



## Limited memberships are open to the Factor LLC email service

The Factor email service is provided by Factor LLC. Factor LLC is the organizational entity through which Peter L. Brandt trades his own proprietary accounts and provides personal opinions about futures, forex and equity markets via social media channels, including email. Factor LLC and the PeterLBrandt.com blog (and this related subscription email service) should not be construed as providing trading or investment recommendations to the public. Nor, do the ideas, opinions or trading activities of Factor LLC reflect the trading or investment activities conducted by other corporate entities with which Mr. Brandt is associated.

### **Service includes:**

#### Weekly Factor Update – each weekend

- Covers markets in which Factor LLC is carrying or considering a position

#### Special market updates – as potential trades develop

- Provide a detailed chart analysis of a particular stock, futures or forex market with a pending trading opportunity

#### Market Commentary – once or twice a week

Focuses on a variety of topics, such as:

- How Factor LLC sizes a trade – futures and stocks
- The unitization (portfolio construction) of the Factor LLC proprietary account
- Dealing with the emotional aspects of trading or “Why a trader is his or her own worst enemy?”
- “Patience and discipline” – besides being overused terms, what do they really mean in ongoing market speculation
- The effects of probability theory and the random distribution of results on trading performance
- Trailing stops – why Factor LLC is generally opposed to them
- How Factor LLC uses moving averages and mean reversion in trading
- Why Factor dislikes signals based on trend lines and symmetrical triangles
- Discretionary vs. systematic trading – the advantages and disadvantages of each approach to market speculation

You will find the Factor LLC service to be unlike anything else you have followed. The Factor LLC service is designed to be “serious” – not “sensational.” If you want “sensational,” there are plenty of hucksters willing to take your money.

*If you are looking to double or triple your trading capital each year, membership is not for you. There are many other services that appeal to “hot” money. If market services that pitch “Turn \$10,000 into a million” appeal to you, the Factor email service is not for you.*

Note: Print this document and keep it in a place where you can easily find it.

Or, create a “Factor” file in your email bo

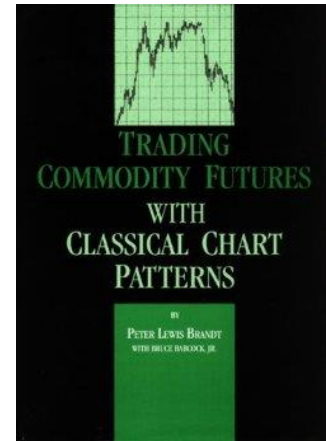
## Cost and membership application instructions

### Terms of membership

- \$398 per year (slightly more than \$1 per day)
- The cost is non-refundable
- Consider it the risk on just another trade
- Subscription is opt-out. *Cost will reoccur each year until subscription is cancelled.*
- To subscribe, go to
  - [https://www.paypal.com/cgi-bin/webscr?cmd=s-xclick&hosted\\_button\\_id=HCN9K3R8ZUBN2](https://www.paypal.com/cgi-bin/webscr?cmd=s-xclick&hosted_button_id=HCN9K3R8ZUBN2)
  - Subscriptions are payable through the above-linked PayPal web site using a PayPal account, debit card, or major credit card

### Bonus

- Book has been out of print since 1992
- Used copies on Amazon currently list at \$716 (March 2014)
- A PDF copy of the book, *Trading Commodity Futures with Classical Chart Patterns*, will be made available for you to download via DropBox



### Additional Bonus

- Daily downloads of Peter's charts, showing how he has marked up and labeled the charts he considers as important at any given time
- Available at no cost to traders who use Trade Navigator for charts and quotes
- Free 2-month trial of Trade Navigator's charting and analytical software (valid for first-time members only)



January 7, 2014

## **Introducing the Factor LLC Research and Trading Email Service**

Effective January 7, 2014, the Factor LLC email service will be available to a limited number of members.

The purpose of this communications is to briefly explain the Factor email service.

