

COMMODITY
TRADER'S
ALMANAC
2 0 1 1

For Active Traders of Futures,
Forex, Stocks, and ETFs



COMMODITY

TRADER'S

A L M A N A C

2 0 1 1

Jeffrey A. Hirsch and John L. Person



WILEY

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INTRODUCTION TO THE FIFTH EDITION

We are especially proud and excited to present the fifth edition of the *Commodity Trader's Almanac*. The research put forth in 2010 had proven to be a valuable resource, and armed with this book, we are eagerly awaiting the trading opportunities that lie ahead in 2011. Working together we have further improved this book, creating a better tool for helping traders and investors become educated and prepared.

Inside the *Almanac* you will find:

- Seasonal tendencies and the respective potential risks and rewards.
- Detailed statistical data on past market price action.
- Insight to several top technical tools to help time your trades.
- The nuances of trading the various aspects of related markets.
- Annual highs and lows for the top commodity markets.
- Reminder alerts on trades on the calendar pages.
- First Notice, Last Trade, and Options Expiration on the calendar pages.

The *Almanac* provides a monthly overview of pertinent statistics and highlights the seasonal tendencies of each particular futures market. In total, the *Almanac* is designed to help point traders and investors in the general direction of the normal, natural supply/demand cycle of the market. It highlights specific strategies you may wish to employ, monthly overviews, and historical statistics.

Why is a book like this so important? Markets can turn on a dime. A case in point is the market action in 2010; what a difference a year makes. Look where the stock market was in 2009. Most traders and most economists were blindsided by the magnitude of the financial crisis. But by March 2009, the stock market was rebounding powerfully off the lows of the worst bear market since the 1930s; and by summer, the U.S. economy was recovering from the longest and largest contraction since the Great Depression. The Great Recession arguably ended in July 2009 after 20 months.

The theme during the first half of 2010 was "Volatility Reigns Supreme." Case in point, by late April, the S&P 500 stock index was up 9.2% year-to-date. Two weeks later, it was down 8.7% from the late April high and negative for the year! One great example is our new Sugar trade featured on page 58. This just goes to show that traders need to be diversified in commodities or stocks that are correlated to the futures markets. Our mantra throughout the *Almanac* is to show readers how to accomplish this.

New government regulations may help give stability, but at a cost in lost business opportunities. This may mute the business environment for 2011 and, perhaps, affect the way the commodity markets behave. We still expect a volatile ride in the stock, currency, commodity, and financial markets for the next few years.

As a result of the government bailouts and increased spending, there is a potential risk for a rise in the inflation rate. A round of monetary tightening within the next year would not be surprising. As a result, this could help support the dollar and, at the same time, put pressure on Treasury bond prices.

(continued on next page)

INTRODUCTION TO THE FIFTH EDITION

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Despite the massive rally and volatility in the equity markets, the most amazing thing was that we did see many of the markets behave within their seasonal supply/demand cycles, as detailed in the *2010 Almanac*. Many of the markets we cover, such as S&P's, crude oil, foreign currencies, grains, softs, and the meat complex, all behaved, relatively speaking, amazingly well within their seasonal price moves. We have highlighted some new case studies on pages 121-125, which will help you to learn how this *Almanac*, combined with our favorite technical tools, may help you to improve your trade selections for 2011.

The *2011 Commodity Trader's Almanac* brings to you several new features. Last year we added two markets, the S&P 500 stock index futures and the 30-year Treasury bonds. Hopefully, this year's *Almanac* will give you even better guidance on how to invest in these asset classes.

The contract specifications table, which also contains a listing of high-correlating stocks and exchange-traded funds (ETFs) for each commodity on pages 133-138, has been expanded to six pages to make room for the additional stocks and ETFs added this year. This should help futures traders and stock traders capitalize on these seasonal tendencies by using various securities based on the many different patterns and strategies presented herewith. On page 139, we have refined the selection of ETFs for potential trades in the markets covered in these pages.

The *2011 Almanac* provides the statistical information on the seasonal tendencies of various markets and identifies specific trading dates and holding days for each trade. Furthermore, we are sharing some more research from John's book, *Forex Conquered: High Probability Systems and Strategies for Active Traders*, John Wiley & Sons, 2007. On pages 7-9 we reveal some of John's favorite chart pattern recognition techniques that he uses to help determine trade entries, risk, and stop placement.

We have also employed some charts and indicators from www.TradeStation.com this year. Case studies on pages 121-125 feature TradeStation® charts embedded with John's proprietary indicators. On pages 130-132 our explanation of how traders can gain an edge using the COT report is enhanced by a TradeStation® chart with John's own COT indicator.

Finally, at the behest of many readers, we have added First Notice, Last Trade, and standard Option Expiration Days for all 19 markets included in this tome. On the weekly calendar pages under the date, you will see FN (First Notice), LT (Last Trade), and OE (Option Expiration) followed by the applicable futures contract codes. For example, "FN: HG(U)," is the First Notice Day of the September Copper contract, i.e. "HG" for copper and "U" for September. Please refer to the contract specification table on pages 133-138 for an explanation of all the trading symbols and contract month codes.

It is important to remember to use the *2011 Commodity Trader's Almanac* as a reference guide and to compare current events against history. We have included the data necessary to distinguish which years had predominantly bigger price moves and where current prices and trends arc against past historic data.

We wish you a healthy and prosperous 2011!

John L. Person and Jeffrey A. Hirsch

PATTERN RECOGNITION IMPROVES TRADING RESULTS

There are several chart patterns to follow that can be helpful in determining entry and risk or stop placement. Much of John's extensive research regarding chart patterns is taught at private seminars, and in particular, the patterns discussed on these pages can be found in his third book, *Forex Conquered: High Probability Systems and Strategies for Active Traders*, John Wiley & Sons, 2007. We feel these patterns are so effective and vital in helping traders time their entries and exits on positions that we decided to include them in this year's *Almanac*.

PATTERN RECOGNITION TECHNIQUES

The two most basic yet highly effective patterns are the bullish "W" bottom formation and the bearish "M" top formation. You want to be sensitive to these chart patterns due to the higher frequency of occurrences and reliability of their meanings.

"W" BOTTOM PATTERN OR 1-2-3 SWING BOTTOM FORMATION

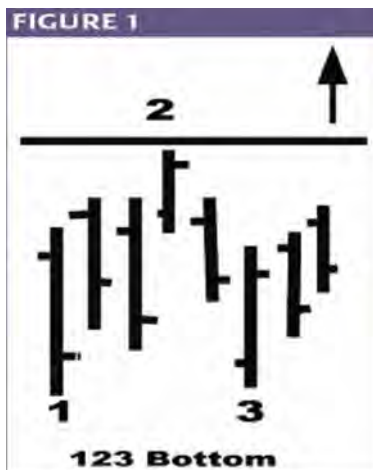
Let us examine the "W" bottom pattern. It is also known as a double bottom with a higher right side breakout; and, of course, it is similarly dubbed a 1-2-3 swing bottom formation, as shown in Figure 1.

The basic premise is that after a period of descending prices, the market bounces higher and then "re-tests" the primary low or point 1. Then the market rallies establishing a swing high, labeled point 2. Typically after a period of time, the market sells off making a secondary higher low, labeled point 3.

Once the market penetrates the high of point 2, this action gives a trader confirmation of a trigger to go long. A general rule I like to teach students is you place your sell stop initially below point 3.

In Figure 2, we have a 15 minute chart on the Japanese yen futures contract displaying a typical 1-2-3 bottom pattern. Notice the swing high, labeled Point 2, acts as a resistance. However, once the high has been penetrated just before the 9:00 AM time frame, the market trades higher.

Between 9:00 and 10:00 AM, see how prices react near that price level. The old high established by Point 2 now acts as support. Entering to go long just above the high of point 2 and setting your stop below the low of point 3 gave an excellent trade with a defined risk level.



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PATTERN RECOGNITION IMPROVES TRADING RESULTS

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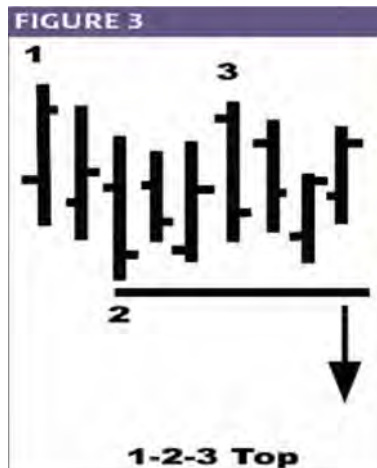
Chart used with permission of TradeStation.com

"M" TOP PATTERN OR 1-2-3 SWING TOP FORMATION

The "M" top is known as a double-top pattern, as illustrated in Figure 3. Generally after a prolonged period of rising prices, the market peaks out forming the swing high, labeled point 1. Then we see a decline posting a swing low, labeled point 2. The market tends to retest the highs but makes a secondary lower high, labeled point 3.

Once the market breaks below the low of point 2 that is the trigger to liquidate longs or sell short. For active traders looking to sell short on this set-up, stops are placed above the high of point 3.

Now look at Figure 4. This is a 15 minute chart on the E-mini S&P 500 futures contract. See the prolonged run-up in value that started in the European session that lasted through the U.S. open. As you can see it was a nice 25.00 plus move, with the high established by a shooting star candle pattern or the swing high labeled point 1.



Then as profit taking and short sellers emerged, the market declined. As the momentum stalled, we formed a swing low at point 2. Now the market starts to rally to retest the highs and fails, posting a secondary lower high, labeled point 3. Once the lows of point 2 are taken out, this is where a trader can sell short using the high above point 3 as the buy stop loss point or risk level.

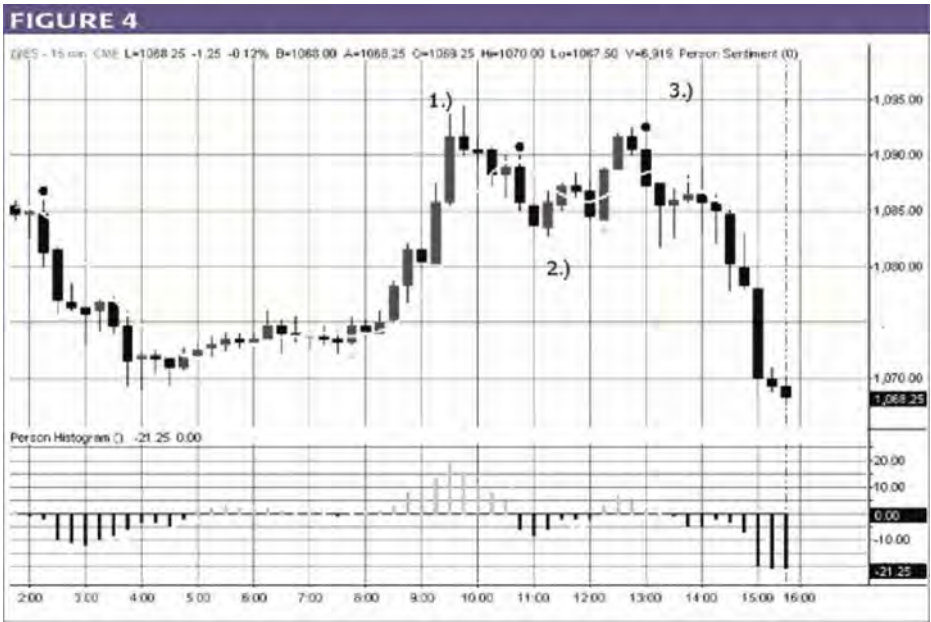


Chart used with permission of TradeStation.com

This year's *Almanac* includes some new case studies on pages 121-125, using these and several other timing tools from last year's *Almanac* and John's other books. These case studies should give you a better grasp of how using the predictive power of timing tools and pattern recognition techniques to determine a market's potential high or resistance, or swing high, can help you better time a potential seasonal peak in a particular commodity. Likewise, a predetermined Pivot calculated support target, or swing low, can help you uncover hidden support for a market entering a historically seasonal strong period.


For more information on timing tools and chart pattern trading techniques, may we suggest you visit John's website at www.nationalfutures.com, where he has a Pivot Calculator and further educational material available for free to the general public. "Commodity Corner Investor Alerts" on Jeff's website, www.sfocktradersalmanac.com, feature select trades from John and the *Commodity Trader's Almanac*.

2011 STRATEGY CALENDAR

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
JANUARY	27	28	29	30	31	1 JANUARY New Year's Day	2
	3	4	5	6	7	8	9
	10	11	12	13	14	15	16
	17 Martin Luther King Day	18	19	20	21	22	23
	24	25	26	27	28	29	30
FEBRUARY	31	1 FEBRUARY	2	3	4	5	6
	7	8	9	10	11	12	13
	14	♥ 15	16	17	18	19	20
	21 Presidents' Day	22	23	24	25	26	27
	28	1 MARCH	2	3	4	5	6
MARCH	7	8	9 Ash Wednesday	10	11	12	13 Daylight Saving Time Begins
	14	15	16	17 ♣ St. Patrick's Day	18	19	20
	21	22	23	24	25	26	27
	28	29	30	31	1 APRIL	2	3
	4	5	6	7	8	9	10
APRIL	11	12	13	14	15 Tax Deadline	16	17
	18	19 Passover	20	21	22 Good Friday	23	24 Easter
	25	26	27	28	29	30	1 MAY
	2	3	4	5	6	7	8 Mother's Day
	9	10	11	12	13	14	15
MAY	16	17	18	19	20	21	22
	23	24	25	26	27	28	29
	30 Memorial Day	31	1 JUNE	2	3	4	5
	6	7	8	9	10	11	12
	13	14	15	16	17	18	19 Father's Day
JUNE	20	21	22	23	24	25	26

Market closed on shaded weekdays; closes early when half-shaded.

2011 STRATEGY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
27	28	29	30	1 JULY	2	3
4 Independence Day	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
1 AUGUST	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1 SEPTEMBER	2	3	4
5 Labor Day	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29 Rosh Hashanah	30	1 OCTOBER	2
3	4	5	6	7	8 Yom Kippur	9
10 Columbus Day	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31 	1 NOVEMBER	2	3	4	5	6 Daylight Saving Time Ends
7	8 Election Day	9	10	11 Veterans' Day	12	13
14	15	16	17	18	19	20
21	22	23	24 Thanksgiving	25	26	27
28	29	30	1 DECEMBER	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21 Chanukah	22	23	24	25 Christmas
26	27	28	29	30	31	1 JANUARY New Year's Day

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

JANUARY ALMANAC

◆ STOCKS AND BONDS

Last year we introduced the S&P 500's tendency to see mild declines after the New Year, as investors often sell positions to defer capital gain taxes on profits, though overall strength from October can last into April. This year we introduce the short trade (page 14). Traders can look to take advantage of the January break on the long side (page 20). This trade has a reliable trend, registering a 71.4% success rate. See January Break Case Study on page 121. 30-year Treasury bond prices have a tendency to continue their decline (page 106), as investors are reallocating money into stocks.

◆ ENERGY

January tends to see continued weakness in crude oil (page 145) and in natural gas (page 147) before the typical bottom is posted in February. Traders should prepare for the strongest buy month for oil and natural gas (pages 26 and 32).

◆ METALS

Gold has a strong history of making a seasonal peak from mid- to late January into early February. Shorting gold during this time period has resulted in a cumulative profit of \$36,350 over the past 36 years (page 126). Silver also has a tendency to peak in late February and follows gold price weakness into March (page 28). Copper tends to respect its seasonal December bottom to show mild strength in January (page 112).

◆ GRAINS

Soybeans tend to post a low in late January or early February (page 161). Wheat prices tend to see seasonal weakness in January as well (page 18). In fact, this trade boasts a 68.3% success rate, with 28 years up and 13 down. Corn prices tend to buck that trend, as we enter into the new marketing year (page 158).

◆ SOFTS

Cocoa shows signs of strength in January and continues higher until March (page 34). Coffee tends to show a mixed performance in the month of January, giving back some of December's gains (page 170). Sugar tends to show a mixed performance in January, as beet and continued sugar cane harvest in the southeast United States and India puts pressure on prices (page 173).

◆ MEATS

Live cattle prices tend to follow December's strength (page 176), and hog prices tend to remain under pressure from making any significant moves up until March (page 179).

◆ CURRENCIES

The euro has a short life span since beginning in 1999. However, since inception, it has a stellar trade by going short on the third trading day and holding for 24 days. It has been up 11 and only registered one loss (pages 16 and 122). The Swiss franc and the British pound both show a strong seasonal tendency to continue lower from late December. The yen also demonstrates weakness from December into February.

JANUARY						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

FEBRUARY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

JANUARY STRATEGY CALENDAR*

Symbol		B	M	E
SP	L S			
US	L S			
CL	L S			
NG	L S			
HG	L S			
GC	L S			
SI	L S			
C	L S			
S	L S			
W	L S			
CC	L S			
KC	L S			
SB	L S			
LC	L S			
LH	L S			
BP	L S			
EC	L S			
SF	L S			
JY	L S			

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127.
L = Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

DECEMBER/JANUARY 2011

MONDAY

27

OE: NG(F)

Selling a soybean contract short is worth two years at the Harvard Business School.

— Robert Stovall (Managing director, Wood Asset Management, b. 1926)

TUESDAY

28

LT: NG(F)

OE: HG(F), SI(F)

A day will come when all nations on our continent will form a European brotherhood...

A day will come when we shall see... the United States of Europe... reaching out for each other across the seas.

— Victor Hugo (French novelist, playwright, *Hunchback of Notre Dame* and *Les Misérables*, 1802–1885)

WEDNESDAY

29

FN: NG(F)

LT: HG(Z), GC(Z), SI(Z)

Only those who will risk going too far can possibly find out how far one can go.

— T.S. Eliot (English poet, essayist, and critic, *The Wasteland*, 1888–1965)

THURSDAY

30

FN: S(F)

By the law of nature the father continues master of his child no longer than the child stands in need of his assistance;

after that term they become equal, and then the son entirely independent of the father, owes him no obedience, but only respect.

— Jean-Jacques Rousseau (Swiss philosopher, *The Social Contract*, 1712–1778)

FRIDAY

31

FN: HG(F), SI(F)

LT: LC(Z)

All great truths begin as blasphemies. — George Bernard Shaw (Irish dramatist, 1856–1950)

New Year's Day (Market Closed)

SATURDAY

1

SUNDAY

2

SHORT S&P INTO EARLY JANUARY STRENGTH

Last year we first introduced two new products to the *Commodity Trader's Almanac*: the 30-year Treasury bond and the S&P 500 stock index futures contracts. The S&P's were first launched in mid-1982 at the Chicago Mercantile Exchange and have been the premier equity futures contract since. Traders have electronic access to trade what is known as the E-mini S&P 500 contracts (ES), which is the most popular and highly liquid of all the stock index futures contracts. Since we have such vast research capacity for the overall markets, and since there tends to be a strong seasonal correlation with the overall stock market, we want to explore a seasonal opportunity to start the year off.

