



The Factor Report™ Update, June 13, 2026

NOTE: This edition of The Factor Report is being issued Thursday evening, June 11, based on Thursday's closing prices

The Factor Update serves – along with the Brandt has used for his trading since the 1970s. – as snippets into the type of chart patterns Peter

Charts from 9 markets have my attention!

Full Disclosure – Symbols in which Factor LLC is carrying a position are noted with *

Current Factor Moves	
• Dow futures	•
• Factor moves in Canola and Rice met their targets. A Factor Move in the Singapore Index failed (penetrated Last Full Day Rule)	
Factor Moves developing (plus other charts of note)	
• Euro Stoxx complex	• EURGPB futures or spot
• Mexican Peso futures	• EuroFX futures
• Copper futures	• Euribor futures
• Euro Stoxx Banks	• US Dollar futures
<p>Note: I express positions in relationship to the risk of total nominal capital taken on a trade. Each unit of a trade represents an initial trade risk of \$3,500 of so per \$1 million of total nominal capital. A two-unit trade represents a risk of \$7,000 per \$1M Nominal. The maximum risk taken on a trade is three units, or \$10.5k per \$1M nominal. 2026 Sequential Closed Trade NAV performance to date = +2649 BPs as of June 11</p>	

Ongoing Factor Moves – Note: Factor LLC is currently flat in all markets

Dow futures

- The dominant pattern is the completion on May 27 of a Cup and Handle pattern.
- The retest was hard enough to stop out a position held by Factor, but the low of the Last Full Day was not violated, thus the Factor Move continues.
- As a rule, once a move pulls away from a pattern, I am aggressive in moving my stop to just below the upper boundary of a pattern.
- Thursday was an engulfing day on the daily chart.
- Technically Thursday was a re-entry according to my rules, but with a risk below Thursday's low I took a pass.



Pending Factor Moves (and charts of interest)

U.S. Dollar Index futures

- A 12-month rectangle pattern continues to unfold on the weekly chart
- It is noted that the weekly ADX is <11, a reading that often accompanies the start of a sustained trend
- A breakout would be a daily close above 110.78 or so on the continuation chart



EuroFX futures

- See comments on the U.S. Dollar
- The daily chart presents a possible right-angled broadening pattern with a right-handed trailer
- The breakout level would be a close below 1.1430 or so on the daily chart



EURGBP spot

- The weekly and daily charts present an 11-month complex H&S top with a 4-month right-angled triangle as the right shoulder.
- A downside breakout would be a daily close below .8575 or so.
- Daily ADX is <12, a level that often precedes a sustained trend.



Euribor futures

- The trend in Euribor futures is clearly down with the period since the Mar low representing a bear market correction on the continuation chart
- I could go either way in this market.
- The Mar 2027 contract shows a 5-point symmetrical triangle. Diagonal patterns are not my favorite because the last intermediate high must be penetrated for a breakout to be declared.
- The Jun 2027 daily chart displays a descending triangle. I prefer this pattern because it is horizontal in nature and consistent with the trend on the weekly graph.



Mexican Peso futures

- The monthly chart might arguably be presenting a 10-year inverted H&S bottom with an up-slanted neckline. Up-slanted necklines on H&S bottoms are more powerful than horizontal necklines.
- A cup and handle pattern forms on the daily chart as part of the right shoulder of the monthly H&S.
- The daily ADX is now <11. This indicates compression like holding a beach ball under water.
- If the U.S. Dollar is repelled by the upper boundary of its rectangle, I expect the Peso to help lead the charge.



Copper futures

- The weekly chart is in a strong uptrend launched by an rare interlocking H&S whereby the left shoulder of an inverted H&S was the right shoulder of a possible H&S top.
- A 6-week Darvas Box is forming on the daily graph.



Euro Stoxx complex

- The EuroStoxx 50 Index futures is poised for a new high. The chart lacks clarity for a trade though.
- The EuroStoxx Utilities Index futures is forming a classic rectangle on the daily graph.
- The EuroStoxx Bank futures appears to have a Type 2 breakout. Following the May 25 breakout the neckline of a downsloping H&S patterns has supported the retest. I far prefer H&S patterns with horizontal necklines. My trading rules would allow a reentry of this contract given Thursday's Sign-of-Strength off of support.



For the video version of this Factor Update Video click here (recommend you play at 1.2 speed): [None this week](#)

Peter's perspective on trading

Trading commentary – Swing trading

People have different definitions. As for myself as a swing trader in the futures markets, swing trading looks like this:

- Positions held from a few days (for losses) to a few weeks and even a few months in rare exceptions.
- Intent is to catch sustainable short-term trends and then move onto the next trade.
- Targets on trades are seldom more than 10-15% of the underlying asset value.

I evolved as a swing trader for three major reasons:

- As a new trader with limited capital, I could not afford to tie up trading capital in markets that were not moving.
- I hate having to make the same dollar again. Risk-adjusted RORs is my compulsion. I like to make profits – I hate giving money back (I am referring here to closed trade NAV).
- Trading was the source of my living starting in 1981. I had to take money from my account to pay bills. The possibility of 50% drawdowns was something I had to purge from my trading approach.

Why my focus is on Profit Factor, Calmar and limited drawdowns rather than on maximizing ROR?

It's easy folks. If you shoot for the moon to upwardly explode the value of your trading account, then plan for the to make the same \$\$ over and over and over again. It is far easier to build the value of an account in increments over time by holding onto to gains. It is easy to make money trading – the challenge is to keep what you make.

Factor's trading approach in a nutshell

- Futures are the ideal asset class for swing trading
- Identify clear classical chart patterns (preferably on weekly charts and most preferably horizontal patterns)
- Enter with .5 intraday ATR breakout stops
- Risk no more than 35 to 40 basis points per unit (70 to 80 BPs per trade)
- Protect open profits (if they develop) like a banshee
- Try to achieve a BE trade within a week or so
- Take at least partial profits at targets

Definition of Terms

Pattern breakout. Price must close above the key price level (or iceline) by an amount equal to 50% of the 30-day ATR. Peter typically enters a trade at .5 ATR intraday breakouts while other traders might wait for a .5 ATR closing price confirmation. Each trader must decide their own tactical actions.

Type 1 Breakouts occur when a key level (or iceline) is sliced through decisively with such gusto that the boundary of the pattern is not retested. Price then trends to at least 80% of the designated target. Type 1 breakouts are the strongest and price often travels well beyond the designated target.

Type 2 Breakouts occur when a key level (or iceline) is retested following a breakout with a minimum of repenetration. Price then trends to at least 80% of the designated target.

Type 3 Breakouts occur when price declines below the iceline but remains above the low of the Last Full Day* within a pattern prior to trending to at least 80% of the designated target.

Type 4 Breakouts fail as price declines below the last intermediate low within a pattern. This is considered the "negation" level where a pattern completely fails.

Factor Move. The Factor Report considers a pattern breakout to be in a "Factor Move" until one of four events occur:

- The Last Full Day bar* is penetrated (see Type 3 breakouts)
- A countervailing chart pattern is completed
- A full daily bar* forms below the 8 DMA* with subsequent follow
- Price reaches 80% of the target

Professional traders typically protect trades relative to Types 2 and 3 breakouts while longer-term investors and trend followers keen on risk management might remain in a trade until the Type 4 negation occurs. Entering trades and managing risk relative to classical chart patterns is a decision to be made by each trader taking into consideration many independent factors.

*Replace reference to "daily" with "weekly" if a weekly chart pattern signal is so designated for a pattern.

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