### **Introducing Factor LLC**

- Founded in 1981 at the Chicago Board of Trade. Factor LLC is the proprietary trading firm for Peter Brandt's speculative endeavors in commodity futures, forex and equity markets.
- Peter's career has been highlighted by just some of the following accomplishments:
  - An 18-year auditor-attested proprietary performance record of 41.6% (compounded annual growth rate). Each \$1,000 of starting capital produced profits of \$318,000 during the period covered by the attestation. Factor's trading performance has not been reviewed by an auditor since the 2011 attestation.
  - Peter's book, *Diary of a Professional Commodity Trader* (John Wiley and Sons) was the #1 selling financial book on Amazon for 27 weeks in 2011
  - Peter's blog -- [www.PeterLBrandt.com](http://www.PeterLBrandt.com) – was named one of the 30 most influential financial sources in 2011 (<http://www.ritholtz.com/blog/2011/09/tbps-30-most-influential-finance-sources/>)
- Peter's real-time market calls during recent years have included:
  - The April 2011 high in Silver
  - The June 2011 low in the Wheat/Corn spread
  - The 10% drop in the S&P in August 2011
  - The breakaway gap in early January 2012 in U.S. stock indexes
  - The bear market in Corn beginning in April 2013
  - The sharp decline in Eurodollars from May to August 2013
  - The bear market in the Japanese Yen futures beginning in November 2012
  - The bull market in the Japanese stock market (Topix) beginning in November 2012
  - The cascade in Gold and Silver prices beginning in April 2013
  - The top in Apple in October 2012
  - The bottom in Apple completed in August 2013
  - The 70 cent rally in RB Gas beginning in January 2012
  - The top in the Australian Dollar in May 2013
  - The advance in Soybean prices vs. Corn prices in 2013
  - Peter has had his fair share of bad calls. Such is life. But, importantly, Peter is willing to stick his neck out on market calls in the principle he calls "strong opinions, weakly held"

- Peter's original book, *Trading Commodity Futures with Classical Chart Patterns*, has been out of print for 20 years. Used copies presently sell for more than \$700
- Peter is considered by many market observers to be one of the foremost experts classical charting principles

How does one become a member of the Factor LLC email service?

- Use one of the URL addresses below to become a member  
  
[https://www.paypal.com/cgi-bin/webscr?cmd=\\_s-xclick&hosted\\_button\\_id=HCN9K3R8ZUBN2](https://www.paypal.com/cgi-bin/webscr?cmd=_s-xclick&hosted_button_id=HCN9K3R8ZUBN2)
- See pages 10-12 for detailed instructions on enrolling in membership
- See page 9 for details on the bonus book offer

Why is Factor LLC launching this membership email service?

- The answer is multi-faceted
  - Peter believes the principles of classical charting need to be championed
  - Peter believes in mentoring aspiring traders – email allows mentoring to a larger number of traders
  - Peter does extensive self-journaling about the process of speculation and specific trades. Only minor editing is required to convert this journaling for public consumption.
  - The revenue flow from the email service self-supports the staffing required to maintain the service

How will Peter define success for the Factor LLC email service?

- Peter will consider the email service a success if it accomplishes the following goals:
  - Champions classical charting as a method for market speculation
  - Advocates for longer-term charts in an era when the time frame for market speculation is becoming shorter and shorter
  - Alerts futures and forex traders to two or three good trading ideas each year
  - Challenges all readers toward critical thinking in their own speculative endeavors
  - Emphasizes the need for a deliberate, comprehensive and organized approach to market speculation
  - Educates traders on the importance of:
    - ✓ Patience
    - ✓ Discipline
    - ✓ Aggressive risk management protocols
    - ✓ Boldness
    - ✓ Creativity
    - ✓ Organization and hard work in market operations

Is the Factor LLC email service intended to be a trade advisory service?

- Peter believes absolutely that a novice trader cannot successfully mirror the actions of another trader, but must formulate his or her own journey
- A trade advisory service is exactly what Peter does NOT want to produce. Rather, Peter wants to impress upon members the thought process that goes into market speculation.
- Specific buy and sell recommendations will **NOT** be provided by the Factor email service, even though readers will be able to surmise Factor's positions and likely actions.
- Peter wants the Factor email service to encourage critical thinking on all aspects of market speculation
- Factor subscribes to several paid services, such as the Bank Credit Analyst, FusionIQ and Ned Davis Research. Peter's attitude toward these services is that they are of value if they lead to one or two excellent trading ideas each year. It is trading ideas Peter wants to communicate, not the specific buy and sell actions within a campaign.