Typically the stock market has demonstrated a tendency to retreat after the first of the new year, especially when there has been a strong fourth quarter gain. Once the new year begins, we often see a profit taking correction. The premise for this occurrence is based on the fact that investors tend to sell stocks to lock in profits in order to defer taxes from capital gains after the new year begins. Even though the best time to be long, the overall equity markets lasts from October through late April, this January break can certainly give short term traders a nice return. The last three years have given above average returns. In fact, the two highest historical returns on this trade occurred in 2008 and in 2009.

Selling on or about the second trading day of the New Year and holding for twelve trading sessions has provided a spectacular cumulative gain, since 1983, of \$86,300. This trade has worked 16 out of the last 28 years, for a success rate of 57.1%. The graph below is a weekly continuous futures chart of the "big" S&P 500 contract with the E-mini overlaid; the seasonal chart in the bottom section, showing last year's price move with the typical historic price moves, clearly defines the January break. Just remember whatever goes up does not always come down, but the odds do favor a January break after a significant fourth quarter rally. See pages 133–138 for additional correlated trades.

JANUARY SHORT S&P MARCH (MARCH)					
TRADING DAY: 2—HOLD: 12 DAYS					
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1983	1/4	142.50	1/20	147.65	-\$1,288
1984	1/4	168.90	1/20	168.05	212
1985	1/3	167.05	1/21	177.65	-2,650
1986	1/3	212.95	1/21	205.55	1,850
1987	1/5	253.25	1/21	268.90	-3,912
1988	1/5	259.80	1/21	244.60	3,800
1989	1/4	282.90	1/20	288.75	-1,463
1990	1/3	361.70	1/19	342.20	4,875
1991	1/3	324.15	1/21	332.95	-2,200
1992	1/3	420.25	1/21	414.45	1,450
1993	1/5	434.60	1/21	436.30	-425
1994	1/4	467.50	1/20	475.30	-1,950
1995	1/4	463.75	1/20	467.30	-888
1996	1/3	626.95	1/19	614.15	3,200
1997	1/3	757.20	1/21	786.95	-7,438
1998	1/5	986.90	1/22	966.30	5,150
1999	1/5	1253.20	1/22	1232.00	5,300
2000	1/4	1411.80	1/21	1453.70	-10,475
2001	1/3	1359.20	1/22	1358.50	175
2002	1/3	1166.40	1/22	1121.30	11,275
2003	1/3	909.90	1/22	877.50	8,100
2004	1/5	1120.00	1/22	1144.00	-6,000
2005	1/4	1191.00	1/21	1168.60	5,600
2006	1/4	1280.50	1/23	1269.20	2,825
2007	1/4	1427.50	1/23	1435.40	\$1,975
2008	1/3	1458.70	1/22	1309.30	37,350
2009	1/5	927.40	1/22	825.50	25,475
2010	1/5	1132.30	1/22	1091.00	10,325
28-Year Gain					\$86,300

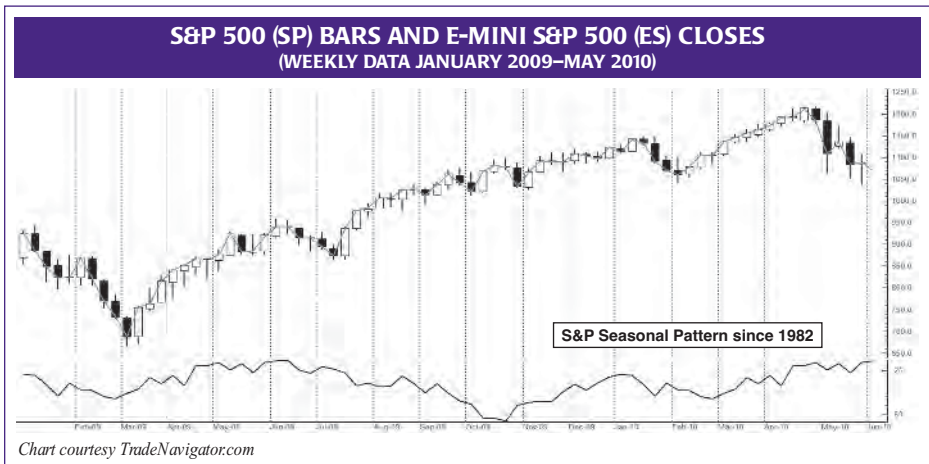


Chart courtesy TradeNavigator.com

JANUARY

End Long Euro(H) (Oct. 26, 2010)

MONDAY

3

We were fairly arrogant, until we realized the Japanese were selling quality products for what it cost us to make them.
— Paul A. Allaire (Former Chairman of Xerox)

Start Short S&P 500(H)—57.1% Accuracy Since 1983—End Jan. 21—Page 14

TUESDAY

4

It is better to be out wishing you were in, than in wishing you were out.
— Albert W. Thomas (Trader, investor, *Over My Shoulder*, mutualfundmagic.com,
If It Doesn't Go Up, Don't Buy It!, b. 1927)

Start Short Euro(H)—91.7% Accuracy Since 1999—End Feb. 9—Page 16
Start Short Wheat(N)—68.3% Accuracy Since 1970—End May 9—Page 18
End Long Wheat(K) (Dec. 7, 2010)

WEDNESDAY

5

Every man is the architect of his own fortune. — Appius Claudius (Roman politician, 340–273 B.C.)

THURSDAY

6

Resentment is like taking poison and waiting for the other person to die.
— Malachy McCourt (*A Monk Swimming: A Memoir*)

FRIDAY

7

The four most expensive words in the English language. "This time it's different."
— Sir John Templeton (Founder, Templeton Funds, philanthropist, 1912–2008)

SATURDAY

8

SUNDAY

9

EURO PEAKS AGAINST U.S. DOLLAR

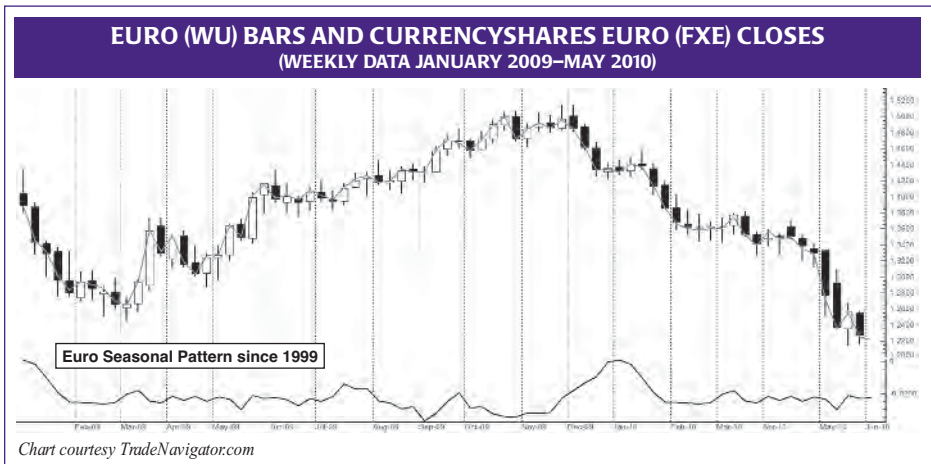
The euro currency was first introduced to the world markets in 1999 and was finally launched with bank notes and physical coins in 2002. As of June 2010, the following countries use the euro as their official currency: Andorra, Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Kosovo, Luxembourg, Malta, Monaco, Montenegro, Netherlands, Portugal, San Marino, Slovenia, Slovakia, Spain, and Vatican City. Estonia is expected to begin using the Euro on January 1, 2011.

The European Central Bank dictates monetary policy and puts more emphasis on inflation concerns rather than on economic contraction. We have seen in the past where the ECB would rather maintain steady interest rates than stoke the flames of inflationary pressures. As a result, the ECB is less likely to adjust interest rates. However, in early 2010, a European sovereign debt crisis emerged and spread throughout Spain, Portugal, Greece, and then Hungary. Even though Hungary has its own currency, the forint, European banks were exposed to potentially bad loans in that country, which eroded confidence even further. This left the ECB with more than just an interest rate adjustment agenda.

JANUARY SHORT EURO (MARCH)					
TRADING DAY: 3—HOLD: 24 DAYS					
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1999	1/6	116.42	2/10	113.63	\$3,488
2000	1/5	103.69	2/9	99.45	5,300
2001	1/4	95.24	2/8	91.85	4,238
2002	1/4	89.27	2/8	87.20	2,587
2003	1/6	104.42	2/10	107.32	-3,625
2004	1/6	127.37	2/10	126.94	538
2005	1/5	132.74	2/9	127.98	5,950
2006	1/5	121.53	2/9	119.91	2,025
2007	1/4	131.31	2/8	130.61	875
2008	1/4	147.77	2/8	144.92	3,563
2009	1/6	134.92	2/10	128.59	7,912
11-Year Gain					\$32,850

Despite this wall of worry, seasonally speaking, we do see in the 12-year history of the euro a tendency for prices to head lower against the U.S. dollar on or about the third trading day in January through the first week of February. Theory suggests this has worked in the past due to the fact that multinational conglomerate corporations based here in the United States repatriate funds after the New Year, and this has a tendency to depress prices in the first quarter. In 2010, this trade reaped its largest gain to date, as the stock market also pulled back in January (see page 14).

There are several ways to take advantage of this market—in particular, through an ETF that tracks the euro directly (FXE). By examining the chart below you will see the euro currency futures contract mirrors the line chart based on the closing prices of the CurrencyShares euro (FXE). See pages 133–138 for additional correlated trades.



JANUARY

End Long Corn(N) (Dec. 8, 2010)

MONDAY

10

Capitalism is the legitimate racket of the ruling class. — Al Capone (American gangster, 1899–1947)

TUESDAY

11

When America sneezes, the rest of the world catches cold. — Anonymous (circa 1929)

WEDNESDAY

12

It is impossible to please all the world and one's father. — Jean de La Fontaine (French poet, 1621–1695)

THURSDAY

13

There's no trick to being a humorist when you have the whole government working for you.
— Will Rogers (American humorist and showman, 1879–1935)

FRIDAY

14

LT: S(F)
OE: CL(G)

Today's generation of young people holds more power than any generation before it to make a positive impact on the world.
— William J. Clinton (42nd U.S. president, Clinton Global Initiative, b. 1946)

SATURDAY

15

SUNDAY

16

WHEAT TURNS TO CHAFF

Winter wheat (traded at the CME Group) is typically planted in the September through October time frame. Traders anticipate the crop size and this puts pressure on prices. In addition, the Southern Hemisphere crops are working through the export process, adding new supplies to the market. As Southern Hemisphere supply is consumed, prices tend to climb until the size and health of the newly planted crop is known. These events help explain how the seasonal peak is made in January (page 164).

Wheat is not a homogeneous crop, due to the many different classes that are grown (i.e. soft red winter [SRW], hard red spring wheat [HRS], and durum wheat). All have different protein contents and are used for different purposes.

SRW is used for cracker-type products. It has a lower protein content. This is the wheat that is deliverable through the old CBOT or CME Group. HRS wheat is used in baking products and has a higher protein content; durum is very high in protein and is used in pasta and noodles. As winter wheat is planted in the fall, corn is harvested, and wheat that may be used as feed can be substituted with less expensive corn, in most years.

Traders can look to take advantage of this seasonality by selling on or about January 5 and holding until on or about May 9. This trade has worked 28 times in the last 41 years, for a success rate of 68.3%. Also consider Ralcorp (RAH), makers of Post Cereals' Shredded Wheat and the former "human food" division of Ralston Purina, which tends to lag the seasonal price swings in Wheat. See pages 133–138 for additional correlated trades.

JANUARY SHORT WHEAT (JULY) TRADING DAY: 3—HOLD: 85 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	1/7	138 5/8	5/08	137 3/8	\$63
1971	1/6	161 1/8	5/07	151 3/8	488
1972	1/5	148 1/4	5/05	144	213
1973	1/4	235 1/2	5/08	233 1/8	119
1974	1/4	467 1/2	5/08	352	5,775
1975	1/6	411	5/07	312 1/2	4,925
1976	1/6	355 3/4	5/06	339 3/4	800
1977	1/5	287 1/4	5/09	253 1/2	1,688
1978	1/5	284 1/4	5/08	300 1/4	-800
1979	1/4	313 1/4	5/07	356 1/2	-2,163
1980	1/4	464 3/4	5/08	432	1,638
1981	1/6	499 3/4	5/07	433 3/4	3,300
1982	1/6	412 3/4	5/07	358 1/2	2,713
1983	1/5	342 3/4	5/06	362 3/4	-1,000
1984	1/5	342 3/4	5/07	341 1/2	63
1985	1/4	330 1/2	5/07	324 3/4	288
1986	1/6	278 1/4	5/07	273 1/4	250
1987	1/6	239 1/2	5/07	290 1/2	-2,550
1988	1/6	319 1/4	5/06	307 1/2	588
1989	1/5	400 1/4	5/08	418 1/2	-913
1990	1/4	360 1/2	5/07	352 3/4	388
1991	1/4	271 1/4	5/07	288 1/4	-850
1992	1/6	341 1/2	5/08	369 3/4	-1,413
1993	1/6	318	5/07	293	1,250
1994	1/5	342 1/2	5/09	325 1/2	850
1995	1/5	347 1/4	5/08	356 3/4	-475
1996	1/4	441	5/06	556 1/2	-5,775
1997	1/6	346 3/4	5/07	404 1/4	-2,875
1998	1/6	339 1/2	5/08	312 1/4	1,363
1999	1/6	307 1/2	5/10	264	2,175
2000	1/5	271	5/08	268 3/4	113
2001	1/4	305 3/4	5/08	266 3/4	1,950
2002	1/4	298	5/08	272 1/4	1,288
2003	1/6	311 3/4	5/08	298 1/2	663
2004	1/6	382 1/4	5/07	403	-1,038
2005	1/5	314	5/09	313 1/2	25
2006	1/5	358 3/4	5/09	384 3/4	-1,300
2007	1/5	477	5/09	482	-250
2008	1/4	817 1/4	5/07	807 1/2	488
2009	1/6	668	5/08	591	3,850
2010	1/6	589 1/2	5/10	492 3/4	4,838
41-Year Gain					\$20,744

CBOT WHEAT (W) BARS AND RALCORP (RAH) CLOSES (WEEKLY DATA JANUARY 2009—MAY 2010)

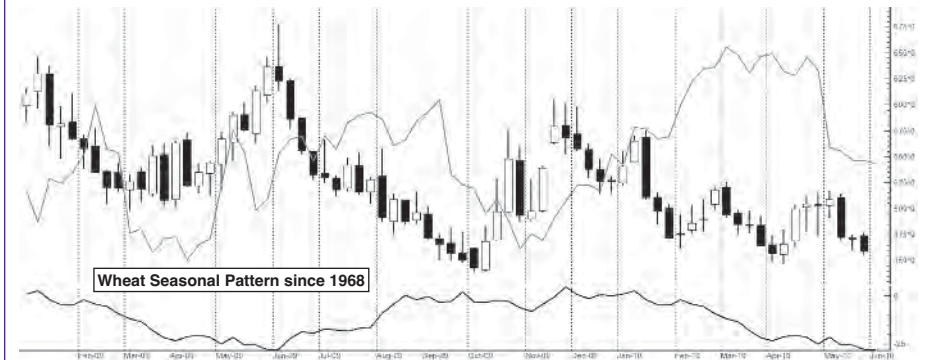


Chart courtesy TradeNavigator.com

JANUARY

Martin Luther King Jr. Day (Market Closed)

MONDAY

17

In the end, we will remember not the words of our enemies, but the silence of our friends.
— Martin Luther King, Jr. (Civil rights leader, 1964 Nobel Peace Prize, 1929–1968)

TUESDAY

18

In order to be great writer (or “investor”) a person must have a built-in, shockproof crap detector.
— Ernest Hemingway (American writer, 1954 Nobel Prize, 1899–1961)

WEDNESDAY

19

The average man desires to be told specifically which particular stock to buy or sell. He wants to get something for nothing. He does not wish to work.
— William LeFevre (Senior analyst, Ehrenkrantz King Nussbaum, 1928–1997)

THURSDAY

20

LT: CL(G)

Laws are like sausages. It's better not to see them being made.
— Otto von Bismarck (German-Prussian politician, 1st chancellor of Germany, 1815–1898)

End Short S&P 500(H) (Jan. 4)

FRIDAY

21

I've continued to recognize the power individuals have to change virtually anything and everything in their lives in an instant. I've learned that the resources we need to turn our dreams into reality are within us, merely waiting for the day when we decide to wake up and claim our birthright.
— Anthony Robbins (Motivator, advisor, consultant, author, entrepreneur, philanthropist, b. 1960)

SATURDAY

22

SUNDAY

23

END OF JANUARY LONG S&P 5 00 TRADE

The best six months for owning stocks begins in November and runs until April. However, after the first trading day in January, the market tends to take a breather. It is at this time that we tend to see some profit taking for tax deferral purposes.

By the third week of the month, we have had major economic reports, such as the employment situation and inflation figures; traders and investors have had a chance to regain a celebratory mood, as the Martin Luther King holiday weekend comes to a close. Traders come back feeling rejuvenated and see the dip in the market as an opportunity to put money back to work.

Buying this “January Dip” has a 71.4% success rate, registering 20 gains with only 8 losses in its 28-year history. The key is to enter a long position on or about January 24 and exit on or about February 2.

Even in early 2009, during the worst bear market since the Great Depression, this trade gained \$2,000. More surprising is the fact that this trade’s best performance came in 2008, just as the bear market was beginning in earnest. Though successful again in 2010, the “January Dip” lasted into early February, but using technical timing tools such as Pivot support and resistance levels could have improved results. See our dissection of 2010’s trade situation on page 121.

There are several ways to take advantage of this “January Dip”. One is through the futures markets traded at the CME. Stock traders may wish to explore trading the SPDR S&P 500 exchange-traded fund (SPY), which allows one to use options. The chart below displays the direct correlation of the front-month S&P 500 futures contract to SPY. See pages 133–138 for additional correlated trades.

