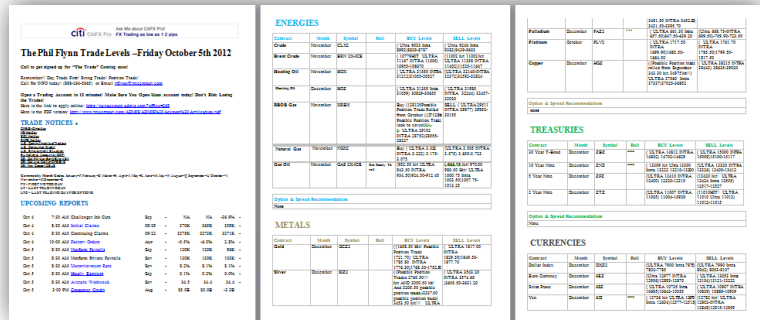


Trading Futures *with* The Phil Flynn Daily Trade Levels



A New Way to Trade

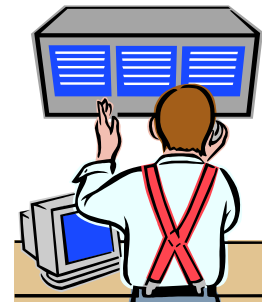
Of course you have heard that the secret to trading commodities is to ‘buy low and sell high’.

And of course - how to determine what is low and what is high is a never ending quest. The other old commodity trading adage is to ‘cut your losses and let your profits run’. Yet, how do you do that in a time of historic prices and volatility? With many commodities hitting record highs and having historical trading ranges, the days of buy and hold or sell and hold have become a more daunting prospect. Many of our customers have resorted to day trading - sometimes flailing about trading multiple times per day for small profits and with an equal amount of risk. Others seem to try to ride out positions and even if they are right, seem to lose out, as the market takes them out on a correction.

Access to Risk vs. Profit Potential

The Phil Flynn Daily Trade Levels were created to provide a way for traders of all backgrounds and with varied market objectives to easily access risk vs. profit potential on any given trade on any given day. At the same time, provide the building blocks to assist traders in creating a solid trading plan to use in navigating the markets. Also, I made the Trade Levels flexible enough to cater to a trader’s own personal needs, so they could embrace their own directional bias.

This valuable data is used daily by large and small traders alike, helping them to position themselves in the market for the long-term, by taking small steps into a trade with the ultimate goal of minimizing risk.



Our Philosophy

Try to look at each trading day as a new opportunity.

The key to the Trade Levels is our philosophy on how to approach the market. I always tell our clients to think “Day Trade First, Swing Trade Second, and Position Trade Third”. In other words, before you think about a “swing trade” or a “position trade”, make sure that the day you put on the trade you have a better than average chance to close out the day with a profit. Another component of the Trade Levels is an increased focus on risk vs. profit potential on each trade. Using a multitude of fundamental and technical indicators, what we try to do is envision the high and low of the next day’s trading session. Obviously because no one has a crystal ball or tomorrow’s paper, we provide the different scenarios and different levels we picture.

Ultra, Intra, and Outside Numbers

We have possibilities for each market each day - 2 main lows & 2 main highs.

Contract	Month	Symbol	Roll	BUY Levels	SELL Levels
Crude	November	CLX2		(Ultra 8884 Intra 8788) 8677-8527	(Ultra 9094 Intra 9173) 9232-9323

- The first and most probable entry is our **Ultra Number**.

We call it the Ultra number because it has the highest probability of being in play that day on either the buy or sell side. You can use the Ultra number in a number of ways. For example, easily create a day trading system by putting a trade in at the Ultra number with a \$700 to \$1,000 stop and if filled, target the other Ultra number and either take a profit if you can or exit the position at the end of the day. You can also adjust that stop lower to accommodate your risk tolerance, market conditions, or to trade mini contracts on many of the different markets.

2. The next entry is our **Intra Number** which is less likely, but still in the realm of possibility.
The Intra number is the next level and could be used the same way as the Ultra number, but you should not see as much activity.
3. The **Outside Numbers** are lower possibility numbers that can act as longer-term targets or for levels to reopen a position if in fact you were stopped out and looking for a new level.
The Outside numbers could be used the same way as the Ultra and Intra numbers, but you may not see activity for months.

At times on the Trade Levels, you will see a price followed by the term 'Hit'. That is a Trade Level that was used in a previous session and may have been carried as a swing trade – we would then be targeting a higher level on the opposite side of the trade.

You may also see the term 'Possible Position Trade' which is a Trade Level that we might suggest is worthy of locking in a small profit or a break-even stop, allowing it to ride until we recommend that you cover, which may be weeks or months if the market begins to trend. You will also see a column named 'Roll' which is an early warning indicator that the contract will be ending.

In addition to the Trade Levels, we also provide selected option plays and spread positions when we see something that is standing out. Also, we always include the day's Trade Notices and Upcoming Reports.

Using the Levels

Based off of the Trade Levels we can create a strategy that makes sense for everyone from the smallest to the largest trader. We also use the Trade Levels as a way to try to get a swing trade naturally. For example, we would buy or sell multiple contracts at the trade price and then take partial profits on the first rally equivalent to the stop. With the remaining contracts we would raise the stop to try to lock in a break-even or small profit and then allow the market to work as a swing trade, targeting some of the higher objectives on the other side of the trade. At that point we could also decide whether or not that trade level is worthy of a long-term position trade.

- Average the Ultra and Intra numbers for the best of both worlds.
- Set your own risk levels by varying the entry point or stop levels.
- Get a sense of risk vs. profit potential with the corresponding level on the opposite side of your trade.
- If you have a strong market bias, choose the levels on the appropriate side.
- You can also adjust the spot where you buy/sell based off of your market bias.
- Create a diversified trading program by using different markets and sectors, or just focus on one.
- In a trending market you could build a core long or short position using the sell point as a place to take partial profits and a place to add to the position as well.
- Larger accounts could scale into a position by buying or selling at both the Ultra and Intra number, putting the stop below or above the Intra number.

About Phil Flynn

Senior Market Analyst at The PRICE Futures Group



Mr. Flynn is one of the world's leading energy market analysts, providing individual investors, professional traders, and institutions with up-to-the-minute investment and risk management insight into global petroleum, gasoline, and energy markets.

His precise and timely forecasts have come to be in great demand by industry and media worldwide. His impressive career goes back almost three decades, gaining attention with his market calls as writer of [The Energy Report](#). He is a daily contributor to Fox Business Network where he provides daily market updates and analysis. Phil's daily commentary is also featured in Futures Magazine, International Business Times, Inside Futures, 312 Energy, Enercast, among many others.

Phil is a lifelong resident of Illinois. He attended Daley College in Chicago before beginning his career on the trading floor of the Chicago Mercantile Exchange which eventually led him and his team to The PRICE Futures Group.

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