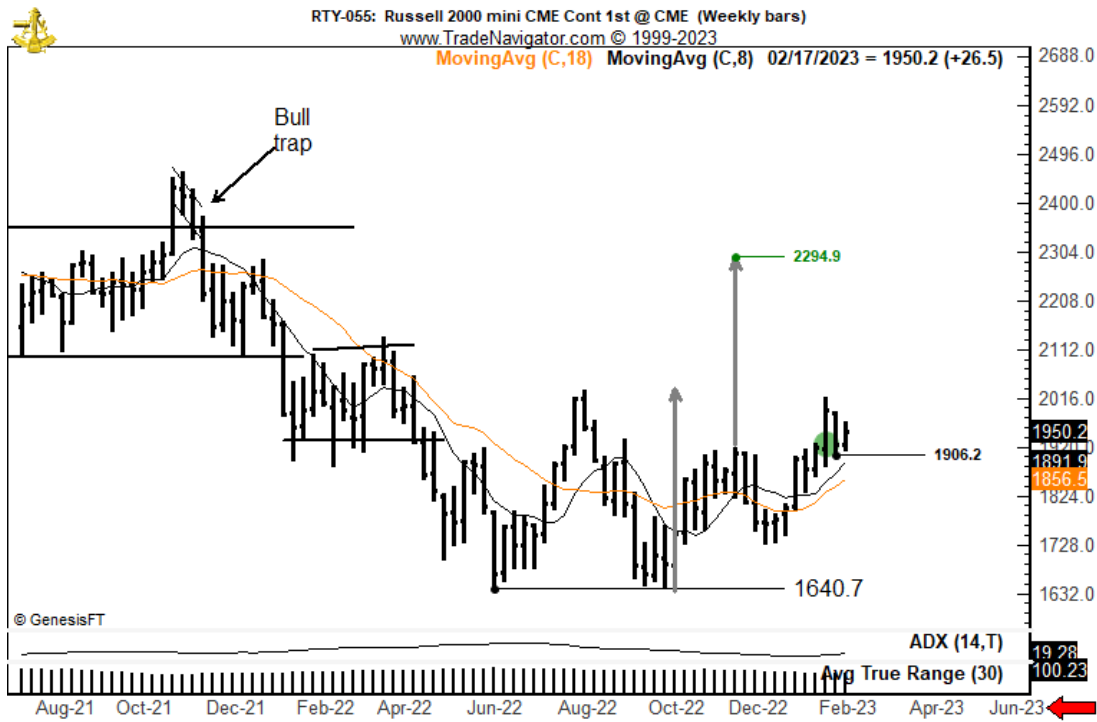
Symbols. The symboling system in futures is a complete mess. It seems as if every data provider and brokerage firm use different symbols for the same futures contract. This is why I most often list the futures contracts and not the symbols when mentioning my positions.