JANUARY LONG S&P 5 00 (MARCH)					
TRADING DAY: 15–HOLD: 7 DAYS					
YEAR	ENTRY		EXIT		PROFIT/LOSS
	DATE	CLOSE	DATE	CLOSE	
1983	1/21	143.90	2/01	143.25	-\$163
1984	1/23	167.00	2/01	165.10	-475
1985	1/22	177.15	1/31	180.45	825
1986	1/22	202.80	1/31	213.05	2,563
1987	1/22	276.40	2/02	277.35	238
1988	1/22	248.10	2/02	255.85	1,938
1989	1/23	286.85	2/01	299.00	3,037
1990	1/22	331.40	1/31	330.50	-225
1991	1/22	329.85	1/31	344.65	3,700
1992	1/22	419.25	1/31	408.60	-2,662
1993	1/22	436.65	2/02	443.05	1,600
1994	1/21	473.60	2/01	479.90	1,575
1995	1/23	468.10	2/01	471.90	950
1996	1/22	613.70	1/31	637.95	6,063
1997	1/22	791.60	1/31	787.50	-1,025
1998	1/23	964.40	2/03	1010.70	11,575
1999	1/25	1243.50	2/03	1278.50	8,750
2000	1/24	1411.80	2/02	1415.50	925
2001	1/23	1366.00	2/01	1382.50	4,125
2002	1/23	1129.00	2/01	1123.40	-1,400
2003	1/23	883.00	2/03	858.50	-6,125
2004	1/23	1140.20	2/03	1133.00	-1,800
2005	1/24	1166.20	2/02	1193.20	6,750
2006	1/24	1270.40	2/02	1271.90	375
2007	1/24	1446.20	2/02	1453.10	1,725
2008	1/23	1341.50	2/01	1397.10	13,900
2009	1/23	823.50	2/03	831.50	2,000
2010	1/25	1092.60	2/03	1096.40	950
28-Year Gain					\$59,688

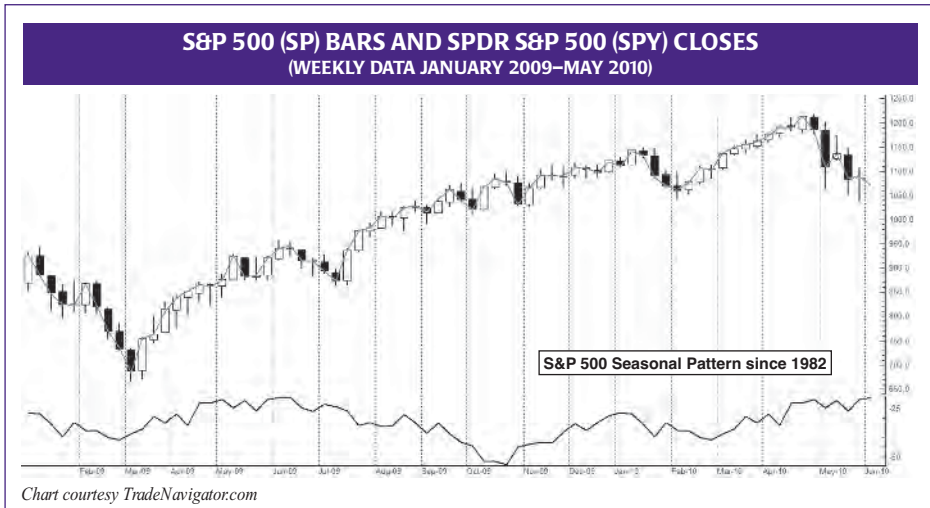


Chart courtesy TradeNavigator.com

JANUARY

Start Long S&P 500(H)—71.4% Accuracy Since 1983—End Feb. 2—Page 20

MONDAY

24

FN: CL(G)

Prosperity is a great teacher; adversity a greater. — William Hazlitt (English essayist, 1778–1830)

TUESDAY

25

In the history of the financial markets, arrogance has destroyed far more capital than stupidity.
— Jason Trennert (Managing Partner, Strategas Research Partners, March 27, 2006)

WEDNESDAY

26

OE: NG(G), HG(G), GC(G)

Cannot people realize how large an income is thrift?
— Marcus Tullius Cicero (Great Roman orator, politician, 106–43 B.C.)

THURSDAY

27

LT: NG(G), HG(F), SI(F)

Inflation is the modern way that governments default on their debt.
— Mike Epstein (MTA, MIT/Sloan Lab for Financial Engineering)

FRIDAY

28

FN: NG(G)

You have to find something that you love enough to be able to take risks, jump over the hurdles and break through the brick walls that are always going to be placed in front of you. If you don't have that kind of feeling for what it is you're doing, you'll stop at the first giant hurdle.
— George Lucas (Star Wars director)

SATURDAY

29

SUNDAY

30

FEBRUARY ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to decline before Presidents' Day weekend holiday, and as our seasonal pattern shows (page 140), the S&P 500 tends to continue that decline into March in recent years. 30-year Treasury bond prices have a tendency to continue their decline in February, as we hold a short position from November (page 106).

◆ ENERGY

Crude oil makes a strong seasonal bottom, registering a whopping 85.2% success rate with 23 gains in 27 years (pages 26, 123, and 126). February marked the annual low in 2009 and a seasonal low in 2010 (page 145). Natural gas also generates a stellar trade from its mid-winter bottom with a 75.0% success rate, gaining 15 out of the last 20 years (page 32).

◆ METALS

Gold has demonstrated a tradable seasonal downturn from late February to mid-March (page 126). In 2009, gold peaked at \$1013 on February 20 and traded towards \$870 by April 6. Silver tends to make price declines in sympathy with gold's seasonal declines. In the past 38 years, silver has declined 29 years for a 76.3% success rate (page 28). Copper prices tend to move in the opposite direction of gold and silver. However, the best trade from December suggests exiting longs on strength during February on or about the 22nd of the month (page 112).

◆ GRAINS

Soybeans register a recovery rally from January's break that lasts into the May peak. Soybeans have seen price advances from mid-February to late May, 23 out of the last 42 years, for a 54.8% success rate (page 24). Corn has a tendency to move higher in sympathy with soybeans (page 158). Wheat marches to a different beat and generally sees price declines during February (pages 18 and 164).

◆ SOFTS

Cocoa prices tend to pause in February before advancing and peaking out in March (page 34). Coffee prices see average gains in February lasting through mid- to end-of-May (page 52). Sugar prices tend to peak in mid-month, triggering a 55.3% win statistic with 21 years out of 37 performing well, including three of the last four years (pages 126 and 173).

◆ MEATS

Live cattle has a tendency to see further price gains following January's strength. However, March is a tough month for beef prices. Buyers beware as the bottom generally does not come in until June (page 60). Lean hog prices tend to move lower in February and into March, which is the time where one wants to be long headed toward Memorial Day weekend (page 179).

◆ CURRENCIES

The euro tends to be flat during February, but we do see the market correct from January's decline. Our best trade short position is covered on or about the 10th of the month (page 16). This trade racked up a stellar \$8,413 profit in 2010. The Swiss franc also sees price corrections, and this is the time to cover short positions from the December best trade on or about February 26 (page 116). The British pound tends to remain in a downtrend until mid-March (page 36). Look for continued weakness in February (page 182). The yen posts a secondary low in February, creating a long opportunity on or about February 8 through early May (page 126).

FEBRUARY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

MARCH						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY STRATEGY CALENDAR*

Symbol		B	M	I	E
SP	L S				
US	L S				
CL	L S				
NG	L S				
HG	L S				
GC	L S				
SI	L S				
C	L S				
S	L S				
W	L S				
CC	L S				
KC	L S				
SB	L S				
LC	L S				
LH	L S				
BP	L S				
EC	L S				
SF	L S				
JY	L S				

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127.

L = Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

JANUARY / FEBRUARY

MONDAY

31

FN: HG(G), GC(G)

It was never my thinking that made the big money for me. It was always my sitting. Got that? My sitting tight!
— Jesse Livermore (Early 20th century stock trader and speculator, *How to Trade in Stocks*, 1877–1940)

TUESDAY

1

One thing John Chambers (Cisco CEO) does well is stretch people's responsibilities and change the boxes they are in. It makes our jobs new all the time.
— Mike Volpi (Senior VP of business development and alliances at Cisco, *Fortune*)

End Long S&P 500(H) (Jan. 24)

WEDNESDAY

2

It wasn't raining when Noah built the ark.
— Warren Buffett (CEO Berkshire Hathaway, investor and philanthropist, b. 1930)

Start Short 30-Year Bond(M)—66.7% Accuracy Since 1978—End Apr. 7—Page 126

THURSDAY

3

I always keep these seasonal patterns in the back of my mind. My antennae start to purr at certain times of the year.
— Kenneth Ward (VP Hayden Stone, *General Technical Survey*, 1899–1976)

End Long Cattle(J) (Jun. 18, 2010)
End Short Sugar(H) (Nov. 23, 2010)

FRIDAY

4

OE: CC(H), LC(G)

There is no one who can replace America. Without American leadership, there is no leadership. That puts a tremendous burden on the American people to do something positive. You can't be tempted by the usual nationalism.
— Lee Hong-koo (South Korean Prime Minister 1994–1995 and Ambassador to U.S. 1998–2000, *NY Times*, 2/25/2009)

SATURDAY

5

SUNDAY

6

STRENGTH IN SOYBEANS

Soybeans have seen price advances from mid-February to the end-of-May, 23 out of the last 42 years, for a 54.8% success rate. Generally, we have heavier livestock demand, as animals consume more food during cold winter months. It is well after harvest, and inventories have started to decline. After the New Year, export business begins to pick up again.

It is usually after the January crop production report that traders get a better indication of what supply estimates are. Transportation during harsh winter months can hinder deliveries, causing price spikes. In addition, supplies from the Southern Hemisphere regions are at their lowest levels.

Another event that can and has weighed in on our export business is the value of the U.S. dollar. Since the U.S. dollar has been on a massive decline after reaching a peak in 2002, our exports have been strong. However, the dollar's nascent rebound since December 2009 and a looming global slowdown could put a damper on U.S. soybean exports.

Soy meal is used as an animal feed and is not a storable commodity. Therefore demand for soybeans to crush into meal is strong during this period. Demand lasts well into May, as we go through the planting process and potential delays from wet spring. South American harvest gets underway and puts pressure on prices in late May, which is why our exit period is on or about May 27.

In October 2009 PowerShares DB Agriculture (DBA) was diversified from the four commodities it initially held, corn soybeans, sugar and wheat. It now includes coffee, cocoa, cotton, cattle, and hogs. It has become a broad-based agricultural tracking fund, and it is not yet clear if it mirrors any of its components well individually. However, Bunge Ltd. (BG), one of the world's largest soybean crushers, buyers, sellers, transporters, and commercial hedgers, tracks soybeans well. See pages 133-138 for additional correlated trades.

FEBRUARY LONG SOYBEANS (JULY) TRADING DAY: 9—HOLD: 73 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1969	2/13	268 3/4	6/02	266 1/2	-\$113
1970	2/12	260 7/8	5/28	271	506
1971	2/11	313	5/27	311 3/4	-63
1972	2/11	324 3/8	5/26	352 1/8	1,388
1973	2/13	525 1/4	5/30	1018	24,638
1974	2/14	654 3/4	5/31	547	-5,388
1975	2/13	614	5/30	502 3/4	-5,563
1976	2/12	499 1/4	5/27	576	3,838
1977	2/11	740 1/2	5/31	960	10,975
1978	2/13	576 1/2	5/30	745 1/4	8,438
1979	2/13	754	5/30	736	-900
1980	2/13	712 3/4	5/29	624	-4,438
1981	2/12	789 1/2	5/29	764 3/4	-1,238
1982	2/11	664 1/4	5/27	643 1/2	-1,038
1983	2/11	623	5/27	610 1/2	-625
1984	2/13	725 3/4	5/29	867	7,063
1985	2/13	602 3/4	5/30	563 1/2	-1,963
1986	2/13	542 3/4	5/30	525 1/4	-875
1987	2/12	484 1/4	5/29	548 3/4	3,225
1988	2/11	637 1/4	5/26	754	5,838
1989	2/13	741	5/30	717	-1,200
1990	2/13	588 1/4	5/30	605 1/4	850
1991	2/13	601 1/2	5/30	578 1/4	-1,163
1992	2/13	587	6/02	630	2,150
1993	2/11	574 1/4	5/27	609	1,738
1994	2/11	692 1/2	5/31	701	425
1995	2/13	572 1/2	5/30	579 3/4	363
1996	2/13	739 1/2	5/29	775	1,775
1997	2/13	764 1/2	5/30	880 1/2	5,800
1998	2/12	689 3/4	5/29	618 1/2	-3,563
1999	2/11	506 3/4	5/27	457 1/4	-2,475
2000	2/11	523 1/4	5/26	534 1/4	550
2001	2/13	457 1/2	5/30	437 1/2	-1,000
2002	2/13	447 1/2	5/30	501 1/4	2,688
2003	2/13	569	5/30	624 1/2	2,775
2004	2/12	808 3/4	5/27	822	663
2005	2/11	527 3/4	5/27	667 3/4	7,000
2006	2/13	607	5/30	583 1/2	-1,175
2007	2/13	783 3/4	5/31	806 1/4	1,125
2008	2/13	1356 1/4	5/29	1322 3/4	-1,675
2009	2/12	976	5/26	1185 1/2	10,475
2010	2/11	958 3/4	5/27	951 3/4	-350
42-Year Gain					\$69,481

SOYBEANS (S) BARS AND BUNGE LTD. (BG) CLOSSES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

FEBRUARY

MONDAY

7

FN: LC(G)

A man will fight harder for his interests than his rights.
— Napoleon Bonaparte (Emperor of France 1804–1815, 1769–1821)

Start Long Yen(M)—55.9% Accuracy Since 1977—End May 9—Page 126
End Short Yen(H) (Oct. 18, 2010)

TUESDAY

8

Oil has fostered massive corruption in almost every country that has been “blessed” with it, and the expectation that oil wealth will transform economies has led to disastrous policy choices.
— Ted Tyson (Chief investment officer, Mastholm Asset Management)

End Short Euro(H) (Jan. 5)

WEDNESDAY

9

As for it being different this time, it is different every time. The question is in what way, and to what extent.
— Tom McClellan (*The McClellan Market Report*)

THURSDAY

10

OE: KC(H)

The words “I am...” are potent words; be careful what you hitch them to.
The thing you’re claiming has a way of reaching back and claiming you. — A. L. Kitselman (Author, math teacher)

Start Long Soybeans(N)—54.8% Accuracy Since 1969—End May 27—Page 24

FRIDAY

11

Since 1950, the S&P 500 has enjoyed total returns averaging 33.18% annually during periods when the S&P 500 price/peak earnings ratio was below 15 and both 3-month T-bill yields and 10-year Treasury yields were below their levels of 6 months earlier.
— John P. Hussman, Ph.D. (*Hussman Funds*, 5/22/06)

SATURDAY

12

SUNDAY

13

CRUDE OIL STRIKES A WINNER IN FEBRUARY

Crude oil has a tendency to bottom in early February and then rally through mid-May. It is that early February break that can give traders an edge by buying low in a seasonally strong period. In the 27-year history, this trade has worked 23 years for a 85.2% win ratio.

The seasonal influence that causes crude oil to move higher in this time period is partly due to continuing demand for heating oil and diesel fuel in the northern states and partly due to the shut down of refinery operations in order to switch production facilities from producing heating oil to reformulated unleaded gasoline in anticipation of heavy demand for the upcoming summer driving season. This has refiners buying crude oil in order to ramp up the production for gasoline.

When the futures markets seem hazardous and unstable, there are other alternatives. One such opportunity is to trade the smaller -sized electronic futures contract (symbol QM), or one can use options on the futures. Stock traders can use the exchange-traded funds (ETF), United States Oil Fund (USO) or Select SPDR Energy (XLE), or options on these ETFs. One other aspect is to look for highly correlated stocks like Exxon (XOM) or other refinery stocks that have a direct price correlation to the underlying futures market and trade those markets under the seasonal aspects.

Notice the direct correlation between crude oil futures and the price value of USO in the chart below. The bottom line shows the seasonal tendencies for oil dating back to 1983. See pages 133–138 for additional correlated trades.

FEBRUARY LONG CRUDE OIL (JULY) TRADING DAY: 10–HOLD: 60 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1984	2/14	29.18	5/10	30.37	\$1,190
1985	2/14	25.86	5/13	27.03	1,170
1986	2/14	16.38	5/13	15.21	-1,170
1987	2/13	17.57	5/12	18.93	1,360
1988	2/12	16.55	5/10	17.61	1,060
1989	2/14	15.98	5/11	18.83	2,850
1990	2/14	21.37	5/11	19.34	-2,030
1991	2/14	18.50	5/13	20.96	2,460
1992	2/14	19.72	5/12	21.08	1,360
1993	2/12	20.02	5/12	20.41	390
1994	2/14	15.09	5/12	17.70	2,610
1995	2/14	17.95	5/11	19.24	1,290
1996	2/14	17.60	5/10	20.14	2,540
1997	2/14	21.20	5/13	21.28	80
1998	2/13	17.00	5/12	15.93	-1,070
1999	2/12	12.33	5/11	17.99	5,660
2000	2/14	26.51	5/10	28.05	1,540
2001	2/14	28.31	5/11	29.08	770
2002	2/14	21.56	5/13	27.62	6,060
2003	2/14	31.57	5/13	28.08	-3,490
2004	2/13	32.42	5/11	39.97	7,550
2005	2/14	47.88	5/11	51.95	4,070
2006	2/14	63.22	5/11	74.68	11,460
2007	2/14	60.34	5/11	64.12	3,780
2008	2/14	94.89	5/12	124.10	29,210
2009	2/13	48.14	5/12	59.71	11,570
2010	2/12	76.08	5/11	80.22	4,140
27-Year Gain					\$96,410

CRUDE OIL (CL) BARS AND UNITED STATES OIL (USO) CLOSURES (WEEKLY DATA JANUARY 2009–MAY 2010)

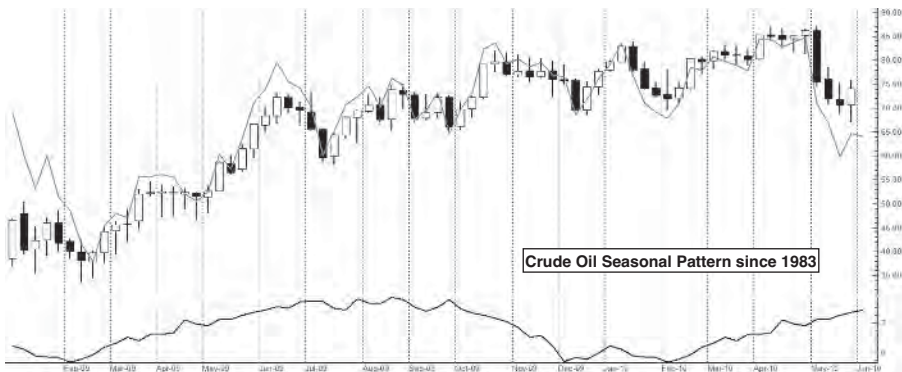


Chart courtesy TradeNavigator.com

FEBRUARY

Valentine's Day ♥

Start Long Crude Oil(N)—85.2% Accuracy Since 1984—End May 11—Page 26

MONDAY

14

FN: CC(H)

LT: LH(G)

OE: LH(G)

If there is something you really want to do, make your plan and do it. Otherwise, you'll just regret it forever.
— Richard Rocco (PostNet franchisee, *Entrepreneur* magazine 12/2006, b. 1946)

TUESDAY

15

OE: SB(H)

Unless you've interpreted changes before they've occurred, you'll be decimated trying to follow them.
— Robert J. Nurock (Market strategist, *Investors Analysis*, *Bob Nurock's Advisory*, *Wall Street Week* panelist 1970–1989)

WEDNESDAY

16

OE: CL(H)

The two most abundant elements in the universe are Hydrogen and Stupidity.
— Harlan Ellison (Science fiction writer, b. 1934)

Start Short Gold(J)—63.9% Accuracy Since 1975—End Mar. 15—Page 126

Start Short Silver(K)—76.3% Accuracy Since 1973—End Apr. 25—Page 28

THURSDAY

17

FN: KC(H)

Tell me and I'll forget; show me and I may remember; involve me and I'll understand.
— Confucius (Chinese philosopher, 551–478 B.C.)

