

Factor Members Private Twitter Feed - October 13, 2023

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Chart of interest - Gold [\\$GLD](#) [\\$GC_F](#)

I am NOT long Gold -- and see no easy way on the chart to go long
I am now wondering if big gap was an important break-away gap (time will tell) and that a "V"-extended bottom is occurring (time will tell)



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Hikkake. I know some Factor members follow the Hikkake pattern. I sometimes pay attention to it, but only when it is a launching pad for a pattern.

The Japanese Nikkei is working on a double Hikkake buy signal on its monthly graph





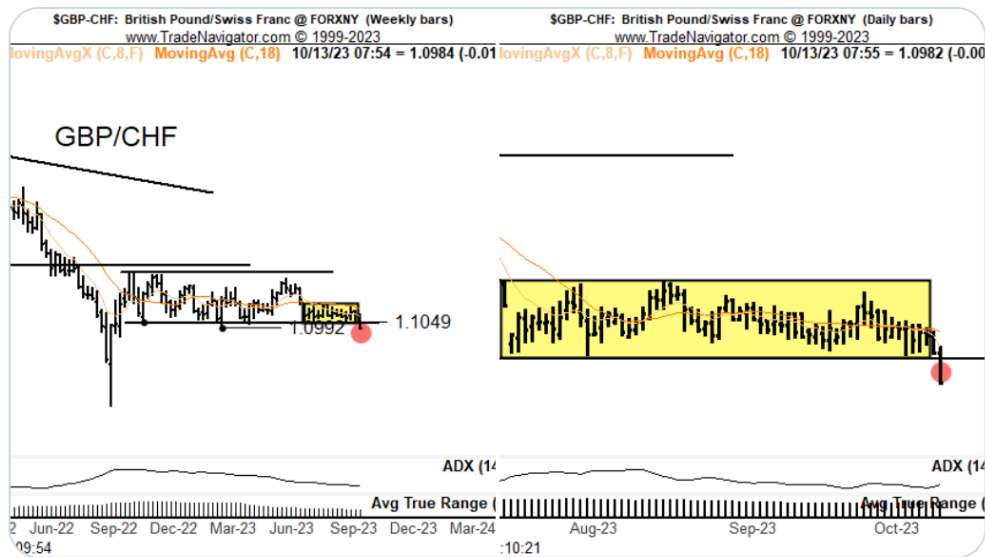
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10-9-8-7-6-5-4-3-2-1-0

Blast down

\$GBPCHF

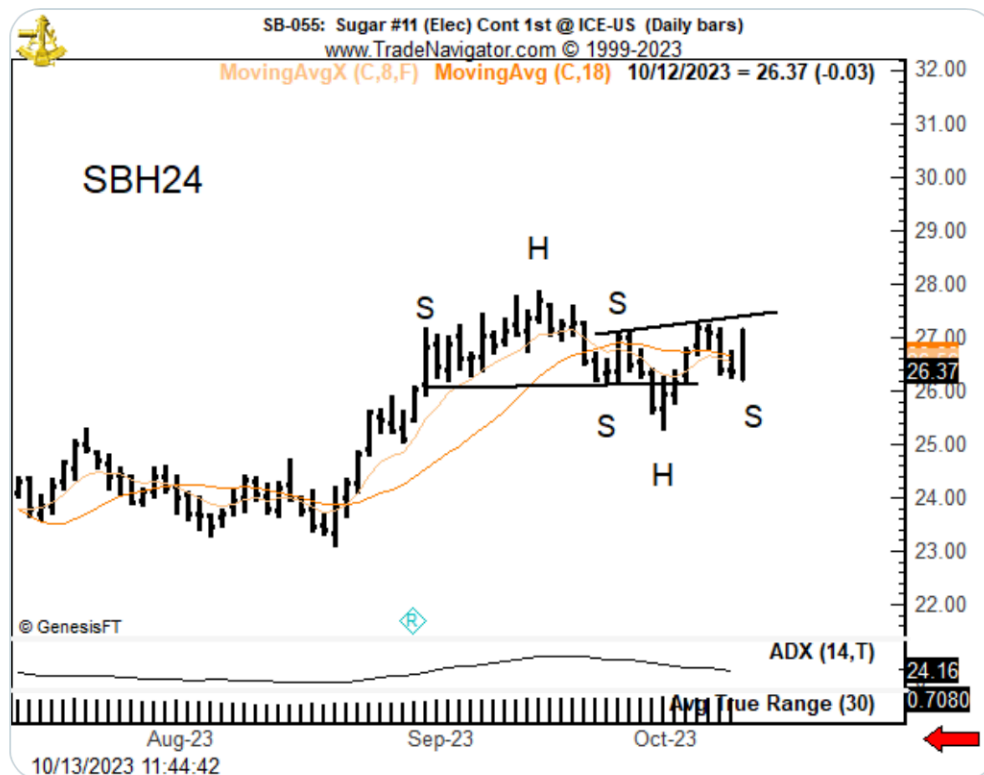


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Chart of interest - Sugar **\$SB_F SBH24**

This is a rare construction I termed as "interlocking" H&S patterns whereby the right shoulder of the H&S top is the left shoulder of an inv. H&S





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How I size spot FX trades.

There are several ways I can use to express sizing in a spot FX trade to my spot FX dealer.

Typically a spot FX trade size is expressed relative to the primary currency (the first symbol in the pair).

Let's use today's trade in GBP/CHF as an example. In the spot FX market this is traded as GBP/CHF, not CHF/GBP.

So, I would instruct the dealer to "sell 580,000 GBP/CHF at such and such - a limit order or stop order." The size always attached to the primary FX unit. This trade would anticipate Pound to depreciate against the Swiss Franc.

This would be a small order -- note that at present there is 4.6£ million GBP bid and 1.4£ million offered against the Swiss.

I trade spot FX in a slightly different way -- always expressing my size in USD. In this case I instructed my dealer to sell \$700,000 USD worth of GBP/CHF. The trade came back at a GBP/CHF spot cross at 1.10242 CHF per GBP. Incidentally, the trade sold 575,000 GBP and bought 635,000 Swiss in round numbers.

I prefer to express/execute my non-USD spot FX trades in USD terms because it is so much easier for me keep my mind wrapped around the trade.

And, just a note, when I decide to cover the trade I will need to liquidate it in the same quantity sizes of GBP and CHF as initially entered in order to be flat.



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