Current positions

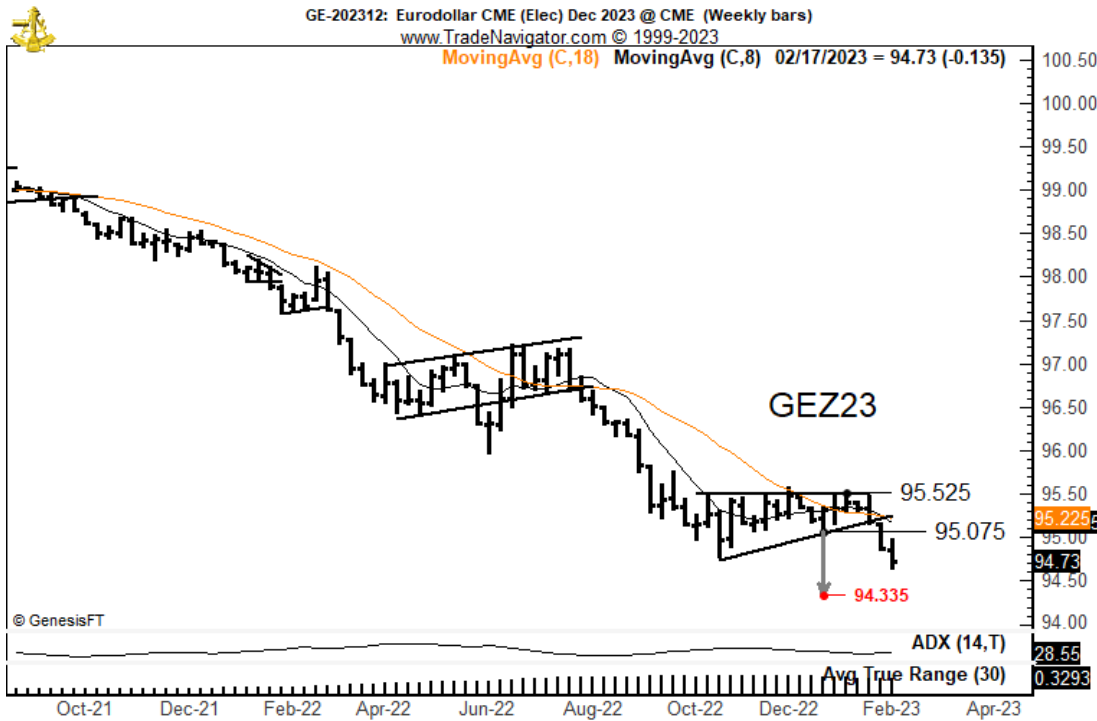
FTSE futures. Factor is long a 50% position. This past week's low is now my stop-out level. Both targets shown below (8613 and 8567) represent the height of the patterns extended upwards from the breakout levels.