Start Short Sugar(N)—55.3% Accuracy Since 1973—End Apr. 15—Page 126

FRIDAY

18

OE: US(H), C(H), S(H), W(H)

New indicator: CFO magazine gave Excellence awards to WorldCom's Scott Sullivan (1998), Enron's Andrew Fastow (1999), and to Tyco's Mark Swartz (2000). All were subsequently indicted.
— Roger Lowenstein (Financial journalist and author, *Origins of the Crash*, b. 1954)

SATURDAY

19

SUNDAY

20

SILVER TARNISHES IN FEBRUARY

Over the years silver has peaked in February, most notably so in 1980 when the Hunt Brothers' plot to corner the silver market was foiled. Our seasonal study shows that selling on or about February 17 and holding until about April 25 has worked 29 times in the last 38 years, for a win probability of 76.3%. As you can see in the short silver table, the usual February silver break was trumped by the overarching precious metal bull market of 2002–2010 only twice in the last eight years.

Last year this trade did not fare so well due to the decline in the euro currency. Precious metals markets defied gravity, as investors were seeking a safe haven to avoid monetary losses in equities and foreign currencies.

Silver is considered the “poor man’s” gold, and it does in fact tend to mirror the price move of gold. It is an industrial metal, so in periods of declining economic conditions silver can remain weak. However, it does have a demand base for jewelry, and it is also used in the electronics industry because of its high electrical conductivity and its extreme resistance to corrosion. It is still used in some photo processing applications, but demand in this area has declined with the rise of the digital age of computer imaging.

The chart below of silver has the closing price of ASA Limited (ASA), a mining company that produces silver, overlaid on top. The bottom line is the average seasonal tendency of silver. ASA fairly closely mirrors silver’s price moves. See pages 133–138 for additional correlated trades.

FEBRUARY SHORT SILVER (MAY) TRADING DAY: 13–HOLD: 45 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1973	2/21	230.4	4/26	212.4	\$900
1974	2/21	579.2	4/26	551.3	1,395
1975	2/21	464.0	4/28	435.0	1,450
1976	2/19	424.0	4/23	439.5	-775
1977	2/17	458.1	4/25	475.7	-880
1978	2/21	511.3	4/26	493.9	870
1979	2/20	792.2	4/25	755.5	1,835
1980	2/20	3485.0	4/24	1415.0	103,500
1981	2/19	1363.0	4/24	1125.0	11,900
1982	2/18	856.8	4/23	726.0	6,540
1983	2/17	1477.5	4/25	1230.0	12,375
1984	2/17	933.5	4/24	926.5	350
1985	2/20	634.8	4/25	628.5	315
1986	2/20	596.7	4/25	509.0	4,385
1987	2/19	553.5	4/24	904.5	-17,550
1988	2/18	643.6	4/22	641.5	105
1989	2/17	604.4	4/25	579.5	1,245
1990	2/20	542.9	4/25	492.2	2,535
1991	2/20	372.3	4/25	389.7	-870
1992	2/20	415.6	4/24	396.5	955
1993	2/18	365.8	4/23	395.5	-1,485
1994	2/17	527.0	4/25	513.0	700
1995	2/17	482.3	4/25	571.7	-4,470
1996	2/20	558.3	4/24	529.2	1,455
1997	2/20	527.8	4/25	472.0	2,790
1998	2/19	676.4	4/24	622.5	2,695
1999	2/18	549.3	4/23	514.5	1,740
2000	2/17	529.8	4/24	495.3	1,725
2001	2/20	446.6	4/25	436.5	505
2002	2/20	441.4	4/25	462.0	-1,030
2003	2/20	467.2	4/25	463.2	200
2004	2/19	667.7	4/23	616.3	2,570
2005	2/17	741.2	4/25	726.0	760
2006	2/17	950.0	4/25	1256.0	-15,300
2007	2/20	1396.3	4/25	1376.5	990
2008	2/20	1786.7	4/24	1666.0	6,035
2009	2/19	1397.2	4/24	1292.0	5,260
2010	2/18	1608.5	4/23	1819.2	-10,535
38-Year Gain					\$125,185

SILVER (SI) BARS AND ASA LIMITED (ASA) CLOSSES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

FEBRUARY

Presidents' Day (Market Closed)

MONDAY

21

I am sorry to say that there is too much point to the wisecrack that life is extinct on other planets because their scientists were more advanced than ours.

— John F. Kennedy (35th U.S. president, 1917–1963)

End Long Copper(K) (Dec. 14, 2010)

TUESDAY

22

LT: CL(H)

Over the last 25 years, computer processing capacity has risen more than a millionfold, while communication capacity has risen over a thousandfold. — Richard Worzel (*Facing the Future*)

Start Long Natural Gas(N) — 75.0% Accuracy Since 1991 — End Apr. 21 — Page 32

WEDNESDAY

23

OE: NG(H), HG (H), SI(H)

Small business has been the first rung on the ladder upward for every minority group in the nation's history.

— S. I. Hayakawa (1947, U.S. senator, California 1977–1983, 1906–1992)

THURSDAY

24

FN: CL(H)

LT: NG(H), HG(G), GC(G)

We are nowhere near a capitulation point because it's at that point where it's despair, not hope, that reigns supreme, and there was scant evidence of any despair at any of the meetings I gave.

— David Rosenberg (Economist, Merrill Lynch, *Baron's* 4/21/2008)

End Short Swiss Franc(H) (Dec. 28, 2010)

FRIDAY

25

FN: NG(H)

Experience is helpful, but it is judgment that matters.

— General Colin Powell (Chairman Joint Chiefs 1989–1993, secretary of state 2001–2005, *NY Times*, 10/22/2008, b. 1937)

SATURDAY

26

SUNDAY

27

MARCH ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to see strength after February weakness. March marks the end of the first quarter; we have seen funds taking profits prior to end-of-quarter, adding to potential late month weakness (page 140). Beware the Ides of March; St. Patrick's Day mid-month bullishness typically fades as the month concludes. Beware, as the 30-year Treasury bond price has a tendency to continue its decline (page 142) and trade in synch with stock prices, as the quarter draws to a close. Historically, this is still the time to be short by selling mid-month strength.

◆ ENERGY

After January and February weakness, crude oil begins to strengthen in March at the outset of its best seven months, March–September. The seasonal best trade from February is still long through mid-May (pages 26 and 126). Natural gas prices also remain firm through March; the seasonal best trade from February is still long as well, heading into late April (page 32).

◆ METALS

Gold posts bottoms during March, and this is the time to cover the seasonal best trade short position from February (page 126). Silver is still in decline, as our seasonal best trade is holding a short position until late April (page 28). Copper prices can run higher in March and April, depending on the price gains from December through late February, which is our best trade time frame to be long (page 112). Look for a seasonal peak in April or May (page 48) to make trading decisions.

◆ GRAINS

Soybeans during March are still in our best trade long scenario (page 24), but this month can produce consolidation or a pause in an early strong price gain due to anticipation of the quarterly grain stocks report and the farmer planting intentions report. Wheat prices are still in a seasonal decline mode heading into the June harvest lows (page 18). Corn prices tend to defy gravity and continue higher into late April and early May (pages 98 and 158).

◆ SOFTS

Cocoa begins a seasonal decline, instituting a short position in our seasonal best trade category (page 34). Coffee prices tend to see mild corrections after big up moves in February. This is the “frost scare” season in South America. Coffee is susceptible to higher prices until the seasonal peak in May (pages 52 and 170). Sugar prices continue to decline (page 173).

◆ MEATS

Front-month live cattle prices tend to post a seasonal high in March. Producers are liquidating inventories because packers and processors are preparing for BBQ season (pages 60 and 176). Lean hog prices tend to rise during March, because demand for ham increases for Easter (page 179).

◆ CURRENCIES

The euro currency has revealed a tendency to decline during the second half of March, 8 out of 12 years (page 126). The Swiss franc also has a tendency to see price declines from mid-March through mid-May (page 187). The British pound has a distinct pattern of doing the opposite of the euro and Swiss franc; it has a strong tendency to move up against the U.S. dollar in mid-March (pages 36, 124, and 182). The yen has a strong seasonal tendency to sell off in mid-March through early April (page 126).

MARCH						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

APRIL						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MARCH STRATEGY CALENDAR*

Symbol		B	M	E
SP	$\frac{L}{S}$	-	-	-
US	$\frac{L}{S}$	-	-	-
CL	$\frac{L}{S}$	-	-	-
NG	$\frac{L}{S}$	-	-	-
HG	$\frac{L}{S}$	-	-	-
GC	$\frac{L}{S}$	-	-	-
SI	$\frac{L}{S}$	-	-	-
C	$\frac{L}{S}$	-	-	-
S	$\frac{L}{S}$	-	-	-
W	$\frac{L}{S}$	-	-	-
CC	$\frac{L}{S}$	-	-	-
KC	$\frac{L}{S}$	-	-	-
SB	$\frac{L}{S}$	-	-	-
LC	$\frac{L}{S}$	-	-	-
LH	$\frac{L}{S}$	-	-	-
BP	$\frac{L}{S}$	-	-	-
EC	$\frac{L}{S}$	-	-	-
SF	$\frac{L}{S}$	-	-	-
JY	$\frac{L}{S}$	-	-	-

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126–127.

L = Long Trade, S = Short Trade. See pages 133–138 for contract symbols.

FEBRUARY / MARCH

MONDAY

28

FN: US(H), HG(H), SI(H), C(H), S(H), W(H)
LT: SB(H), LC(G)

Develop interest in life as you see it; in people, things, literature, music—the world is so rich, simply throbbing with rich treasures, beautiful souls and interesting people. Forget yourself.
— Henry Miller (American writer, *Tropic of Cancer*, *Tropic of Capricorn*, 1891–1980)

TUESDAY

1

FN: SB(H)

Self-discipline is a form of freedom. Freedom from laziness and lethargy, freedom from expectations and demands of others, freedom from weakness and fear—and doubt.
— Harvey A. Dorfman (Sports psychologist, *The Mental ABC's of Pitching*, b. 1935)

WEDNESDAY

2

The average bottom-of-the-ladder person is potentially as creative as the top executive who sits in the big office. The problem is that the person on the bottom of the ladder doesn't trust his own brilliance and doesn't, therefore, believe in his own ideas.
— Robert Schuller (Minister)

THURSDAY

3

You have powers you never dreamed of. You can do things you never thought you could do. There are no limitations in what you can do except the limitations in your own mind.
— Darwin P. Kingsley (President New York Life, 1857–1932)

FRIDAY

4

OE: BP(H), EC(H), SF(H), JY(H)

The future now belongs to societies that organize themselves for learning. What we know and can do holds the key to economic progress.
— Ray Marshall and Marc Tucker (*Thinking for a Living: Education and the Wealth of Nations*, 1992)

SATURDAY

5

SUNDAY

6

NATURAL GAS SURGES

Our long natural gas trade from late February to late April boasts a 75.0% success rate, gaining 15 out of the last 20 years. One of the factors for this seasonal price gain is consumption driven by demand for heating homes and businesses in the northern cold weather areas in the United States. In particular, when December and January are colder than normal, we see depletions in inventories through February. This has a tendency to cause price spikes lasting through mid-April.

This best trade scenario has a holding period of approximately 41 trading days lasting until on or about April 21. It is at this time that inventories start to replenish and demand tapers off until mid-July, when demand for generating electricity is highest in order to run air conditioners during heat spells.

The chart below is natural gas (NG) with the United States Natural Gas (UNG) ETF overlaid, displaying the strong correlation in price moves. In addition, the bottom line shows the average seasonal price tendency since 1990, illustrating the bottom that occurs in February. See pages 133–138 for additional correlated trades.

The natural gas bear market since the summer of 2008 caused by a glut in the United States due to increased supplies and decreased demand made by ideal weather conditions and recent dollar strength has put a damper on this trade the last two years. Using risk management techniques, such as stop loss orders and options strategies should have prevented catastrophic losses from occurring. Furthermore, utilizing technical timing tools, as we illustrate on pages 7–9 and 121–125, should not only improve results but also help keep you out of the seasonal trade when macro trends override seasonality.

FEBRUARY LONG NATURAL GAS (JULY) TRADING DAY: 16–HOLD: 41 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1991	2/25	1.446	4/24	1.399	-\$470
1992	2/25	1.205	4/23	1.400	1,950
1993	2/23	1.725	4/23	2.453	7,280
1994	2/23	2.130	4/22	2.169	390
1995	2/23	1.590	4/24	1.727	1,370
1996	2/23	1.949	4/23	2.300	3,510
1997	2/25	1.950	4/24	2.137	1,870
1998	2/24	2.308	4/23	2.408	1,000
1999	2/23	1.813	4/22	2.271	4,580
2000	2/23	2.605	4/20	3.102	4,970
2001	2/23	5.265	4/24	5.177	-880
2002	2/25	2.536	4/24	3.465	9,290
2003	2/25	5.529	4/24	5.630	1,010
2004	2/24	5.179	4/22	5.773	5,940
2005	2/23	6.628	4/22	7.359	7,310
2006	2/23	7.973	4/24	8.031	580
2007	2/23	8.059	4/24	7.863	-1,960
2008	2/25	9.353	4/23	11.084	17,310
2009	2/24	4.500	4/23	3.662	-8,380
2010	2/23	5.032	4/22	4.330	-7,020
20-Year Gain					\$49,650

NATURAL GAS (NG) BARS AND UNITED STATES NATURAL GAS (UNG) CLOSURES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

MARCH

MONDAY

7

A senior European diplomat said he was convinced that the choice of starting a war this spring was made for political as well as military reasons. [The President] clearly does not want to have a war raging on the eve of his presumed reelection campaign.
— Reported by Steven R. Weisman (*NY Times*, 3/14/03)

TUESDAY

8

Vietnam, the original domino in the Cold War, now faces the prospect of becoming, in the words of political scientist Sunai Phasuk of Chulalongkorn University in Bangkok, one of the new "dominos of democracy."
— Quoted by Seth Mydans (Asia correspondent, *NY Times*, Jan. 6, 2001)

Ash Wednesday

WEDNESDAY

9

When you get to the end of your rope, tie a knot and hang on.
— Franklin D. Roosevelt (32nd U.S. president, 1882–1945)

THURSDAY

10

Based on my own personal experience—both as an investor in recent years and an expert witness in years past—rarely do more than three or four variables really count. Everything else is noise.
— Martin J. Whitman (Founder, Third Avenue Funds, b. 1924)

FRIDAY

11

The usual bull market successfully weathers a number of tests until it is considered invulnerable, whereupon it is ripe for a bust.
— George Soros (Financier, philanthropist, political activist, author, and philosopher, b. 1930)

SATURDAY

12

Daylight Saving Time Begins

SUNDAY

13

COCOA PEAKS BEFORE ST. PATRICK'S DAY

Cocoa begins a seasonal decline, instituting a short position in our seasonal best trade category. Selling on or about March 14, right before St. Patrick's Day and holding until on or about April 14, for an average holding period of 23 trading days, has been a winner 29 of the past 38 years. Even in the face of the 2008 great commodity bull run, this seasonal tendency worked with a potential profit per contract of \$1,730.

Cocoa has two main crop seasons. The main crop from the Ivory Coast and Ghana in Africa, accounts for 75% of the world production runs from January through March. As inventories are placed on the market, this has a tendency to depress prices, especially when demand starts to fall for hot chocolate drinks and chocolate candy in the spring and summer time.

For stock traders, here is an interesting comparison. The chart below is Hershey Foods (HSY) with cocoa prices overlaid and the historic seasonal tendency of Hershey on the bottom. Notice the inverse relationship. See pages 133–138 for additional correlated trades.

When cocoa prices rise, Hershey prices decline; and then as cocoa prices decline in March, we see a small advance in the stock price. Investors should be aware of the price swings of the underlying product that companies need to manufacture goods in order to produce a decent profit margin. What is interesting about Hershey is that one of their competitors includes Cadbury PLC (CBY), a confectionery and non-alcoholic beverage company. Although the Cadbury chocolate products have been sold in the United States since 1988 under the Cadbury trademark name, the chocolate itself has been manufactured by Hershey.