What topics are covered by the Factor email service?

- Peter thinks by writing – he journals continuously. Peter finds that the discipline of journaling and sharing thoughts and ideas is very clarifying. The Factor email service will provide those journal entries (edited for public consumption) that Peter thinks might be helpful to other traders. Thus, the email service will cover a broad range of topics, including, but not limited to:
  - Discussion of risk management principles in market speculation
  - Real time market analysis specific to a trade set-up
  - Market analysis with educational value
  - Discussion of portfolio construction in futures as well as in stocks
  - The human or emotional component in market speculation
  - The philosophy of risk taking
  - How to size a trade in the futures market vs. in the stock market
  - What are the best patterns to trade?
  - The dangers of monitoring the value of an account during trading hours
  - How the Factor structures its trading day and staff responsibilities
  - What the Factor looks for to confirm a valid pattern breakout

What will be the frequency of emails issued by the Factor service?

- It will vary from once per week to daily. It depends upon the markets and Peter's time schedule.

Can a member receive the emails at more than one email address?

- No. But of course it is quite easy to forward emails from one email address to another email address owned by you. Further, with smart phones it is possible to receive an alert on incoming emails.

Is the Factor LLC email service supported by a web site?

- No. There are two reasons why Peter relies on email only

- First, email is timely. Members do not need to check a web site to find out if a posting has been made.
- Second, and more importantly, Peter can create an email on the fly with a minimum of effort. By contrast, Peter finds blogging to be extremely time consuming.

What is the future of Peter's blog?

- [www.PeterLBrandt.com](http://www.PeterLBrandt.com) is on life support. Peter was initially intrigued by the possibilities of blogging, but has soured on it considerably. The blog will be completely phased out over time.

Are trial memberships available?

- No. Peter has no interested in members who cannot risk \$398 on a trade

Does Factor LLC only monitor and trade futures and forex in its proprietary account?

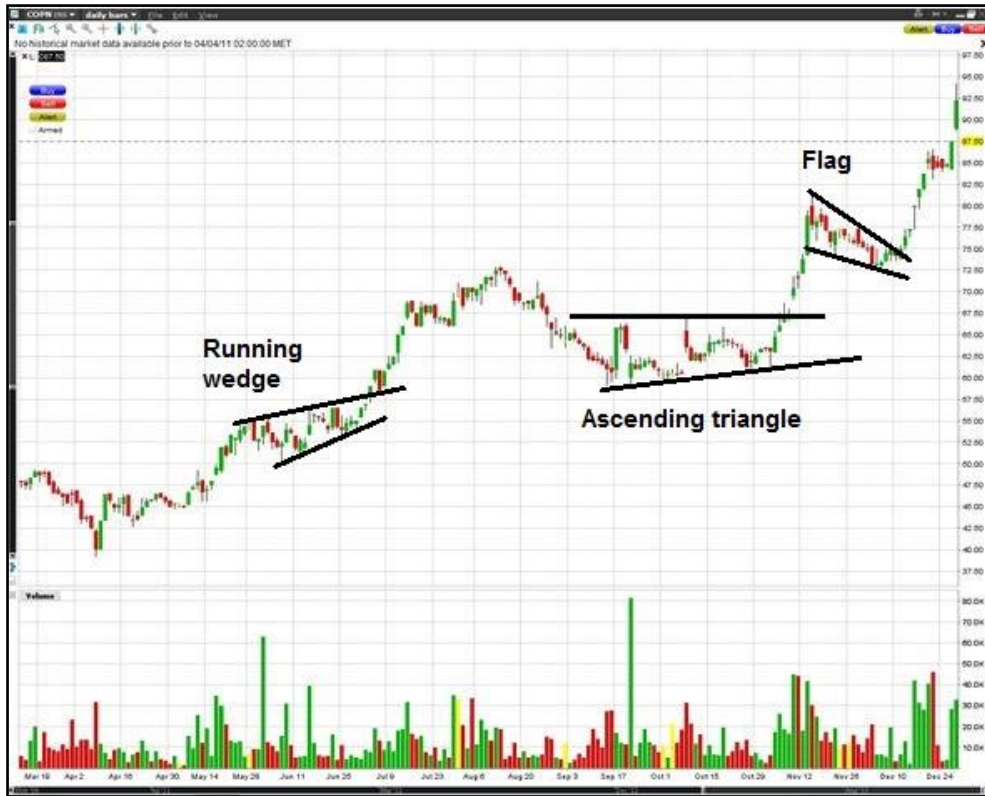
- While Peter primarily trades futures and forex, he does trade equities and will comment on the stocks he finds particularly interesting from a classical charting perspective.
- Many of the futures and forex markets traded by Factor have corresponding ETFs. Yet Peter believes that commodity and forex ETFs represent a very inefficient use of trading capital.
- There have been examples when Factor has become extremely interested in stock plays and has placed substantial bets on the same, risking 200 to 300 basis points of capital

