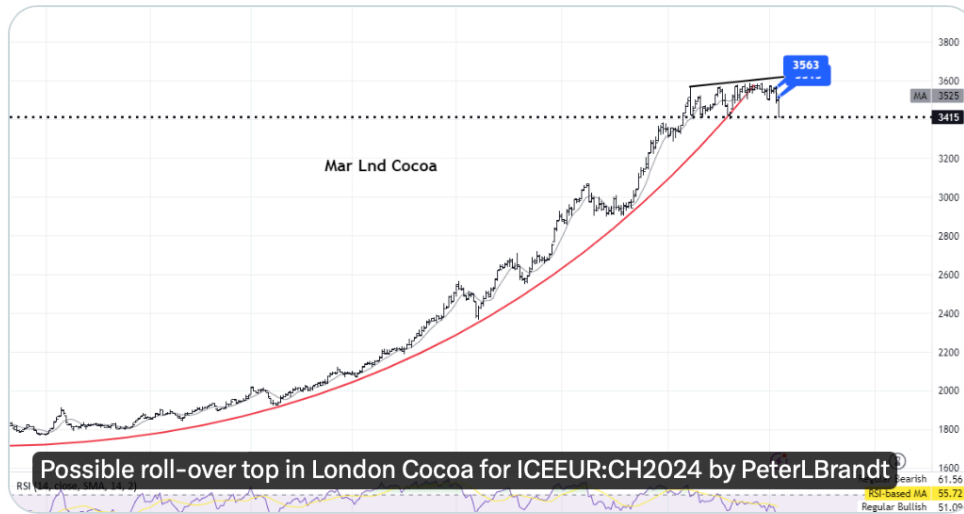


Factor Members Private Twitter Feed - January 8, 2024



FactorMembers @factor_members · Jan 8

Check out my #CH2024 analysis on @TradingView:



From tradingview.com



FactorMembers @factor_members

Update on London Cocoa \$CH24

Please view Loon recorded Update linked to by weekend Factor Update I had strong feeling my sell stop in Cocoa would be executed last night. I slept well believing my orders had my risks managed. I was able to slightly tweak my planned protective loss stop for the "T" tranche, allowing me to bump up my sizing. So I am short the P and T tranches with stops at 3521 and 3563. My next change will likely be moving the protective stop down to today's high on the P unit as well. The sudden decline is testing support at 3400. Might the market rally from 3400 and stop me out? Of course, anything is possible. I will review my orders now after Monday's close -- and then daily, always looking for opportunities to bleed risk out of the trade. If the analog to Sugar holds true, then Cocoa is not likely to bounce much.

A trade is a trade is a trade is a trade. I want to remain emotionally and expectationally neutral on this trade. If it works, great. If not, then it was not meant to be.





FactorMembers @factor_members · Jan 8

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Same basic trade. Over the years my experience with London Softs is far superior to that of NY softs. I believe a reason is that % of volume being commercials is greater in London so liquidity is better
tradingview.com/x/Y2pGQyke/

Mahesh @mahesh2511 · Jan 8

Replying to @factor_members and @tradingview

Hi Peter

Is there a difference if your short london Cocoa or US Cocoa ?