MARCH SHORT COCOA TRADING (JULY) TRADING DAY: 10–HOLD: 23 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1973	3/14	806	4/16	940	-\$1,340
1974	3/14	1422	4/17	1916	-4,940
1975	3/14	1320	4/17	1184	1,360
1976	3/12	1367	4/14	1657	-2,900
1977	3/14	3929	4/15	3523	4,060
1978	3/14	3401	4/17	3389	120
1979	3/14	3304	4/17	3086	2,180
1980	3/14	2976	4/17	2804	1,720
1981	3/13	2101	4/15	2070	310
1982	3/12	1976	4/15	1651	3,250
1983	3/14	1869	4/15	1807	620
1984	3/14	2517	4/16	2451	660
1985	3/14	2080	4/17	2255	-1,750
1986	3/14	2080	4/17	1938	1,420
1987	3/13	1909	4/15	2004	-950
1988	3/14	1581	4/15	1543	380
1989	3/14	1396	4/17	1255	1,410z
1990	3/14	1083	4/17	1285	-2,020
1991	3/14	1221	4/17	1112	1,090
1992	3/13	1093	4/15	968	1,250
1993	3/12	897	4/15	960	-630
1994	3/14	1271	4/15	1150	1,210
1995	3/14	1365	4/17	1318	470
1996	3/14	1243	4/17	1352	-1,090
1997	3/14	1464	4/17	1451	130
1998	3/13	1663	4/16	1586	770
1999	3/12	1242	4/15	1102	1,400
2000	3/14	909	4/14	846	630
2001	3/14	1052	4/17	989	630
2002	3/14	1547	4/17	1537	100
2003	3/14	1941	4/16	1847	940
2004	3/12	1415	4/15	1376	390
2005	3/14	1788	4/15	1533	2,550
2006	3/14	1467	4/17	1460	70
2007	3/14	1783	4/17	1989	-2,060
2008	3/14	2914	4/17	2741	1,730
2009	3/13	2383	4/16	2381	20
2010	3/12	2946	4/15	2890	560
38-Year Gain					\$13,750

COCOA (C) BARS AND HERSHEY (HSY) CLOSSES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

Start Short Cocoa(N)—76.3% Accuracy Since 1973—End Apr. 14—Page 34
Start Short Yen(M)—73.5% Accuracy Since 1977—End Apr. 1—Page 126

MONDAY

14

LT: C(H), S(H), W(H), BP(H), EC(H), SF(H), JY(H)

From very early on, I understood that you can touch a piece of paper once... if you touch it twice, you're dead. Therefore, paper only touches my hand once. After that, it's either thrown away, acted on or given to somebody else.
— Manuel Fernandez (Businessman, *Investor's Business Daily*)

End Short Gold(J) (Feb. 17)
Start Short Euro(M)—66.7% Accuracy Since 1999—End Mar. 28—Page 126

TUESDAY

15

If the winds of fortune are temporarily blowing against you, remember that you can harness them and make them carry you toward your definite purpose, through the use of your imagination.
— Napoleon Hill (Author, *Think and Grow Rich*, 1883–1970)

WEDNESDAY

16

LT: CC(H)

The reason the market did so well in the last several years is because the Federal Reserve drove interest rates down to extraordinary low levels—like 1%.
— George Roche (Chairman, T. Rowe Price, *Baron's*, 12/18/06)

St. Patrick's Day 

THURSDAY

17

LT: SP(H)
OE: SP(H), CL(J)

Marketing is our No. 1 priority... A marketing campaign isn't worth doing unless it serves three purposes. It must grow the business, create news, and enhance our image.
— James Robinson III (CEO, American Express 1977–1993, b 1935)

End Short British Pound(M) (Dec. 28, 2010)

FRIDAY

18

An appeaser is one who feeds a crocodile—hoping it will eat him last.
— Winston Churchill (British statesman, 1874–1965)

SATURDAY

19

SUNDAY

20

MARCH BRITISH POUND INVASION

The British pound has a distinct pattern of doing the opposite of the euro and Swiss franc. It has a strong tendency to move up against the U.S. dollar from mid-March through the latter part of April. In fact, in the 35-year history, it has been positive 25 times, for a success rate of 71.4%. This was a great situation to take advantage of last year, especially when combining technical timing tools as illustrated in the case study on page 124.

Entering on or about March 21, holding a long position for 22 trading days and exiting on or about April 20 has had a string of winners the last six years in a row, starting in 2005. Perhaps the fact that Britain's fiscal year begins in April helps to push the pound's value up against the U.S. dollar, as money moves back overseas. Cross transactions between the pound versus the euro currency and the pound versus the yen may help influence the rise in the pound's value relative to the U.S. dollar.

The weekly chart below depicts the British pound with the exchange traded fund (ETF) on the British pound (FXB) overlaid to illustrate how the two instruments trade in tandem. Traders have the ability to trade foreign currencies on a regulated marketplace, such as the CME Group's futures and options exchanges that provide more electronic access than ETFs afford. Investors who require less leverage will find the FXB an adequate trading vehicle. Either way, the seasonal tendency is quite strong for the pound to move up in this time frame. See pages 133–138 for additional correlated trades.

MARCH LONG BRITISH POUND (JUNE TRADING DAY: 15–HOLD: 22 DAYS)

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1976	3/19	188.90	4/21	182.60	-\$3,938
1977	3/21	169.00	4/21	171.10	1,313
1978	3/21	190.00	4/21	181.65	-5,219
1979	3/21	203.40	4/23	206.65	2,031
1980	3/21	219.00	4/23	227.10	5,063
1981	3/20	226.65	4/22	219.65	-4,375
1982	3/19	181.10	4/21	178.35	-1,719
1983	3/21	147.00	4/21	154.40	4,625
1984	3/21	143.70	4/23	142.05	-1,031
1985	3/21	117.45	4/23	123.70	3,906
1986	3/21	150.60	4/23	152.40	1,125
1987	3/20	159.25	4/22	162.20	1,844
1988	3/21	182.20	4/21	189.25	4,406
1989	3/21	171.58	4/21	170.48	-688
1990	3/21	156.88	4/23	161.92	3,150
1991	3/21	177.64	4/23	169.88	-4,850
1992	3/20	168.66	4/22	174.56	3,688
1993	3/19	148.34	4/21	153.42	3,175
1994	3/21	148.44	4/20	149.02	363
1995	3/21	158.56	4/21	160.96	1,500
1996	3/21	153.56	4/22	151.10	-1,538
1997	3/21	160.24	4/23	162.14	1,187
1998	3/20	166.20	4/22	166.78	363
1999	3/19	162.70	4/21	160.58	-1,325
2000	3/21	157.38	4/20	157.94	350
2001	3/21	142.88	4/23	143.76	550
2002	3/21	141.82	4/23	144.24	1,513
2003	3/21	155.48	4/23	158.10	1,638
2004	3/19	181.80	4/21	176.51	-3,306
2005	3/21	189.01	4/21	190.34	831
2006	3/21	174.98	4/21	178.26	2,050
2007	3/21	196.80	4/20	200.29	2,181
2008	3/24	197.06	4/23	197.30	150
2009	3/20	144.40	4/22	145.03	394
2010	3/19	151.00	4/20	153.61	1,631
35-Year Gain					\$21,038

BRITISH POUND (BP) BARS AND CURRENCYSHARES BRITISH POUND (FXB) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

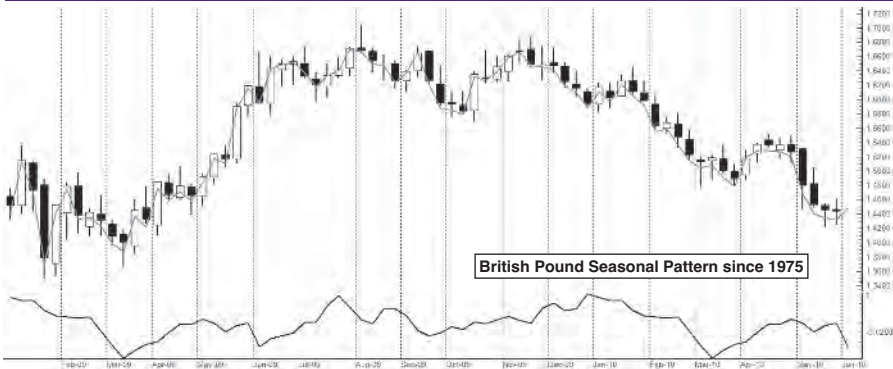


Chart courtesy TradeNavigator.com

MARCH

Start Long British Pound(M)—70.6% Accuracy Since 1976—End Apr. 20—Page 36

MONDAY

21

LT: KC(H)

Don't confuse brains with a bull market.

—Humphrey B. Neill (Investor, analyst, author, *Neill Letters of Contrary Opinion*, 1895–1977)

TUESDAY

22

LT: US(H), CL(J)

The incestuous relationship between government and big business thrives in the dark.

—Jack Anderson (Washington journalist and author, *Peace, War and Politics*, 1922–2005)

WEDNESDAY

23

Those heroes of finance are like beads on a string, when one slips off, the rest follow.

—Henrik Ibsen (Norwegian playwright, 1828–1906)

THURSDAY

24

FN: CL(J)

Nothing is more uncertain than the favor of the crowd.

—Marcus Tullius Cicero (Great Roman orator, politician, 106–43 B.C.)

FRIDAY

25

In my experience, selling a put is much safer than buying a stock.

—Kyle Rosen (Boston Capital Mgmt., *Barron's*, 8/23/04)

SATURDAY

26

SUNDAY

27

APRIL ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to see price declines ahead of mid-month tax deadlines and then a month-end recovery. April is considered one of the best six months to be long, according to the *Stock Traders Almanac*. 30-year Treasury bond price has a tendency to make a seasonal low towards the end of the month (page 42).

◆ ENERGY

Crude oil has a tendency to continue rallying through April into mid-May, as we are long crude trade from our seasonal best trade in February (pages 26 and 126). This is still one of the best seven months to be long: from March through September. Natural gas prices tend to peak in mid- to late April. Our long best seasonal trade from February signals an exit on or about April 21 (page 32).

◆ METALS

Gold has a tendency to decline in April, as tax-related selling pressures prices (page 40). Our best seasonal short trade for silver from February signals an exit on or about April 25 (page 28). Copper tends to form a seasonal high toward the end of April and the first part of May (pages 112 and 149).

◆ GRAINS

Soybeans in April still see upside, as planting concerns and demand for both meal and oil remain strong, U.S. inventories decline, and new supplies are not yet ready since South America's harvest is just beginning (page 161). Wheat is still under pressure, as harvest adds fresh inventories that outweigh demand (page 164). Corn has a tendency to remain strong, especially as April can lead to planting delays in cool, wet spring conditions. In addition, April tax season has passed, and farmers tend to start focusing on production rather than marketing, allowing inventories to build up on farm locations (page 158).

◆ SOFTS

Cocoa's best seasonal short trade from March signals an exit on or about April 14 (pages 34 and 126). Coffee prices are seasonally strong, as this is still just short of the Columbian and Brazilian harvest. It is also the time when the threat of frost damaging the South American crop is high (page 170). Sugar tends to remain weak during this time frame due to inventory from sugar cane harvests in the U.S. Southeast and Brazil (page 173).

◆ MEATS

Live cattle prices are in a seasonally weak period through mid-June, but we do see times where prices consolidate, especially if the month prior showed significant price declines (page 176). Ranchers tend to pay more attention to breeding in the spring rather than bringing livestock to market. Lean hog prices, on the other hand, continue to remain firm in April from a seasonal perspective (page 179). As corn prices increase feed costs, hog producers have shifted towards liquidating inventories and are preparing for breeding. Furthermore, competing pork producers from Canada have had more incentives to market their product with the increase in value of the Canadian dollar. This has magnified the seasonal peak which comes in late May.

◆ CURRENCIES

The euro has weakened in April the past three years (page 186). The Swiss franc continues its seasonally flat period from March until the first part of August (page 187). The British pound best seasonal long trade from March signals an exit on or about April 20 (page 36). The yen best seasonal short trade from March signals an exit on or about April 1 (page 126).

APRIL						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL STRATEGY CALENDAR*

Symbol		B	M	E
SP	$\frac{L}{S}$	---	---	---
US	$\frac{L}{S}$	---	---	---
CL	$\frac{L}{S}$	---	---	---
NG	$\frac{L}{S}$	---	---	---
HG	$\frac{L}{S}$	---	---	---
GC	$\frac{L}{S}$	---	---	---
SI	$\frac{L}{S}$	---	---	---
C	$\frac{L}{S}$	---	---	---
S	$\frac{L}{S}$	---	---	---
W	$\frac{L}{S}$	---	---	---
CC	$\frac{L}{S}$	---	---	---
KC	$\frac{L}{S}$	---	---	---
SB	$\frac{L}{S}$	---	---	---
LC	$\frac{L}{S}$	---	---	---
LH	$\frac{L}{S}$	---	---	---
BP	$\frac{L}{S}$	---	---	---
EC	$\frac{L}{S}$	---	---	---
SF	$\frac{L}{S}$	---	---	---
JY	$\frac{L}{S}$	---	---	---

Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127.
L = Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

MARCH/APRIL

End Short Euro(M) (Mar. 15)

MONDAY

28

OE: NG(J), HG(J), GC(J)

All there is to investing is picking good stocks at good times and staying with them as long as they remain good companies.

— Warren Buffett (CEO Berkshire Hathaway, investor and philanthropist, b. 1930)

TUESDAY

29

LT: NG(J), HG(H), SI(H)

The job of central banks: To take away the punch bowl just as the party is getting going.

— William McChesney Martin (Federal Reserve chairman 1951–1970, 1906–1998)

WEDNESDAY

30

FN: NG(J)

Chance favors the informed mind.

— Louis Pasteur (French chemist, founder of microbiology, 1822–1895)

THURSDAY

31

FN: HG(J), GC(J)

A realist believes that what is done or left undone in the short run determines the long run.

— Sydney J. Harris (American journalist and author, 1917–1986)

End Short Yen(M) (Mar. 14)

FRIDAY

1

OE: CC(K)

If banking institutions are protected by the taxpayer and they are given free rein to speculate, I may not live long enough to see the crisis, but my soul is going to come back and haunt you.

— Paul A. Volcker (Fed chairman 1979–1987, chairman Economic Recovery Advisory Board, 2/2/2010, b. 1927)

SATURDAY

2

SUNDAY

3

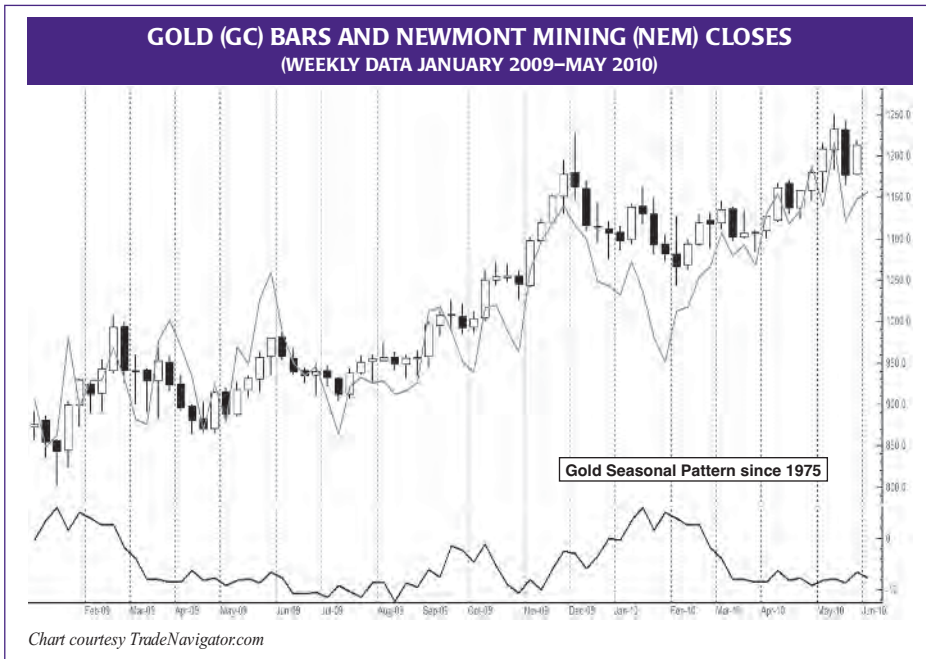
APRIL TAX TIME TAKES A BITE OUT OF GOLD

Gold has a tendency to continue the seasonal decline that begins in January, leaving April vulnerable to price declines. April tends to see tax-related selling pressure on gold prices along with other financial markets, specifically the U.S. stock markets, and more predominantly, in the technology sector as represented by the NASDAQ 100. It seems that some investors raise capital to pay the IRS by liquidating portions of assets, such as gold and stocks (see *Stock Traders Almanac 2011*, page 38).

Generally speaking, April is also a weak month from a demand perspective. The two forces of increased sales (supply) and no major demand cause the downside price pressure on gold during April. The monthly percentage changes show a distinct gold price decline (page 154).

The weekly chart below shows the price comparison of gold to a gold mining stock, Newmont Mining (NEM). NEM is a major producer of gold and other metals. This company manages properties in the United States, Australia, Peru, Indonesia, Ghana, Canada, Bolivia, New Zealand, and Mexico. The company was founded in 1916 and is based in Denver, Colorado. Not only are they diversified in various countries, but they also have a long history of being in business. This stock also trades well over an average of eight million shares per day.

As you can see, the April selloff is predominant not only in the price of gold but also in the shares of this company. The bottom chart shows the average seasonality since 1975 of gold futures prices making declines in the month of April. Here again is another example of trading opportunities using seasonalities of commodities that have direct correlation to other markets, allowing you to trade that product under the seasonal aspects. Newmont Mining is one such example that mirrors the price movement of gold.



APRIL

MONDAY

4

FN: LC(J)

I'm very big on having clarified principles. I don't believe in being reactive. You can't do that in the markets effectively. I can't. I need perspective. I need a game plan.
— Ray Dalio (Money manager, founder Bridgewater Associates, *Fortune*, 3/16/2009, b. 1949)

TUESDAY

5

The greatest good you can do for another is not just to share your riches, but to reveal to him his own.
— Benjamin Disraeli (British prime minister, 1804–1881)

WEDNESDAY

6

A market is the combined behavior of thousands of people responding to information, misinformation and whim.
— Kenneth Chang (*NY Times* journalist)

End Short 30-Year Bond(M) (Feb. 3)

THURSDAY

7

When teachers held high expectations of their students, that alone was enough to cause an increase of 25 points in the students' IQ scores.
— Warren Bennis (Author, *The Unconscious Conspiracy: Why Leaders Can't Lead*, 1976)

FRIDAY

8

OE: KC(K), LC(J)

I measure what's going on, and I adapt to it. I try to get my ego out of the way. The market is smarter than I am so I bend.
— Martin Zweig (Fund manager, *Winning on Wall Street*)

SATURDAY

9

SUNDAY

10

BONDS CAN GO UP WHEN STOCKS GO DOWN

The vast majority of investors do not understand the nature of trading Treasury bond futures. There exists an inverse relationship between yield and price. When yield or rates go up, bond prices go down and vice versa. When investors feel threatened with a potential decline in the stock market, they allocate more money into bonds. This is often referred to as the “flight to safety” trade. Investors will also allocate more money to bonds when they believe the yield is more attractive than other short-term investment options.