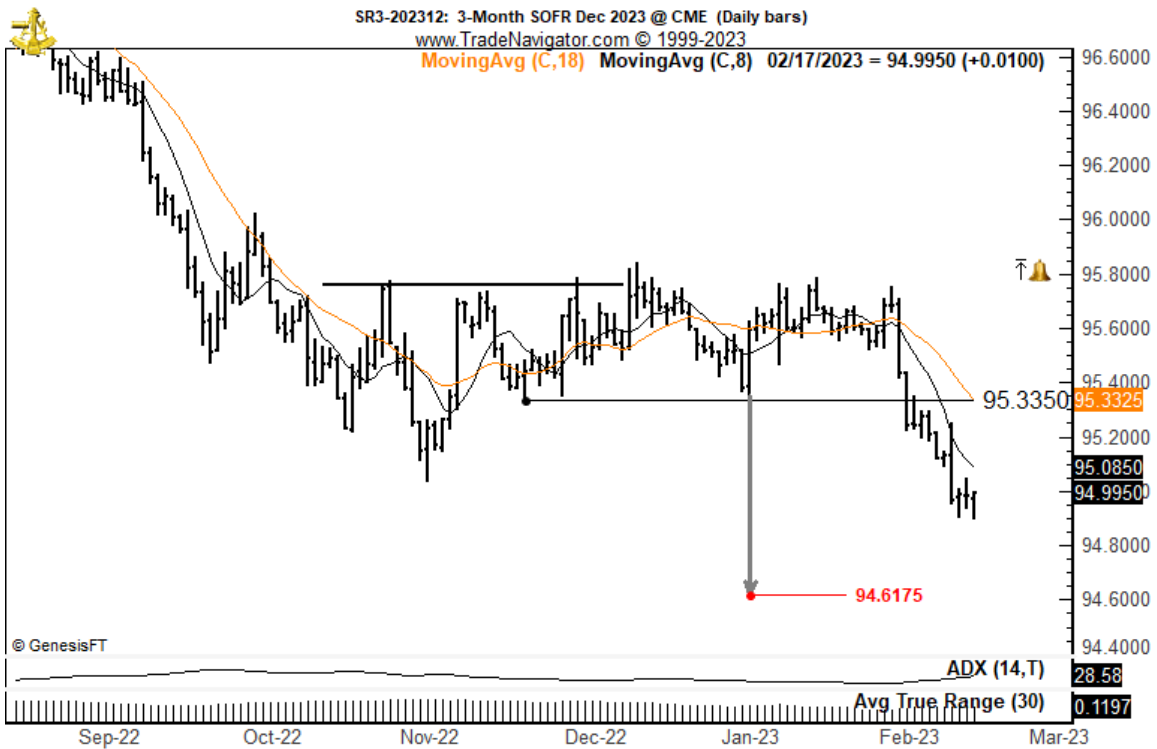
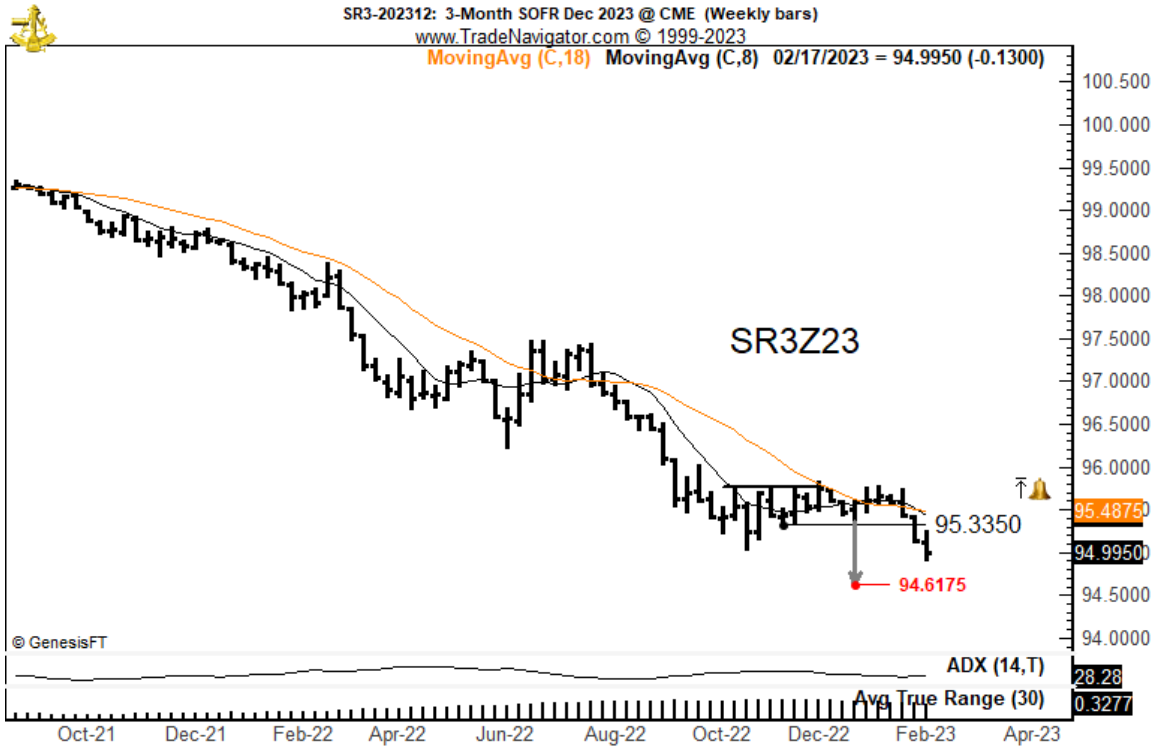
Russell 2000. The dominant pattern is the completed Chair and Ottoman pattern. Since breaking out on Jan 31 this index has stalled. I was stopped out of the initial trade but repurchased a 50% position this past Tuesday.



Eurodollar futures. A consolidation pattern was completed on Feb 6. Factor is short a 100% position. This means that the risk on my initial position was 70 BPs split into two tranches.