FactorMembers @factor_members

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Comment on London Cocoa

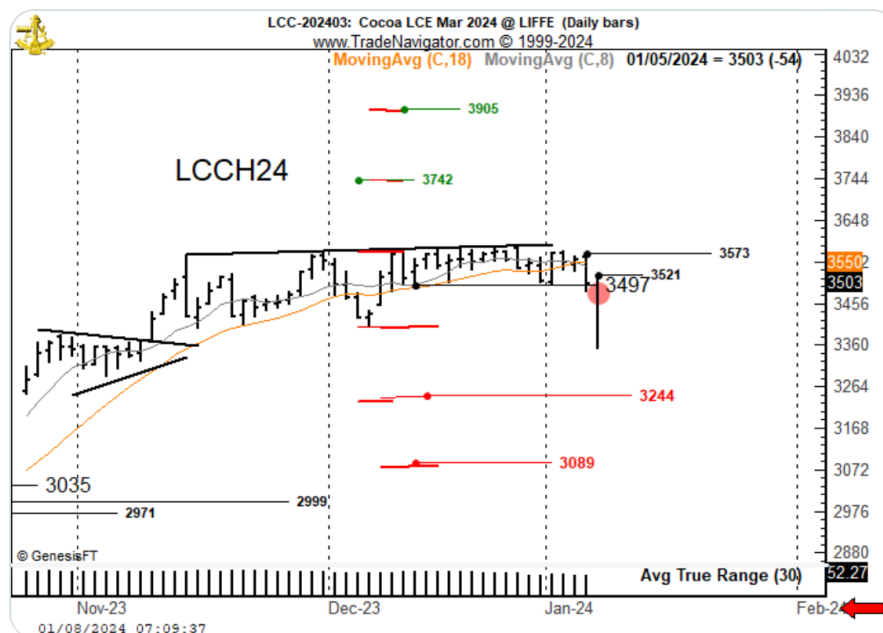
I've had several DMs/emails from members asking if it is too late to put on a short trade

While obviously everyone needs their own rules, I can share my journey on the subject of FOMO chasing markets.

In the early 1980s I set the rule that if I missed the breakout then I missed the trade -- in other words, do NOT chase breakouts past set limits.

For me having this rule forced me to place orders prior to the breakout. In other words, I used these missed trades as sanctions against my unwillingness/hesitation to put orders into the market IN ADVANCE of a breakout.

Hope this insight might help you in your journey. **\$C_F \$CH24**





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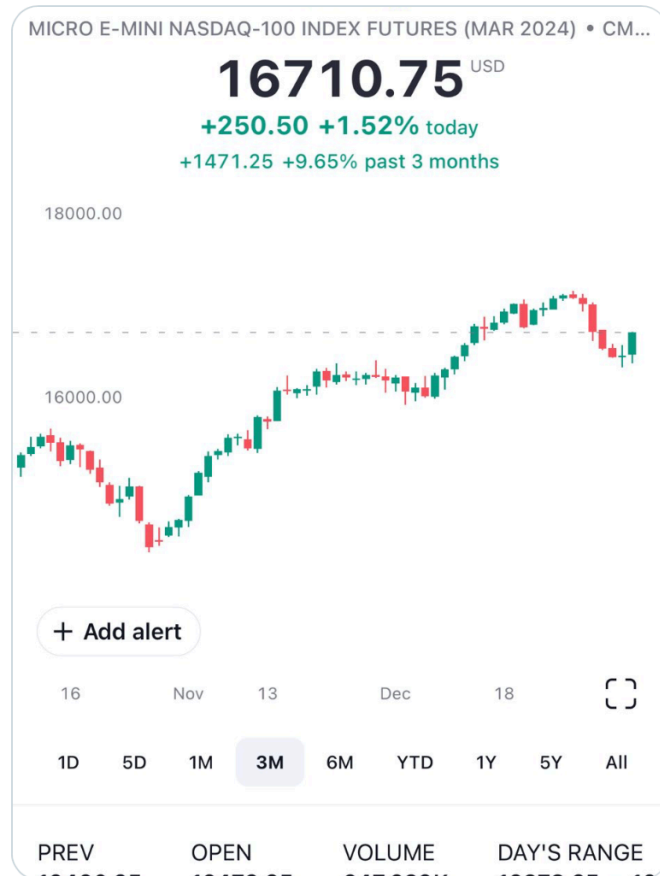
I am splitting the "T" tranche into two tranches, taking profits on half the half -- or 25% of the trade. This leaves me short 75% of initial risk with stops now so that the trade is breakeven.



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I was hoping for a deeper retest. But with yesterday's Doji candle and a strong green candle up today my thinking is that Monday is low will hold and will consider buying a 50% unit at the close.