There is no doubt that both of those conditions were met in late 2008 through early 2009. However, even in that unprecedented time, 30-year bond price action did respect a seasonal supply-demand cycle. By going long the September 30-year bond on or about April 27 and exiting the position on or about August 22, we discovered in the last 32 years a solid 68.8% success rate. This trade has a history of 22 wins with only 10 losses; the largest win was \$8,563 in 1992, and the largest loss was \$5,906 in 1999.

The 2009 stock rally off the bottom of the worst bear market since the Depression drove bonds lower. However, if one waited and used timing tools, losses could have been avoided, and gains achieved. In 2010, as we were working on this edition, this trade was conforming to the seasonality, as stocks succumbed to a decline. Investors were in fact seeking safety and flocked to buy bonds.

Stock traders may consider the exchange-traded fund, iShares Barclays 20+ Year Bond (TLT), as a replacement for this futures contract. See pages 133–138 for additional correlated trades.

APRIL LONG 30-YR BOND (SEPTEMBER) TRADING DAY: 18—HOLD: 81 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1978	4/26	94'270	8/21	95'020	\$219
1979	4/26	88'260	8/21	90'190	1,781
1980	4/25	76'010	8/20	74'000	-2,031
1981	4/27	64'010	8/20	60'110	-3,688
1982	4/27	64'050	8/20	69'000	4,844
1983	4/27	77'270	8/22	72'160	-5,344
1984	4/26	65'000	8/21	66'230	1,719
1985	4/25	69'260	8/20	77'100	7,500
1986	4/24	97'240	8/19	102'080	4,500
1987	4/27	90'070	8/20	89'210	-563
1988	4/27	87'190	8/22	84'190	-3,000
1989	4/26	89'190	8/21	96'150	6,875
1990	4/26	88'110	8/21	89'190	1,250
1991	4/24	95'110	8/19	97'110	2,000
1992	4/28	97'040	8/21	105'220	8,563
1993	4/27	109'090	8/20	117'090	8,000
1994	4/26	105'210	8/22	102'040	-3,531
1995	4/27	104'280	8/22	110'060	5,313
1996	4/24	109'070	8/19	110'290	1,688
1997	4/24	106'280	8/19	114'060	7,313
1998	4/27	118'160	8/20	124'170	6,031
1999	4/26	120'280	8/19	114'310	-5,906
2000	4/27	96'020	8/22	99'290	3,844
2001	4/26	100'310	8/21	104'300	3,969
2002	4/24	100'200	8/19	108'290	8,281
2003	4/25	112'030	8/20	106'220	-5,406
2004	4/27	106'240	8/23	110'160	3,750
2005	4/26	113'240	8/19	116'080	2,500
2006	4/27	106'170	8/22	109'280	3,344
2007	4/25	111'160	8/21	110'200	-875
2008	4/24	114'315	8/19	117'185	2,594
2009	4/27	123'220	8/20	120'095	-3,391
32-Year Gain					\$62,141

30-YEAR BOND (US) BARS AND ISHARES BARCLAYS 20+ YEAR BOND (TLT) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

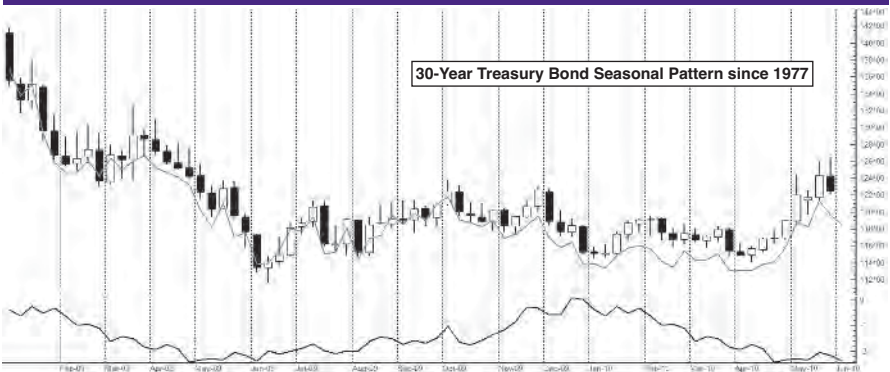


Chart courtesy TradeNavigator.com

APRIL

MONDAY

11

If you have an important point to make, don't try to be subtle or clever. Use a pile driver. Hit the point once. Then come back and hit it again. Then hit it a third time—a tremendous whack.
— Winston Churchill (British statesman, 1874–1965)

TUESDAY

12

There are ways for the individual investor to make money in the securities markets. Buying value and holding long term while collecting dividends has been proven over and over again.
— Robert M. Sharp (Author, *The Lore and Legends of Wall Street*)

WEDNESDAY

13

A "tired businessman" is one whose business is usually not a successful one.
— Joseph R. Grundy (U.S. senator, Pennsylvania 1929–1930, businessman, 1863–1961)

End Short Cocoa(N) (Mar. 14)

THURSDAY

14

LT: LH(J)
OE: CL(K), LH(J)

I went to a restaurant that serves "breakfast at any time." So I ordered French toast during the Renaissance.
— Steven Wright (Comedian, b. 1955)

Income Tax Deadline

End Short Sugar(N) (Feb. 18)

FRIDAY

15

FN: CC(K)
OE: SB(K)

If I have seen further, it is by standing upon the shoulders of giants
— Sir Isaac Newton (English physicist, mathematician, *Laws of Gravity*, letter to Robert Hooke 2/15/1676, 1643–1727)

SATURDAY

16

SUNDAY

17

BEEF PRICES HEAD SOUTH BEFORE SUMMER

Live cattle prices tend to post a seasonal high in early May. Between the supplies of fattened beef coming out of feed lots from the cold winter months to competing meat products like poultry and pork, supply tends to outpace demand, and we see a strong seasonal tendency for beef prices to decline, starting on or about May 3 through mid-June. In the past 34 years ending in 2009, this trade has worked 21 times for a 61.8% success rate.

At present there currently is no ETF that is outright geared towards meat prices, but investors do have other options besides outright futures contract positions to trade this commodity's seasonality. Investors can start examining which companies have not only a like or tandem price relationship, but also an inverse relationship with seasonal price moves in the underlying commodity markets, as is the case with live cattle and McDonald's (page 60).

However, the chart below is of the ETF Market Vectors Agribusiness (MOO), which tracks beef prices closely, as it contains many stocks related to the cattle ranching business. See pages 133–138 for additional correlated trades. At press time both live cattle and MOO had already declined substantially by early June 2010 after establishing a peak seasonal high in mid-May.

MAY SHORT LIVE CATTLE (OCTOBER) TRADING DAY: 2-HOLD: 30 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1976	5/4	45.675	6/16	45.200	190
1977	5/3	43.125	6/15	38.650	1,790
1978	5/2	52.625	6/14	50.050	1,030
1979	5/2	72.450	6/14	65.500	2,780
1980	5/2	61.500	6/16	65.100	-1,440
1981	5/4	65.550	6/16	65.300	100
1982	5/4	63.525	6/16	59.425	1,640
1983	5/3	60.825	6/15	59.000	730
1984	5/2	62.625	6/14	62.225	160
1985	5/2	62.100	6/14	62.725	-250
1986	5/2	52.325	6/16	49.950	950
1987	5/4	62.775	6/16	61.700	430
1988	5/3	68.150	6/15	63.950	1,680
1989	5/2	69.500	6/14	71.750	-900
1990	5/2	74.125	6/14	76.025	-760
1991	5/2	76.000	6/14	75.325	270
1992	5/4	70.525	6/16	71.175	-260
1993	5/4	74.300	6/16	75.100	-320
1994	5/3	70.675	6/15	67.875	1,120
1995	5/2	61.950	6/14	62.325	-150
1996	5/2	63.800	6/14	67.250	-1,380
1997	5/2	69.075	6/16	67.425	660
1998	5/4	69.675	6/16	65.400	1,710
1999	5/4	63.700	6/16	65.675	-790
2000	5/2	72.100	6/14	70.225	750
2001	5/2	73.525	6/14	74.475	-380
2002	5/2	65.875	6/14	64.575	520
2003	5/2	71.225	6/16	68.525	1,080
2004	5/4	84.450	6/17	86.925	-990
2005	5/3	86.200	6/15	82.750	1,380
2006	5/2	81.075	6/14	83.300	-890
2007	5/2	96.075	6/15	94.675	560
2008	5/2	104.400	6/16	110.575	-2,470
2009	5/4	86.550	6/16	85.775	310
34-Year Gain					\$8,860

LIVE CATTLE (LC) BARS AND MARKET VECTORS AGRIBUSINESS (MOO) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

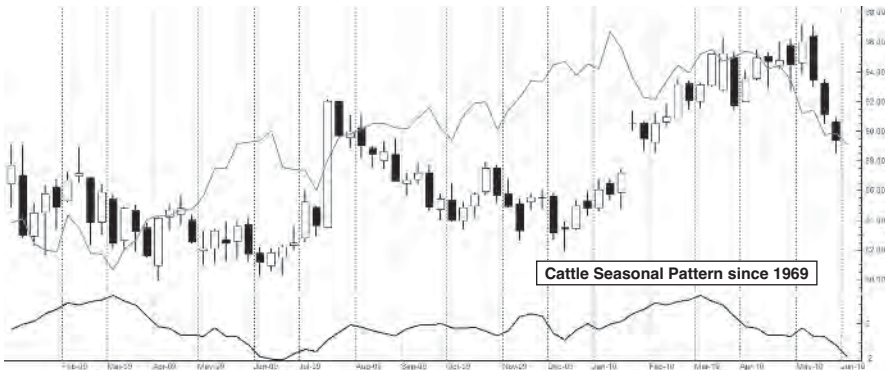


Chart courtesy TradeNavigator.com

APRIL

MONDAY

18

I have but one lamp by which my feet (or "investments") are guided, and that is the lamp of experience. I know of no way of judging the future but by the past.

— Patrick Henry (U.S. Founding Father, twice governor of VA, 1736–1799, March 23, 1775 speech)

Passover

TUESDAY

19

LT: CL(K)

A person's greatest virtue is his ability to correct his mistakes and continually make a new person of himself.

— Yang-Ming Wang (Chinese philosopher, 1472–1529)

End Long British Pound(M) (Mar. 21)

WEDNESDAY

20

FN: KC(K)

There are two kinds of people who lose money: those who know nothing and those who know everything.

— Henry Kaufman (German–American economist, b. 1927, to Robert Lenzner in Forbes, 10/19/98, who added, "With two Nobel Prize winners in the house, Long-Term Capital clearly fits the second case.")

End Long Natural Gas(N) (Feb. 23)

THURSDAY

21

FN: CL(K)

OE: C(K), S(K), W(K)

Let me end my talk by abusing slightly my status as an official representative of the Federal Reserve. I would like to say to Milton [Friedman]: regarding the Great Depression, you're right; we did it. We're very sorry. But thanks to you, we won't do it again.

— Ben Bernanke (Fed chairman 2006–, 11/8/02 speech as Fed governor)

Good Friday (Market Closed)

FRIDAY

22

Great spirits have always encountered violent opposition from mediocre minds.

— Albert Einstein (German/American physicist, 1921 Nobel Prize, 1879–1955)

SATURDAY

23

Easter

SUNDAY

24

MAY ALMANAC

◆ STOCKS AND BONDS

S&P's have shown a tendency to see price declines—as the saying goes “sell in May and go away.” However, no one said it was the beginning of the month. In recent years we start to see stocks peak in mid- to end-of-month, as illustrated in our seasonal chart (page 140). 30-year Treasury bonds prices continue their bottoming process in May, as seen in our seasonal chart (pages 42 and 142).

◆ ENERGY

Liquidate crude oil long from February on or about May 11 (pages 26 and 126). Natural gas generally consolidates during the month of May prior to forming a mid-June peak, followed by early summer weakness (page 147).

◆ METALS

Gold continues to remain weak from a seasonal perspective headed into the early summer month trading doldrums. Silver sees a strong tendency to peak—look to sell silver on or about May 13 and hold through June 24 for a 64.9% win ratio and a cumulative gain of \$58,045 the last 37 years, and a four-year win streak from 2006–2009 (pages 50 and 125). Get short copper on or about May 11, exit on or about May 31; 23 wins out of 37 years. 2007 and 2008 totaled over \$10,163 in profits (page 48).

◆ GRAINS

Soybeans tend to peak out and start a seasonal decline towards the end of the month in most normal weather years, as planting is well established and the crop growing season is well underway. This lasts through early August when “drought scares” develop. This is the time to take advantage of any further seasonal strength to liquidate long positions from February on or about May 27 (page 24). Wheat prices continue to trend lower under normal crop years before the harvest lows are made in June (page 164). Corn tends to move sideways in May. Don't look to short corn until the seasonal peak in June (page 62).

◆ SOFTS

Cocoa sees some price consolidation, as it heads toward its seasonal low in June (pages 126 and 167). Coffee has its best seasonal trade, as it typically hits a seasonal high in May; look to sell short on or about May 23 (page 52). Sugar sees some price consolidation, as it also tends to hit a seasonal low in June (pages 126 and 173).

◆ MEATS

Live cattle generally trend lower in May heading into June when it typically establishes its average seasonal low (page 176). Look to sell on the second trading day and hold for 30 days. This trade has a 61.8% win probability (page 126). Cattle prices then tend to bottom in mid- to late June when it typically establishes a seasonal low (page 60). Lean hogs usually peak in May (page 179).

◆ CURRENCIES

The euro has no real meaningful trend direction or influences from one particular seasonal factor during the month of May. The Swiss franc also drifts sideways, with a tendency to post a seasonal bottom in May, but typically does not advance higher against the U.S. dollar until August. The British pound can be shorted on or about May 27 and held through June 9. This trade worked 23 of 35 years, for a cumulative gain of \$16,013 (page 126). In fact, this trade was on a recent hot streak, registering four straight wins 2005–2008. The yen should rally, giving traders a chance to liquidate the seasonal long best trade from February on or about May 9 (page 126).

MAY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JUNE						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY STRATEGY CALENDAR*

Symbol		B	M	E
SP	L/S			
US	L/S			
CL	L/S			
NG	L/S			
HG	L/S			
GC	L/S			
SI	L/S			
C	L/S			
S	L/S			
W	L/S			
CC	L/S			
KC	L/S			
SB	L/S			
LC	L/S			
LH	L/S			
BP	L/S			
EC	L/S			
SF	L/S			
JY	L/S			

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126–127.
L = Long Trade, S = Short Trade. See pages 133–138 for contract symbols.

APRIL/MAY

End Short Silver(K) (Feb. 17)
End Short 30-Year Bond(M) (Nov. 18, 2010)

MONDAY
25

What investors really get paid for is holding dogs. Small stocks tend to have higher average returns than big stocks, and value stocks tend to have higher average returns than growth stocks.
— Kenneth R. French (Economist, Dartmouth, NBER, b. 1954)

TUESDAY
26

OE: NG(K), HG(K), SI(K)

He who hesitates is poor. — Mel Brooks (Writer, director, comedian, b. 1926)

Start Long 30-Year Bond(U)—68.8% Accuracy Since 1978—End Aug. 22—Page 42
Start Long S&P 500(U)—71.4% Accuracy Since 1982—End Jun. 7—Page 126

WEDNESDAY
27

LT: NG(K), HG(J), GC(J)

The game is lost only when we stop trying. — Mario Cuomo (Former NY governor, C-Span)

THURSDAY
28

FN: NG(K)

I don't think education has a lot to do with the number of years you're incarcerated in a brick building being talked down to.
— Tom Peters (American writer, *In Search of Excellence*, *Fortune* 11/13/2000)

FRIDAY
29

FN: HG(K), SI(K), C(K), S(K), W(K)
LT: SB(K), LC(J)

Keep me away from the wisdom which does not cry, the philosophy which does not laugh and the greatness which does not bow before children.
— Kahlil Gibran (Lebanese-born American mystic, poet, and artist, 1883–1931)

SATURDAY
30

SUNDAY
1

COPPER TOPS IN MAY

Copper prices tend to peak out when construction season is underway. Supplies have built up, but demand tends to decline. Producers have a tendency to ship inventories when prices are the highest during periods of strong demand (page 149). However, builders order hand-to-mouth rather than stockpile copper tubing for plumbing installations when prices get too high. This could be one explanation for this short term seasonal tendency.

Traders can look to sell copper on or about May 11, and then exit on or about May 31. This trade has racked up 23 wins out of the last 37 years. Impressively, 2007 and 2008 totaled \$10,163 in profits. However, the global economic rebound and growth in China in 2009 created a demand spike causing copper prices to rise during this seasonally weak period.

Nevertheless, at press time in 2010, this trade came right back to life, as copper prices declined on schedule, creating another win for this seasonal trade. Always evaluate technical timing indicators, macroeconomic trends, and fundamentals before executing any trade, especially seasonal trades.

Besides selling a futures contract, one way to capitalize on this event is to look at iShares DJ US Basic Materials (IYM), which contains natural resource companies that mine iron ore, aluminum, and, of course, copper among other metals. Notice the striking similarities of the seasonal tendencies between the price moves of this ETF in relation to the price of copper. See pages 133–138 for additional correlated trades.