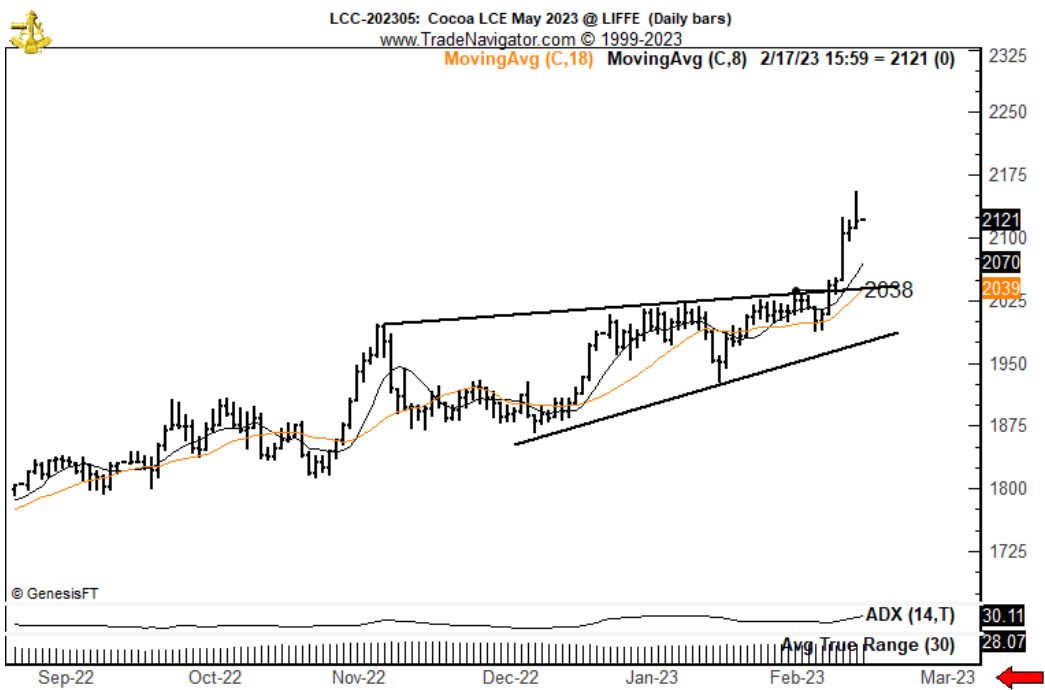
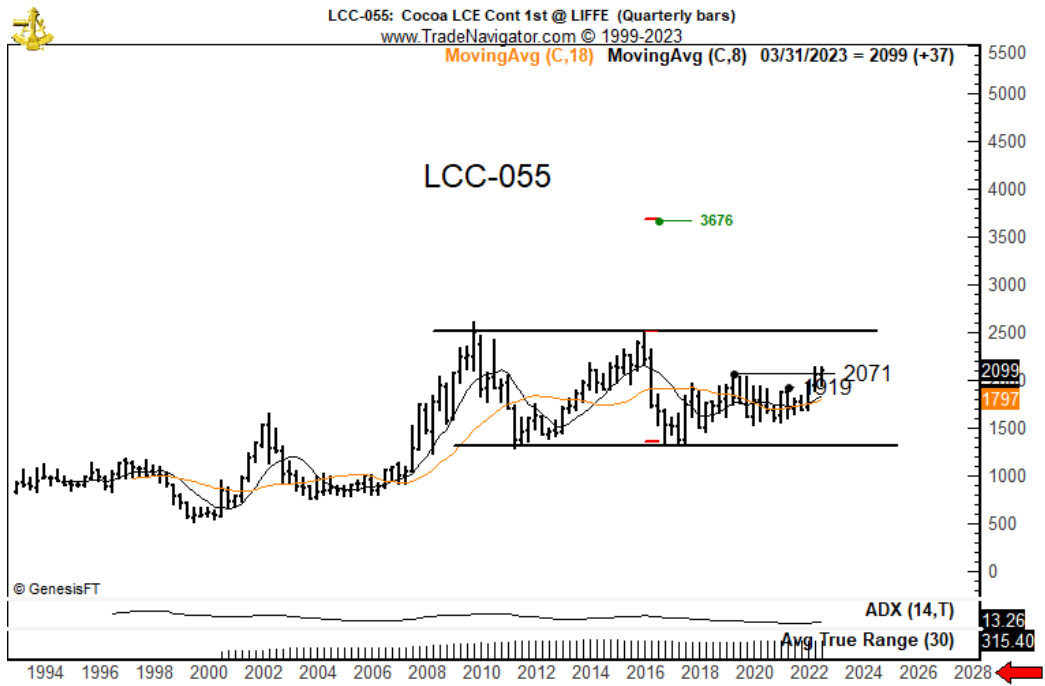