Are there some examples of recent stock plays in which Factor has taken significant positions?

- COPN. In late 2012, largely as a result of macro analysis by the Bank Credit Analyst, Factor became interested in the Swiss stock market.
  - We looked at playing the Swiss market using futures, and we also surveyed individual stocks. We came across a chart that just captivated our attention – Cosmos Pharmaceuticals (COPN), traded on the Swiss exchange. We could easily trade this in our account at Interactive Brokers. Factor maintains accounts with a number of brokerage firms.
  - Cosmos was forming a near perfect narrow-range rectangle on the daily chart (see below). A tight and long-duration rectangle such as this can provide an explosive move. We bought this stock under 29sCHF with literally a 1.20CHF risk. Our projected move from the rectangle was \$45 initially, exceeded in short order, and \$70 eventually.



- We took some profits and our initial target, but then we were flushed out by an April 3 bear trap. Yet, the bear trap was confirmed on May 7 and the market has provided several other swing trades along the way.





- AVGO. On September 20, Factor acted on a buy signal in the stock AVGO based on an ascending triangle.



How does Factor's partnership with Trade Navigator work?

- This bonus feature of the Factor service is only available to traders using Trade Navigator
- Peter has only used two charting/trading platforms his entire career – Commodity Quote Graphics (CQG) and Trade Navigator (TN). Peter presently uses TN for his charting/trading platform and the CQG “bridge” to route orders to FCMs.
- TN maintains a custom downloadable file that includes the charts for those markets in which Factor is carrying a position or in which a position is pending. This file is available at no cost for TN users. These charts will be available under the “Pages” tab.
- TN offers a free 2-month trial to its full service for Factor members. During this trial you will have access to the custom file of Factor's charts. Valid for first-time Factor members only.
- Factor LLC does not receive hard or soft compensation from Trade Navigator





Is Peter available by email to answer questions or to give advice?

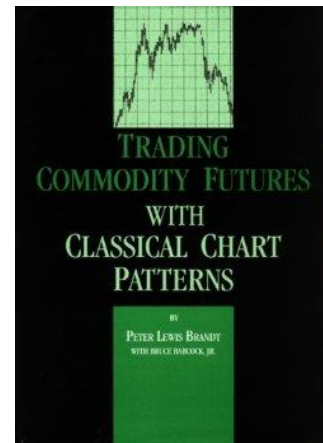
- Generally, no! Remember, the Factor email service is NOT an advisory service. Peter cannot and will not provide specific advice tailored to an individual situation.
- All questions are catalogued. Peter might decide to do a group-wide email when several members of the service pose a similar question.
- If members want to email Peter, REMEMBER, **NEVER REPLY TO AN EMAIL** issued as part of the Factor email service. **Always originate an email from your end. In the subject line, type, "Question (or comment) from a Factor member"**

What if I change my email address during my membership?

- You will need to email [Jolleen.Factorco@gmail.com](mailto:Jolleen.Factorco@gmail.com). Your subject line should be "Email address change." Provide your previous and new email addresses.

How will I know when my membership is processed?