MAY SHORT COPPER (JULY) TRADING DAY: 8—HOLD: 13 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1973	5/10	65.90	5/30	71.05	-\$1,288
1974	5/10	129.80	5/30	107.50	5,575
1975	5/12	55.30	5/30	54.70	150
1976	5/12	71.30	6/01	69.70	400
1977	5/11	66.00	5/31	60.40	1,400
1978	5/10	59.50	5/30	65.90	-1,600
1979	5/10	85.10	5/30	79.40	1,425
1980	5/12	88.60	5/30	93.40	-1,200
1981	5/12	82.10	6/01	81.50	150
1982	5/12	72.95	6/01	61.50	2,863
1983	5/11	80.80	5/31	78.35	613
1984	5/10	63.70	5/30	64.15	-113
1985	5/10	65.50	5/30	60.75	1,188
1986	5/12	63.90	5/30	63.10	200
1987	5/12	66.95	6/01	66.90	12
1988	5/11	94.40	5/31	91.30	775
1989	5/10	122.50	5/30	114.50	2,000
1990	5/10	118.40	5/30	111.50	1,725
1991	5/10	102.25	5/30	96.65	1,400
1992	5/12	101.10	6/01	102.30	-300
1993	5/12	82.25	6/01	80.40	462
1994	5/11	98.00	5/31	103.75	-1,438
1995	5/10	124.25	5/30	130.50	-1,563
1996	5/10	124.50	5/30	115.50	2,250
1997	5/12	113.30	5/30	119.10	-1,450
1998	5/12	79.30	6/01	75.95	837
1999	5/12	71.00	6/01	63.50	1,875
2000	5/10	82.85	5/30	81.15	425
2001	5/10	75.95	5/30	76.25	-75
2002	5/10	73.85	5/30	75.20	-338
2003	5/12	75.20	5/30	78.25	-762
2004	5/12	118.75	6/01	129.25	-2,625
2005	5/11	144.25	5/31	145.65	-350
2006	5/10	368.80	5/30	367.40	350
2007	5/10	356.65	5/30	330.35	6,575
2008	5/12	374.95	5/30	360.60	3,587
2009	5/12	208.60	6/01	231.90	-5,825
					37-Year Gain \$17,313

COPPER (HG) BARS AND ISHARES DJ US BASIC MATERIALS (IYM) CLOSURES (WEEKLY DATA JANUARY 2009–MAY 2010)

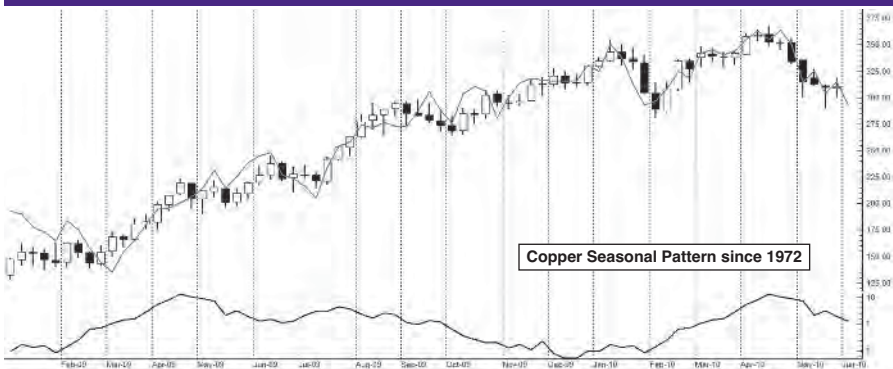


Chart courtesy TradeNavigator.com

MAY

MONDAY

2

FN: SB(K)

"Sell in May and go away." However, no one ever said it was the beginning of the month.

— John L. Person (Professional trader, author, speaker, *Commodity Trader's Almanac*, nationalfutures.com, 6/19/2009, b. 1961)

Start Short Cattle(V)—61.8% Accuracy Since 1976—End Jun. 15—Page 44

TUESDAY

3

Sell stocks whenever the market is 30% higher over a year ago.

— Eugene D. Brody (Oppenheimer Capital)

WEDNESDAY

4

Those that forget the past are condemned to repeat its mistakes, and those that mis-state the past should be condemned.

— Eugene D. Cohen (Letter to the Editor *Financial Times*, 10/30/06)

THURSDAY

5

During the first period of a man's life the greatest danger is not to take the risk.

— Soren Kierkegaard (Danish philosopher, 1813–1855)

FRIDAY

6

Doubt is the father of invention.

— Galileo Galilei (Italian physicist and astronomer, 1564–1642)

SATURDAY

7

Mother's Day

SUNDAY

8

SILVER SLIPS IN MAY

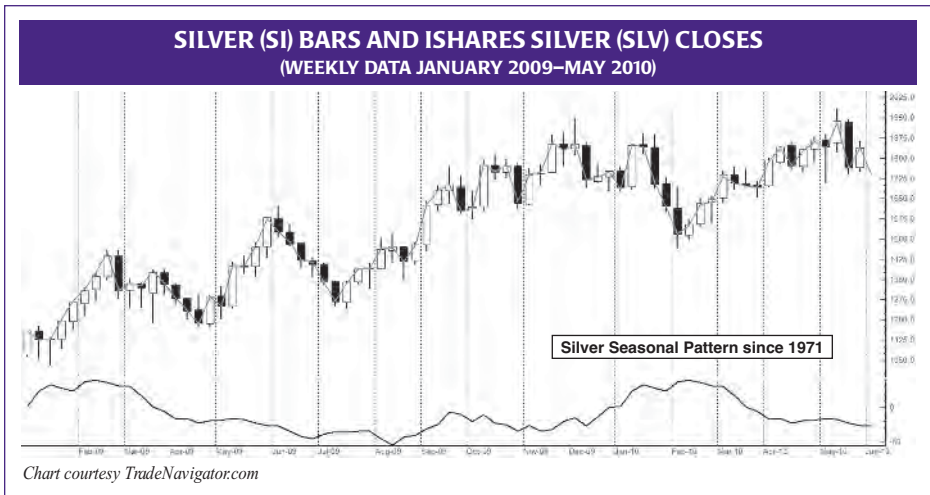
Silver has a strong tendency to peak or continue to lower in May, bottoming in late June. Traders can look to sell silver on or about May 13 and hold until on or about June 24. In the past 37 years, this trade has seen declines 24 times, for a success rate of 64.9%. At press time in early June of 2010, this trade was conforming to the seasonal price declines as illustrated in our case study on page 125.

The futures market has, without a doubt, been trading under extremely volatile conditions recently. This type of environment may not be suitable for all traders, especially those who cannot monitor positions closely. There are other products to trade, such as the exchange-traded fund, iShares Silver Trust (SLV), shown in the chart below. Notice the price action is identical on a closing basis with the underlying silver futures contract and SLV.

Each share represents one ounce of silver; the closing price of the ETF will represent, within reason, spot silver. As of June 3, 2010, SLV owned 297,540,664.7 ounces of silver with 303.65 million of shares outstanding. Just like every other ETF, there is a premium to net asset value (NAV), which accounts for the difference. The banks have to make a buck too!

The bottom line of the chart below shows the 38-year historic average seasonal price tendency of silver as well as the decline typically seen from the highs in February until the lows are posted in late June into early July. This May silver short trade captures the tail end of silver's weak seasonal period. See pages 133–138 for additional correlated trades.

MAY SHORT SILVER (JULY)					
TRADING DAY: 10–HOLD: 29 DAYS					
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1973	5/14	246.2	6/25	268.3	-\$1,105
1974	5/14	584.0	6/25	462.3	6,085
1975	5/14	462.7	6/25	455.2	375
1976	5/14	453.8	6/25	473.5	-985
1977	5/13	479.6	6/24	446.8	1,640
1978	5/12	508.8	6/23	531.6	-1,140
1979	5/14	848.5	6/25	870.5	-1,100
1980	5/14	1315.0	6/25	1575.0	-13,000
1981	5/14	1114.0	6/25	948.0	8,300
1982	5/14	689.0	6/25	517.5	8,575
1983	5/13	1331.0	6/24	1227.0	5,200
1984	5/14	895.5	6/25	834.5	3,050
1985	5/14	664.0	6/25	615.5	2,425
1986	5/14	508.0	6/25	511.0	-150
1987	5/14	887.0	6/25	685.5	10,075
1988	5/13	670.0	6/24	681.0	-550
1989	5/12	561.0	6/23	533.8	1,360
1990	5/14	512.5	6/25	482.2	1,515
1991	5/14	407.8	6/25	437.5	-1,485
1992	5/14	412.3	6/25	400.3	600
1993	5/14	446.3	6/25	449.0	-135
1994	5/13	543.5	6/24	540.0	175
1995	5/12	535.2	6/23	535.5	-15
1996	5/14	540.0	6/25	514.7	1,265
1997	5/14	483.8	6/25	475.5	415
1998	5/14	556.0	6/25	533.5	1,125
1999	5/14	539.0	6/25	506.5	1,625
2000	5/12	505.8	6/23	495.8	500
2001	5/14	435.7	6/25	429.8	295
2002	5/14	460.7	6/25	483.2	-1,125
2003	5/14	487.2	6/25	456.5	1,535
2004	5/14	572.8	6/28	589.8	-850
2005	5/13	694.0	6/24	728.0	-1,700
2006	5/12	1423.5	6/23	1028.5	19,750
2007	5/14	1323.5	6/26	1228.0	4,775
2008	5/14	1661.3	6/25	1650.3	550
2009	5/14	1404.0	6/25	1400.5	175
37-Year Gain					\$58,045



MAY

End Short Wheat(N) (Jan. 5)
End Long Yen(M) (Feb. 8)

MONDAY
9

Age is a question of mind over matter. If you don't mind, it doesn't matter.
— Leroy Robert “Satchel” Paige (Negro League and Hall of Fame pitcher, 1906–1982)

End Long Corn(N) (Oct. 28, 2010)

TUESDAY
10

If you spend more than 14 minutes a year worrying about the market, you've wasted 12 minutes.
— Peter Lynch (Fidelity Investments, *One Up On Wall Street*, b. 1944)

End Long Crude Oil(N) (Feb. 14)
Start Short Copper(N)—62.2% Accuracy Since 1973—End May 31—Page 48

WEDNESDAY
11

We do not believe any group of men adequate enough or wise enough to operate without scrutiny or without criticism... the only way to avoid error is to detect it, that the only way to detect it is to be free to inquire... in secrecy error undetected will flourish and subvert.
— J. Robert Oppenheimer (American physicist, father of A-bomb, 1904–1967)

THURSDAY
12

A committee is a cul de sac down which ideas are lured and then quietly strangled.
— Sir Barnett Cocks (Member of Parliament, 1907–1989)

Start Short Silver(N)—64.9% Accuracy Since 1973—End Jun. 24—Page 50

FRIDAY
13

LT: C(K), S(K), W(K), CC(K), LH(K)
OE: LH(K)

Economics is a very difficult subject. I've compared it to trying to learn how to repair a car when the engine is running.
— Ben Bernanke (Fed chairman 2006–, June 2004 *Region* interview as Fed governor)

SATURDAY
14

SUNDAY
15

COFFEE BUZZ FADES IN SUMMER

Coffee typically posts a seasonal high in May. This creates coffee's most powerful seasonal play under normal weather conditions, which means a lack of frost in the Southern Hemisphere growing regions of Columbia and Brazil. Traders should look to sell short on or about May 23 and hold through August 9. This trade has worked 26 out of last 36 years with a 72.2% success rate.

However, this trade did not fare so well in 2006 and 2007. An explanation as to why this market defied the seasonal tendency to decline in this time period was that there was a lack of rain during the key flower pollination stage, resulting in a much smaller crop than expected in Brazil back in 2007. Trade estimates were looking for 50 million kg bags of production, but according to forecasts, that estimate backed down to 45 million kg bags of production. So in essence, supply declined due to poor weather conditions, while demand remained steady.

This trade was once again profitable in 2008 and 2009, and heading in the right direction at press time 2010. Traders can sell futures or implement a bearish option position. As for other trading opportunities, the chart below shows the coffeehouse and distributor Starbucks' (SBUX) price line overlaid on the bar chart of coffee.

When coffee declines, historically we have seen a price increase for shares of (SBUX). The reverse is also true. If coffee prices have been up strong on or about May 23, and if SBUX is near its yearly or monthly lows, then traders may want to look to buy shares of SBUX or consider call options. See pages 133–138 for additional correlated trades.

MAY SHORT COFFEE (SEPTEMBER) TRADING DAY: 16–HOLD: 54 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1974	5/22	75.50	8/08	62.50	\$4,875
1975	5/22	56.14	8/08	84.80	-10,748
1976	5/24	136.95	8/10	147.65	-4,013
1977	5/23	305.25	8/10	205.11	37,553
1978	5/22	153.11	8/08	126.69	9,908
1979	5/22	156.62	8/08	197.29	-15,251
1980	5/22	209.42	8/08	138.77	26,494
1981	5/22	115.82	8/10	117.32	-563
1982	5/24	119.46	8/10	126.86	-2,775
1983	5/23	127.75	8/09	126.17	592
1984	5/22	154.09	8/08	141.71	4,643
1985	5/22	146.81	8/09	134.68	4,549
1986	5/22	215.18	8/11	170.90	16,605
1987	5/22	123.23	8/10	103.80	7,286
1988	5/23	133.85	8/09	118.34	5,816
1989	5/22	128.59	8/08	83.03	17,085
1990	5/22	99.11	8/08	91.85	2,723
1991	5/22	89.05	8/09	81.15	2,963
1992	5/22	65.50	8/10	53.25	4,594
1993	5/24	63.25	8/10	74.95	-4,388
1994	5/23	136.65	8/09	182.30	-17,119
1995	5/22	165.10	8/09	144.75	7,631
1996	5/22	119.60	8/09	115.10	1,688
1997	5/22	229.95	8/08	205.85	9,038
1998	5/22	134.00	8/10	134.20	-75
1999	5/24	120.50	8/10	93.75	10,031
2000	5/22	105.80	8/09	79.50	9,863
2001	5/22	67.90	8/08	49.65	6,844
2002	5/22	53.40	8/09	47.55	2,194
2003	5/22	68.00	8/08	63.70	1,613
2004	5/24	78.75	8/11	67.10	4,369
2005	5/23	121.15	8/09	102.60	6,956
2006	5/22	102.50	8/08	107.10	-1,725
2007	5/22	114.30	8/09	119.50	-1,950
2008	5/22	136.60	8/11	135.85	281
2009	5/22	136.90	8/10	135.85	394

36-Year Gain \$147,979

COFFEE (KC) BARS AND STARBUCKS (SBUX) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

MAY

MONDAY

16

*The inherent vice of capitalism is the unequal sharing of blessings;
the inherent virtue of socialism is the equal sharing of miseries.*

— Winston Churchill (British statesman, 1874–1965)

TUESDAY

17

OE: CL(M)

The worst mistake investors make is taking their profits too soon, and their losses too long.

— Michael Price (Mutual Shares Fund)

WEDNESDAY

18

LT: KC(K)

I've never been poor, only broke. Being poor is a frame of mind. Being broke is only a temporary situation.

— Mike Todd (Movie Producer, 1903–1958)

THURSDAY

19

We're not believers that the government is bigger than the business cycle.

— David Rosenberg (Economist, Merrill Lynch, *Barron's*, 4/21/2008)

FRIDAY

20

LT: CL(M)

OE: US(M)

*I had an unshakable faith. I had it in my head that if I had to, I'd crawl over broken
glass. I'd live in a tent—it was gonna happen. And I think when you have that kind of
steely determination... people get out of the way.*

— Rick Newcombe (Syndicator, *Investor's Business Daily*)

SATURDAY

21

SUNDAY

22

SHORT SOYBEANS FOR SUMMER

After planting season has finished through the bean belt of Illinois and up through Minnesota, soybeans tend to post a seasonal peak. Once the crop is actually planted, the fear of a reduced crop size due to planting delays from late spring storms has abated. When the crop is in the ground, traders start focusing on the potential size of the new crop. In addition, supplies are available from the South American harvest, and this puts additional pressure on prices.

By mid-June we have a good understanding of the crop size due to what was planted. Under ideal weather conditions, traders tend to sell the market, as producers and grain elevators start hedging or forward contracting out their crops production. This marketing effort can last through harvest time.

The new genetically modified (GMO) seed, Roundup Ready by Monsanto (MON), is more resistant than ever to insects and drought or heat stress. In addition, there has been more worldwide acceptance of this technology. U.S. farmers have increased usage and production to over 85% of this variety. This may explain why, under normal weather growing years, prices tend to decline, as there is a better estimate of the crop size.

The chart below has the fertilizer company Mosaic (MOS). Traders looking to capture moves in soybeans may want to explore taking out positions in companies such as Mosaic that tend to correlate to the commodity's seasonal price moves. See pages 133–138 for additional correlated trades.

JUNE SHORT SOYBEANS (SEPTEMBER) TRADING DAY: 5-HOLD: 36 DAYS

YEAR	ENTRY		EXIT		PROFIT/LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	6/5	266 1/4	7/28	286	-988
1971	6/7	310 1/2	7/28	331 1/4	-1,038
1972	6/7	339 3/4	7/28	337 1/2	113
1973	6/7	853	8/01	872	-950
1974	6/7	537 1/2	7/30	865	-16,375
1975	6/6	478	7/29	627	-7,450
1976	6/7	609	7/28	631 1/2	-1,125
1977	6/7	832 1/2	7/28	577 1/4	12,763
1978	6/7	666 1/2	7/28	621 3/4	2,238
1979	6/7	753	7/30	711	2,100
1980	6/6	631 1/2	7/29	762 1/4	-6,538
1981	6/5	727 3/4	7/28	746 1/2	-938
1982	6/7	642 1/2	7/28	602 3/4	1,988
1983	6/7	626	7/28	720	-4,700
1984	6/7	755 1/4	7/30	609 1/2	7,288
1985	6/7	580 3/4	7/30	519 1/4	3,075
1986	6/6	513	7/29	503 1/2	475
1987	6/5	570	7/28	534 3/4	1,763
1988	6/7	886 1/2	7/28	748 1/2	6,900
1989	6/7	647 3/4	7/28	604 1/4	2,175
1990	6/7	612 1/4	7/30	593 3/4	925
1991	6/7	587 1/4	7/30	580	363
1992	6/5	614 1/2	7/28	559 3/4	2,738
1993	6/7	587 3/4	7/28	690	-5,113
1994	6/7	646	7/28	572 1/2	3,675
1995	6/7	602 1/2	7/28	627	-1,225
1996	6/7	752 1/2	7/30	744 3/4	388
1997	6/6	720 1/2	7/29	675 1/2	2,250
1998	6/5	586 1/2	7/28	572	725
1999	6/7	473	7/28	424 1/4	2,438
2000	6/7	526 3/4	7/28	447 3/4	3,950
2001	6/7	447 1/4	7/30	504	-2,838
2002	6/7	484 1/2	7/30	531 1/2	-2,350
2003	6/6	602 1/2	7/29	527 1/4	3,763
2004	6/7	718	7/29	590	6,400
2005	6/7	679 3/4	7/28	689	-463
2006	6/7	610 1/2	7/28	584	1,325
2007	6/7	847	7/30	831	800
2008	6/6	1446 1/2	7/30	1395 1/2	2,550
2009	6/5	1101	7/28	968	6,650
40-Year Gain					\$27,725

SOYBEANS (S) BARS AND MOSAIC (MOS) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

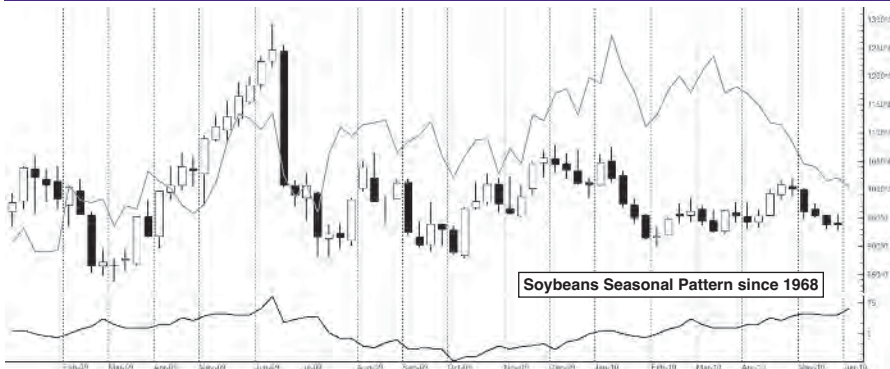


Chart courtesy TradeNavigator.com

MAY

Start Short Coffee(U)—72.2% Accuracy Since 1974—End Aug. 9—Page 52

MONDAY
23

640K ought to be enough for anybody. — William H. Gates (Microsoft founder, 1981)

TUESDAY
24
FN: CL(M)

A government which robs Peter to pay Paul can always depend on the support of Paul.
— George Bernard Shaw (Irish dramatist, 1856–1950)

WEDNESDAY
25
OE: NG(M), HG(M), GC(M)

One only gets to the top rung on the ladder by steadily climbing up one at a time,
and suddenly all sorts of powers, all sorts of abilities, which you thought never
belonged to you—suddenly become within your own possibility....
— Margaret Thatcher (British prime minister 1979–1990, b. 1925)

THURSDAY
26
LT: NG(M), HG(K), SI(K)

The possession of gold has ruined fewer men than the lack of it.
— Thomas Bailey Aldrich (American author, poet, and editor, 1903, 1836–1907)

End Long Soybeans(N) (Feb. 11)
Start Short British Pound(U)—65.7% Accuracy Since 1975—End Jun. 9—Page 126

FRIDAY
27
FN: NG(M)

If you torture the data long enough, it will confess to anything.
— Darrell Huff (*How to Lie With Statistics*, 1954)

SATURDAY
28

SUNDAY
29

JUNE ALMANAC

◆ STOCKS AND BONDS

S&P's have shown a tendency to see mid- to end-of-month weakness, especially after June's quarterly quadruple witching, as illustrated in our seasonal chart (page 140). 30-year Treasury bonds prices are weak in June but have a tendency to recover towards the end of the month from early month losses. Watch for this mid-month reversal, especially when stocks start to make an end-of-month selloff. Buy bonds on second trading day and hold for 10 days. This has a 65.6% win probability with 21 wins in 32 years (page 127). We are still holding onto our top seasonal long from April until late August (page 42).