S0FR3 futures. The decline on Feb 6 completed a consolidation pattern.

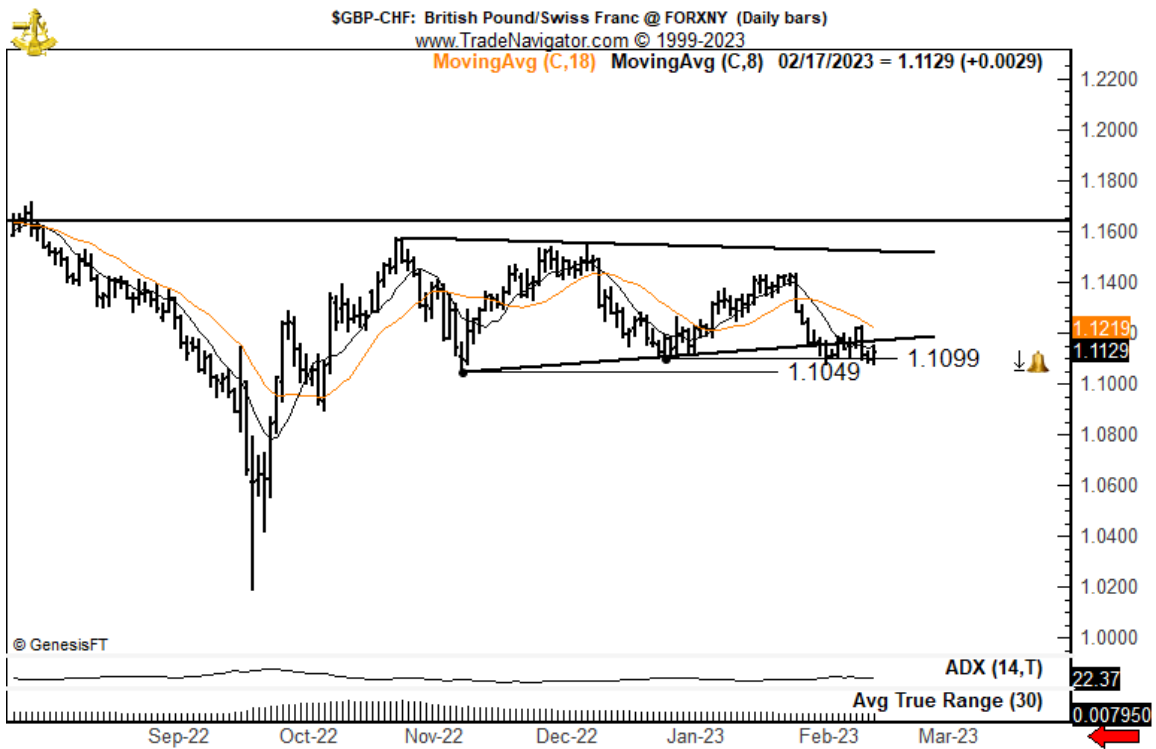
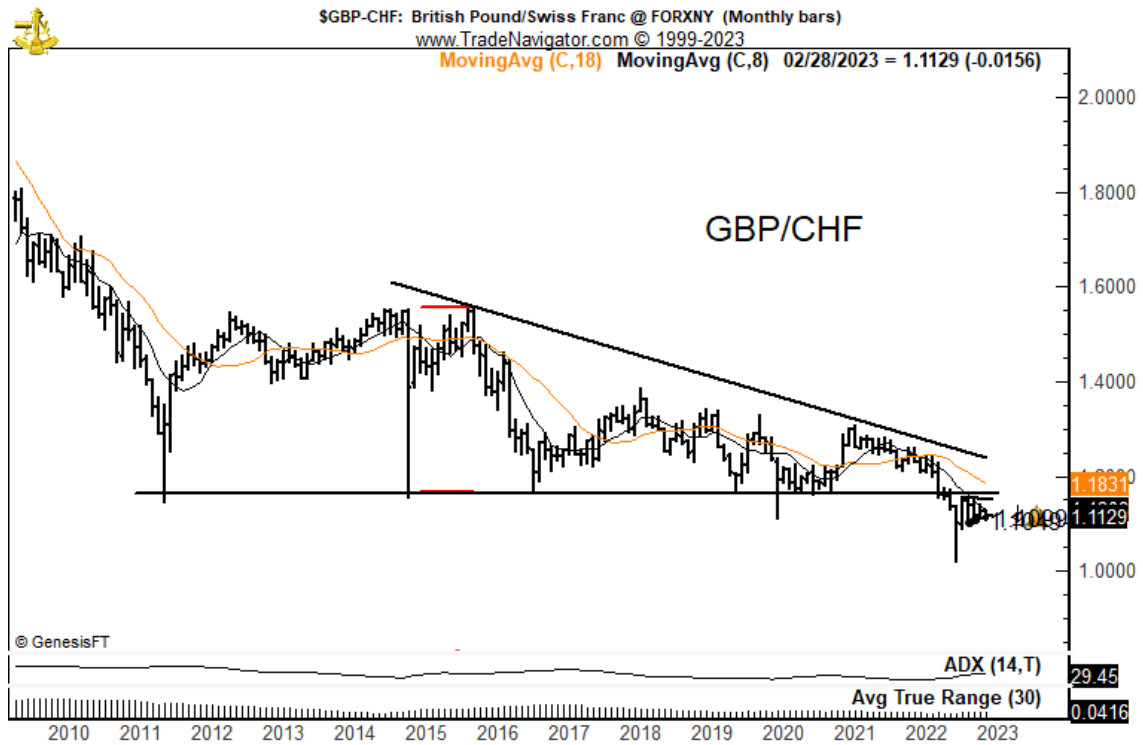