- Just follow the directions on the following pages for using PayPal to join the Factor Service
- You will receive an email notice from PayPal when your subscription is processed
- As soon as your membership is processed we will add your name to the Factor email distribution list
- You will receive instructions on how to access the PDF version of the book via DropBox



**We look forward to having you as a member of the Factor service**

**Mr. Brandt takes no responsibility for trading results incurred by individuals attempting to implement the market ideas of subscription email service. The Factor LLC email service and the [www.PeterLBrandt.com](http://www.PeterLBrandt.com) blog (and other correspondence presented via social media such as Twitter) represents the technical market research and personal market opinions of Peter L. Brandt as they pertain only to his proprietary trading activities. There is a risk of loss in trading all markets discussed, and such trading is not appropriate for all investors. Use of any information presented through the Factor LLC email service is at the discretion and risk of the member/user.**

## If you currently have a PayPal account

1. Click on this link [https://www.paypal.com/cgi-bin/webscr?cmd=\\_s-xclick&hosted\\_button\\_id=HCN9K3R8ZUBN2](https://www.paypal.com/cgi-bin/webscr?cmd=_s-xclick&hosted_button_id=HCN9K3R8ZUBN2)
2. Sign into your PayPal account

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Factor Research and Trading Email Service		

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Password:  

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No PayPal account? Pay using your [credit or debit card](#)

3. Check for correct address and payment info, agree and pay

### Factor LLC

Review Your Payment PayPal Secure Payments


Description	Terms	Amount
Factor Research and Trading Email Service		

[View PayPal policies](#) and your payment method rights.

**Seller Information**


**Seller Name**  
Factor LLC

**Shipping Information**

**Shipping Address**  
 

[Edit Address](#)


**Payment Method**

Instant Transfer:  

Back Up Option:


Future payments will be made with your [default payment method](#) unless you select a preferred payment method. To make a change, go to **My money** in your Profile, then update the "My preapproved payments" section.

[Change payment method](#)



4. Confirmation screen

### Factor LLC

Your purchase was successful  PayPal Secure Payments

Description	Terms	Amount
Factor Research and Trading Email Service		

**Note**

## If you DO NOT have a PayPal account

1. Click on this link [https://www.paypal.com/cgi-bin/webscr?cmd=\\_s-xclick&hosted\\_button\\_id=HCN9K3R8ZUBN2](https://www.paypal.com/cgi-bin/webscr?cmd=_s-xclick&hosted_button_id=HCN9K3R8ZUBN2)
2. Click Pay using your credit or debit card

### Factor LLC

Log in to complete your checkout PayPal Secure Payments

PayPal securely processes payments for Factor LLC. To complete your checkout using PayPal, please log in. [Learn more](#)

Description	Terms	Amount
Factor Research and Trading Email Service		

Check out using PayPal


Pay fast with PayPal. It's secure and you won't have to reveal your financial information. [Learn more](#)

PayPal

Email:

Password:

[Forgot your email address or password?](#)

No PayPal account? Pay using your [credit or debit card](#) 

Log In

3. Continue by using your credit card or debit card, filling out all needed billing information.

### Factor LLC

Billing Information PayPal Secure Payments

\* Required

Description	Terms	Amount
Factor Research and Trading Email Service		

PayPal Checkout

Log in securely now.

Email Address  Password

[Forgot your email?](#) [Forgot your password?](#)

Country

Country:

Credit or Debit Card Information

4. Double check correct address and payment info, agree and pay

### Factor LLC

Review Your Payment PayPal Secure Payments


Description	Terms	Amount
Factor Research and Trading Email Service		

[View PayPal policies](#) and your payment method rights.



**Seller Information**

Seller Name  
Factor LLC


**Shipping Information**

Shipping Address   
[Edit Address](#)

**Payment Method**

Instant Transfer:   
Back Up Option: 

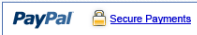
Future payments will be made with your [default payment method](#) unless you select a preferred payment method. To make a change, go to **My money** in your Profile, then update the "My preapproved payments" section.  
[Change payment method](#)



## 5. Confirmation screen

### Factor LLC

Your purchase was successful



Description	Terms	Amount
Factor Research and Trading Email Service		

#### Note

The details of this transaction are stored in your PayPal account for easy access anytime. For details login to <https://www.paypal.com/us>

#### Contact Information

Business Name: Factor LLC

[PayPal Account Overview](#)