FactorMembers   @factor_members · Jan 8



Gary Gensler is NOT to be trusted. He is a sneaky slimy bureaucrat obliged to fat cat industry insiders. He was with (and chairman of) CFTC during FCM bankruptcies costing investors millions. The CFTC was the driver of the get-away car during these heists.



Gary Gensler  @GaryGensler · Jan 8

A thread 

Some things to keep in mind if you're considering investing in crypto assets:



FactorMembers   @factor_members · Jan 8



This is the idea of taking profits on a tranche if the tranche quickly gains 100 basis points. The trading unit tranche in Cocoa reached 100 BPs -- instead of covering the entire tranche I only covered half of the tranche



Enrico Racioppi @raciops · Jan 8

Replying to @factor_members

0.7, tp and 1% rules applied also today.

The 3-day trailing stop rule normally requires three bars

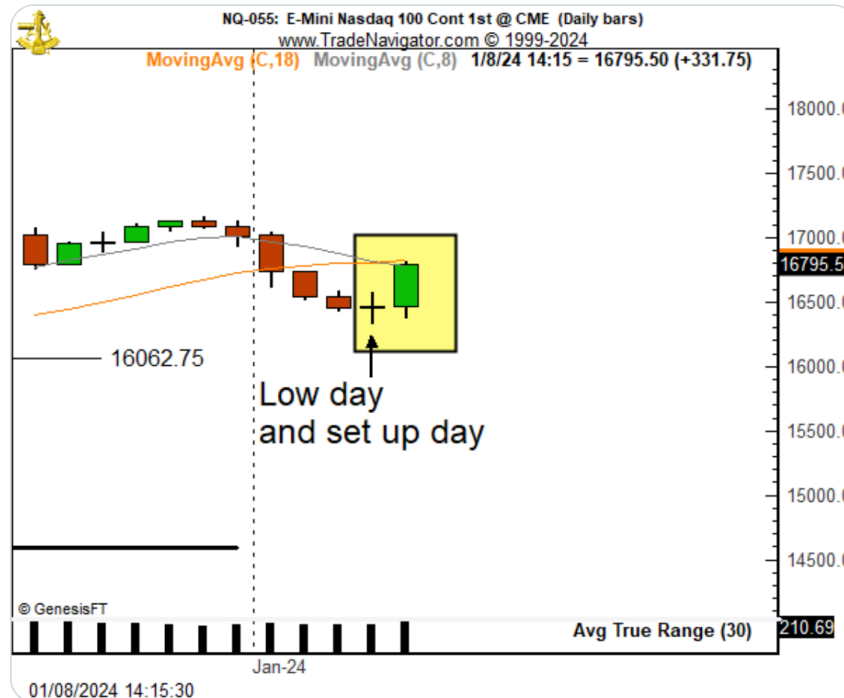
1. High day (low day in bear trend)
2. Set up day - close below the low of the high day
3. Trigger day - move below the low of the set up day's low

There is an alternative way for a chart to generate the same signal with two bars

1. High day is a head shot or foot shot (or gravestone type) doji -- this can qualify as high day AND set-up day
2. Move below the low of doji low

Opposite above for bottom

An example is NASDAQ - completed the modified 2DTSR today when price moved above Monday's high



 **Daniel** @Daniel72091424 · Jan 8

Replying to @factor_members

Could you go through the math for me? this rule has always confused me. I don't understand how 1 tranche "roughly 30-40bps" given your original stops, is now at a 3x giving 100bps profit. are you fudging your stops/contracts per tranche after the fact to make this work?



FactorMembers ✓ 

@factor_members

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More than happy to explain it. In finalizing my orders last night I made a couple of fine tuning decisions – as I often do daily. My life as a trader can be classified as an order enterer. My primary job is jockeying orders.

1. Rather than taking the trade as 100% for Factor Prop Account and 50% for Factor Weekly signal (as I have discussed), I dropped the idea to add contracts for the weekly set up and only do a 100% trade.