Other markets of interest

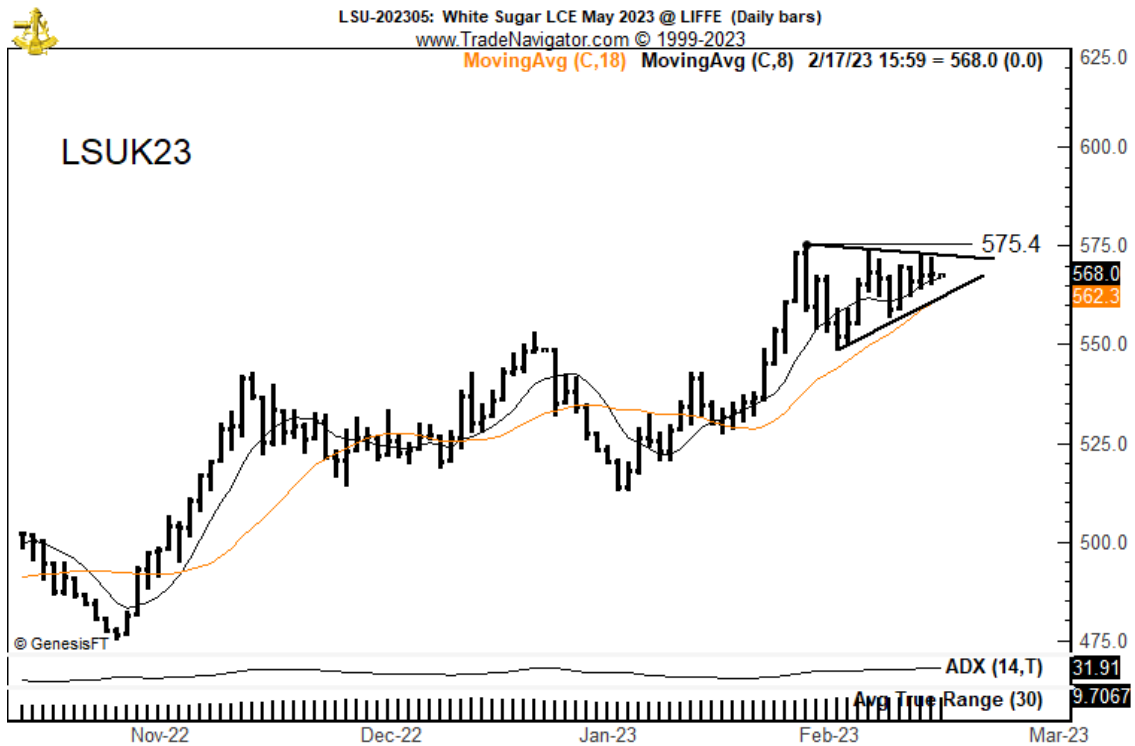
London Cocoa. A massive multi-year rectangle is forming in Cocoa. The daily chart has completed a possible running wedge. Is this daily chart pattern the launching pad for the larger pattern? Maybe. If I cannot buy a sharp pull back, then this is a ship that left without me.




GBP/CHF. A multi-year descending triangle was completed in Sep 2022. The market appears to be retesting the lower boundary in the form of a symmetrical triangle on the daily graph.




Sugar. From Sugar to Coffee to Cocoa, the softs are in strong trends. The weekly chart of May London Sugar displays a sustained trend. Continuation patterns within strong trends have been a profitable category in composite for me over the years (of course there are losing trades in this category). The daily chart displays a pennant.



			Weekly position/symbol tracking - Prop ONLY		
W/O Feb 12, 2023					
Beginning Trades	Beginning Positions	Starting radar list for New Initial Positions	Symbols / orders added during week	Actions, End of week position	BP +/-
GEZ23	S 100%	Eurodollars		Hold	
ZXH23	L 50%	FTSE		Hold	
SOFR3Z24	S 50%	SOFR rates		Hold	
		G6BH23	Cable	Cxld	
		GBPCHF	FX	Unable	
		CTK23	Cotton	Cxld	
		BON23	Bean Oil	Unable	
		M2KM23	Russell	B 50% Tu 1938.60, long 50%	
			YMM23	Cxld	
			LCCK23	Unable	
			FEFH23	Unable	
					0
Closed trades YTD			5.7%		

Key: B = buy, S = sell; M = Mon., Tu = Tu., W = Wed., Th = Thurs., F = Fri., Sa = Sat.; LT = Long-term position

			Weekly position/symbol tracking - Prop ONLY		
W/O Feb 19, 2023					
Beginning Trades	Beginning Positions	Starting radar list for New Initial Positions	Symbols / orders added during week	Actions, End of week position	BP +/-
GEZ23	S 100%	Eurodollars			
ZXH23	L 50%	FTSE			
SOFR3Z23	S 50%	SOFR rates			
M2KM23	L 50%	Russell 2000			
		GBPCHF	FX		
		LCCK23	Lnd Cocoa		
		LSUK23	Lnd Sugar	A big MAYBE - spreads not acting well	
					0
Closed trades YTD					

Key: B = buy, S = sell; M = Mon., Tu = Tu., W = Wed., Th = Thurs., F = Fri., Sa = Sat.; LT = Long-term position

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