2. Believing the trade could move fast (using Sugar as analog) and not look back, I decided on selling just below Friday's low at 3484 with a risk to the intraday bar high of the 3530 would be possible. So entering at 3476 risking to 3541 allowed me to take an 8 lot trade rather than the 5 lot previously considered. There are times when I have increased my sizing on orders to my advantage and other times to my detriment.

3. The 8 lot position was divided 3 lots to Position unit (25 BP risk) and 5 lots to Trading unit (41 BP risk). I decided to slightly misallocate to the Trading unit intraday Tuesday knowing I would move my stop further to the pivot of Tuesday's high.

4. When the market made the low of 3331 I had an open profit on the Trading unit around \$8,000. That's close enough to the 100 BP guideline per tranche given the trade was only hours old. I am always willing to remove obscene profits from the table. So, I made the decision to cover half the Trading unit (precisely, covered 3 of 5, leaving 2 of 5 open). So, closed trades profit was 48 BPs.

5. My existing top on remaining position is now the 3515 pivot and I am eager to lower that protective stop further.

Please understand that in crazy markets my order flow is always a work in progress. The Factor is not a mirrored service whereby all trades are reported in real time. I am against the concept of a real time service, but if I was not the annual cost of the service would be a strong multiple of its existing cost.

I have long been divided between reporting the activities of the Prop Account to members in summary form and ONLY commenting on chart patterns, completely purging any discussion of actual trades, performance metrics and trade management maneuvers. My bias, quite frankly, would be to no longer discuss actual trading activity – doing so is a ton of work. I believe that most members appreciate the insight of my tactics, but I am completely open to moving exclusively in the direction of charts and only charts.

Hope this helps.



See attached chart for reference points

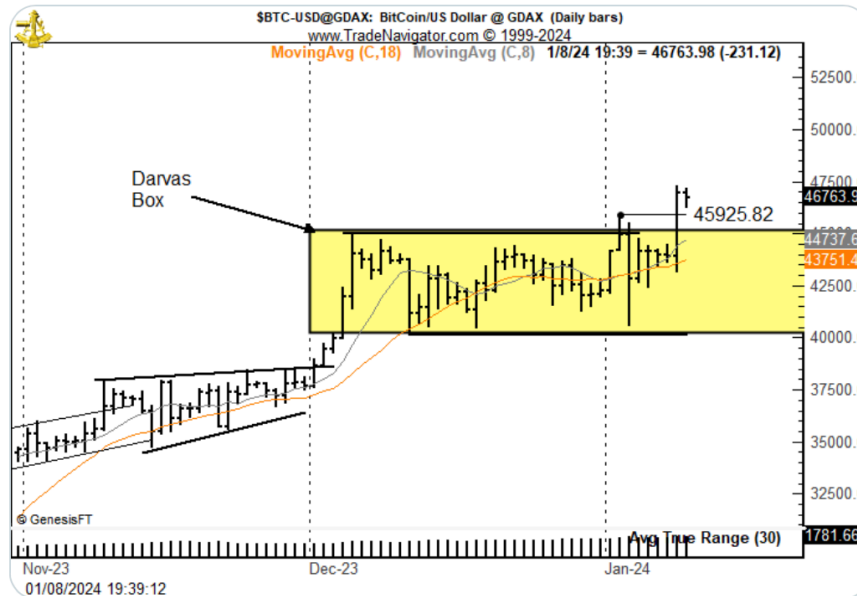


Some members have asked if I would share all signals I see (as completed patterns) whether I took a trade or not. I will try to do so as I have time.

Today there were several signals.

London Cocoa - Discussed already

Bitcoin - pennant completed (I did NOT take a trade)





FactorMembers @factor_members · Jan 8

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Replying to @factor_members

Nikkei Dow - close but not past ATR buy point

NASDAQ - retest of handle of underlying C&H confirmed. No Prop acct trade but bot 50% to experiment with Weekly unit



FactorMembers @factor_members · Jan 8

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Mexican Peso - completed a massive cup and handle whereby the handle is an independent cup and handle. Bot a 100% position. COT is not confirming so I will run quickly if trade turns down.