◆ ENERGY

Seasonally, this is still one of the best seven months, March to September, to be long crude oil. However, June tends to see price consolidations after major price moves in May (page 145). Natural gas prices tend to move lower in June until mid-July, when we typically see the market make its average seasonal low (page 68).

◆ METALS

Most years gold prices continue in a downtrend, as it is in its seasonal weak price period until July–August (page 78). Cover short silver position from May 13 on or about June 24 (page 50). Copper tends to have counter seasonal rallies in June (page 149).

◆ GRAINS

Soybeans' seasonal peak, sell on June 7; hold until end of July (page 54). Wheat often makes a seasonal low in June. Enter long position around June 8 and exit near November 4 (page 127). Corn is in the middle of seasonal decline, especially in normal or above-average weather conditions. Enter short positions by selling on or about June 24 and holding through the end of July. The last 40 years, this trade has worked 67.5% of the time, for a cumulative profit of \$29,669 (page 62).

◆ SOFTS

Enter new long cocoa position on or about June 2; exit on or about July 7. This trade worked 24 of 37 years for cumulative profits of \$14,590 (page 127). Coffee continues its downtrend, as it is in the seasonal weak price period (page 52). Sugar tends to post a seasonal low in June, giving us a sweet long trade through the end of July (page 58).

◆ MEATS

This is seasonally the best time to go long cattle. Short-term traders can buy the August contract and, for our top seasonal longer-term play, traders can enter a long position in the April contract of the following year on or about June 20 and exit on or about February 7. Out of the past 40 years, this trade has worked 26 times, for a 65.0% win probability; cumulative profits are \$22,240 (page 60). Hogs continue their downtrend, as they are in their seasonally weak price period (page 179).

◆ CURRENCIES

The euro tends to trend lower into the end of the third quarter (page 185). Swiss francs generally move lower into August (page 187). Cover short British pound position from May 27 on or about June 9 (page 46). Prices tend to give traders another trade opportunity. In the past 35 years, reversing positions and going long on or about June 28 and holding into late July has produced 24 years of successful trades, for a success rate of 68.6%. The cumulative profit is \$29,550 (page 127). The yen tends to trend lower into August (page 190).

JUNE						
S	M	T	W	T	F	S
				1	2	3
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE STRATEGY CALENDAR*

Symbol		B	M	E										
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* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126–127.
L = Long Trade, S = Short Trade. See pages 133–138 for contract symbols.

Memorial Day (Market Closed)

MONDAY

30

Three passions, simple but overwhelmingly strong, have governed my life: the longing for love, the search for knowledge, and unbearable pity for the suffering of mankind.

— Bertrand Russell (British mathematician and philosopher, 1872–1970)

End Short Copper(N) (May 11)

TUESDAY

31

FN: US(M), HG(M), GC(M)

All you need is to look over the earnings forecasts publicly made a year ago to see how much care you need to give those being made now for next year.

— Gerald M. Loeb (E.F. Hutton, *The Battle for Investment Survival*, predicted 1929 Crash, 1900–1974)

WEDNESDAY

1

The authority of a thousand is not worth the humble reasoning of a single individual.

— Galileo Galilei (Italian physicist and astronomer, 1564–1642)

Start Long 30-Year Bond(U)—65.6% Accuracy Since 1978—End Jun. 16—Page 127
Start Long Cocoa(U)—64.9% Accuracy Since 1973—End Jul. 7—Page 127

THURSDAY

2

When a company reports higher earnings for its first quarter (over its previous year's first quarter), chances are almost five to one it will also have increased earnings in its second quarter. — Niederhoffer, Cross & Zeckhauser (Investment bank)

FRIDAY

3

OE: CC(N), LC(M), BP(M), EC(M), SF(M), JY(M)

Being uneducated is sometimes beneficial. Then you don't know what can't be done.

— Michael Ott (Venture capitalist)

SATURDAY

4

SUNDAY

5

SUGAR'S SUMMER SWEET SPOT

Due to the many regions on the planet that produce sugar, it goes through several seasonal price swings. However, it makes a sweet tradable seasonal low in mid-June. Sugarcane harvesting in the tropics and sugar beet planting in the Northern Hemisphere in the May/June timeframe create uncertainty as to the size of the coming sugar crop, and prices tend to rally.

Over the past 35 years, going long sugar on or about June 15 and holding for about 32 days has delivered gains 21 times, for a success rate of 60% with a total gain of \$10,573. A worldwide bull market in sugar, due to heavy demand from ethanol and some adverse (wet) weather conditions, had pushed sugar prices to 29-year highs in early 2010. This contributed to sizeable gains for this trade the past three years straight.

In 2009, this trade continued to show strong performance well after our strategic exit date. In fact, the actual monthly low was 16.58 made on June 17, two days after the low of 16.67 made on our entry date. In addition, it was interesting to note that the low made the week of our entry date was not only close to the low of the month, but it held at the predicted weekly Pivot support target.

Granted this trade worked very well last year, however, using trailing stops and managing this trade would have given traders quite a bit more bang. Our exit date trade price was 18.75. Holding a long for an additional nine trading days would have provided additional gains, as the price hit 23.33 intraday before hitting the contract high of 24.85 on September 1.

Using technical timing tools can not only get you into this trade at more profitable entry points, but they can more importantly help you increase gains by keeping you in a winning trade longer during strong bullish trends. It is crucial to implement technical trading techniques in conjunction with seasonal patterns.

Alternatively, you can trade sugar powerhouses, Imperial Sugar (IPSU). IPSU stock price sticks closely to sugar prices throughout the year. The chart below shows this symbiotic relationship between IPSU and sugar with sugar's seasonal price pattern since 1972 in the bottom section. See pages 133–138 for additional correlated trades.

JUNE LONG SUGAR (OCTOBER)						
TRADING DAY: 11—HOLD: 32 DAYS						
YEAR	ENTRY		EXIT		PROFIT/LOSS	
	DATE	CLOSE	DATE	CLOSE		
1975	6/16	12.34	7/31	16.54	\$4,704	
1976	6/15	13.63	7/30	12.42	-1,355	
1977	6/15	8.52	8/2	8.09	-482	
1978	6/15	7.18	8/1	6.41	-862	
1979	6/15	8.95	8/1	8.91	-45	
1980	6/16	35.86	7/31	30.62	-5,869	
1981	6/15	15.83	7/30	16.64	907	
1982	6/15	7.23	7/30	7.72	549	
1983	6/15	11.26	8/1	12.08	918	
1984	6/15	6.10	8/1	4.53	-1,758	
1985	6/17	3.16	8/2	4.79	1,826	
1986	6/16	6.81	8/1	6.49	-358	
1987	6/15	7.22	7/30	5.95	-1,422	
1988	6/15	9.84	8/1	11.63	2,005	
1989	6/15	12.71	8/1	14.12	1,579	
1990	6/15	12.50	8/1	10.55	-2,184	
1991	6/17	8.73	8/2	9.59	963	
1992	6/15	9.85	7/30	9.48	-414	
1993	6/15	11.17	7/30	9.36	-2,027	
1994	6/15	12.41	8/1	11.70	-795	
1995	6/15	10.29	8/2	10.56	302	
1996	6/17	11.23	8/2	11.71	538	
1997	6/16	11.28	7/31	11.68	448	
1998	6/15	7.84	7/30	8.84	1,120	
1999	6/15	5.61	7/30	5.98	414	
2000	6/15	8.50	8/2	10.79	2,565	
2001	6/15	8.72	8/1	7.91	-907	
2002	6/17	5.02	8/2	5.78	851	
2003	6/16	6.42	7/31	7.21	885	
2004	6/16	7.58	8/2	8.39	907	
2005	6/15	8.78	8/1	9.96	1,322	
2006	6/15	15.33	8/1	14.90	-482	
2007	6/15	8.98	8/1	10.28	1,456	
2008	6/16	12.27	8/1	14.13	2,083	
2009	6/15	15.90	7/30	18.75	3,192	
					35-Year Gain	\$10,573

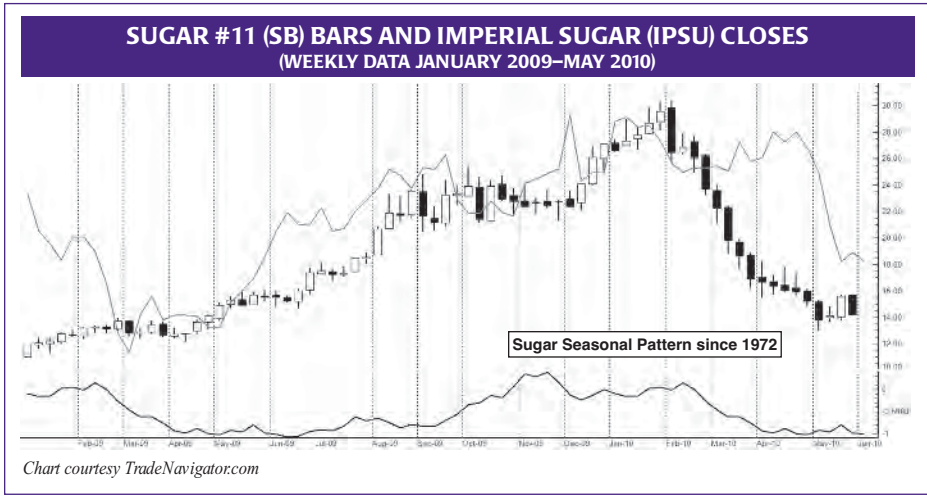


Chart courtesy TradeNavigator.com

JUNE

MONDAY

6

FN: LC(M)

If you can buy more of your best idea, why put [the money] into your 10th-best idea or your 20th-best idea? The more positions you have, the more average you are.

— Bruce Berkowitz (Fairholme Fund, *Barron's*, 3/17/08)

End Long S&P 500(U) (Apr. 27)

Start Short Soybeans(U)—65.0% Accuracy Since 1970—End Jul. 28—Page 127

TUESDAY

7

Change is the law of life. And those who look only to the past or present are certain to miss the future.

— John F. Kennedy (35th U.S. president, 1917–1963)

Start Long Wheat(Z)—55.0% Accuracy Since 1970—End Nov. 4—Page 127

WEDNESDAY

8

Whatever method you use to pick stocks..., your ultimate success or failure will depend on your ability to ignore the worries of the world long enough to allow your investments to succeed. It isn't the head but the stomach that determines the fate of the stockpicker.

— Peter Lynch (Fidelity Investments, *Beating the Street*, 1994)

End Short British Pound(U) (May 27)

THURSDAY

9

Bad days are good days in disguise.

— Christopher Reeves (Actor, on Johnson & Johnson commercial)

FRIDAY

10

OE: KC(N)

If I had eight hours to chop down a tree, I'd spend six sharpening my axe.

— Abraham Lincoln (16th U.S. president, 1809–1865)

SATURDAY

11

SUNDAY

12

SUMMER BBQ SEASON GIVES BEEF A B OUNCE

This is seasonally the best time to buy live cattle. Fundamentally, beef consumption starts to decline in hot weather, but so does supply, as feed lots are short on inventory. Cash grain prices tend to remain high, as supply decreases before harvest season. This supply/demand imbalance creates a bid under the market. Then before school season begins, federal government subsidies for school lunch programs kick in for beef purchases.

As winter and the holiday season approach, consumption increases. This helps keep a floor of support in cattle futures through mid-February (page 176). Enter long positions on or about June 20 then exit on or about February 7. Out of the past 40 years, this trade has worked 26 times for a 65.0% success rate.

A retreat in feed grain prices from the ethanol-fueled rally, recent favorable grazing conditions, and increased foreign buying have been a boon for U.S. cattle ranchers. If demand remains steady, then we could see sharply higher red meat prices in the next few years.

The chart below has McDonald's (MCD) closing prices overlaid on the front contract live cattle futures with the seasonal price move of the futures on the bottom. It is interesting to note that while beef has a tendency to rise from June through August, MCD has a tendency to decline during this same time period on average since 1970.

Traders may want to look at long futures strategies on beef in June, and stock traders certainly want to look for companies that would benefit or in this case, see price weakness due to a commodity market move, such as this inverse relationship between MCD and beef prices. See pages 133–138 for additional correlated trades.

JUNE LONG LIVE CATTLE (APRIL) TRADING DAY: 14—HOLD: 160 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	6/18	29.400	2/05	32.050	\$1,060
1971	6/18	31.450	2/04	34.750	1,320
1972	6/20	35.250	2/12	43.775	3,410
1973	6/20	46.525	2/07	50.850	1,730
1974	6/20	37.000	2/07	36.150	-340
1975	6/19	41.050	2/06	39.175	-750
1976	6/18	45.975	2/07	39.075	-2,760
1977	6/20	42.050	2/07	44.250	880
1978	6/20	53.475	2/08	66.250	5,110
1979	6/20	69.650	2/07	71.175	610
1980	6/19	67.300	2/09	67.925	250
1981	6/18	68.750	2/04	63.200	-2,220
1982	6/18	59.525	2/03	62.150	1,050
1983	6/20	60.800	2/07	67.600	2,720
1984	6/20	65.600	2/06	68.200	1,040
1985	6/20	64.200	2/06	60.600	-1,440
1986	6/19	54.650	2/05	63.300	3,460
1987	6/18	65.525	2/04	70.925	2,160
1988	6/20	73.350	2/06	76.450	1,240
1989	6/20	73.600	2/06	77.275	1,470
1990	6/20	76.125	2/06	77.875	700
1991	6/20	75.700	2/06	77.675	790
1992	6/18	70.650	2/04	77.900	2,900
1993	6/18	75.925	2/03	74.350	-630
1994	6/20	70.975	2/06	73.975	1,200
1995	6/20	64.550	2/06	64.175	-150
1996	6/20	66.200	2/06	65.925	-110
1997	6/19	72.520	2/06	65.770	-2,700
1998	6/18	68.850	2/05	67.750	-4400
1999	6/18	69.100	2/07	72.750	1,460
2000	6/20	75.325	2/07	78.800	1,390
2001	6/20	76.750	2/11	75.975	-310
2002	6/20	69.600	2/10	77.900	3,320
2003	7/21	75.875	3/09	79.425	1,420
2004	6/21	86.250	2/08	88.800	1,020
2005	6/20	85.350	2/07	89.775	1,770
2006	6/20	87.100	2/08	94.875	3,110
2007	6/20	97.525	2/07	96.050	-590
2008	6/19	116.750	2/09	87.750	-11,600
2009	6/18	91.175	2/05	90.400	-310
				40-Year Gain	\$22,240

LIVE CATTLE (LC) BARS AND McDONALD'S (MCD) CLOSURES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

JUNE

MONDAY

13

LT: BP(M), EC(M), SF(M), JY(M)

We can guarantee cash benefits as far out and at whatever size you like, but we cannot guarantee their purchasing power.
— Alan Greenspan (Fed chairman 1987–2006, on funding Social Security to Senate Banking Committee 2/15/05)

TUESDAY

14

LT: LH(M)

OE: LH(M)

Thomas Alva Edison said, “Genius is 5% inspiration and 95% perspiration!” Unfortunately, many startup “genius” entrepreneurs mistakenly switch the two percentages around, and then wonder why they can’t get their projects off the ground. — Yale Hirsch (Creator of *Stock Trader’s Almanac*, b. 1923)

End Short Cattle(V) (May 3)
Start Long Sugar(V)—60.0% Accuracy Since 1975—End Aug. 1—Page 58

WEDNESDAY

15

OE: SB(N)

To an imagination of any scope the most far-reaching form of power is not money, it is the command of ideas.
— Oliver Wendell Holmes Jr. (*The Mind and Faith of Justice Holmes*, edited by Max Lerner)

End Long 30-Year Bond(U) (Jun. 2)

THURSDAY

16

LT: SP(M)

OE: SP(M), CL(N)

Knowledge born from actual experience is the answer to why one profits; lack of it is the reason one loses.
— Gerald M. Loeb (E.F. Hutton, *The Battle for Investment Survival*, predicted 1929 Crash, 1900–1974)

FRIDAY

17

FN: CC(N)

I’m not nearly so concerned about the return on my capital as I am the return of my capital.
— Will Rogers (American humorist and showman, 1879–1935)

SATURDAY

18

Father’s Day

SUNDAY

19

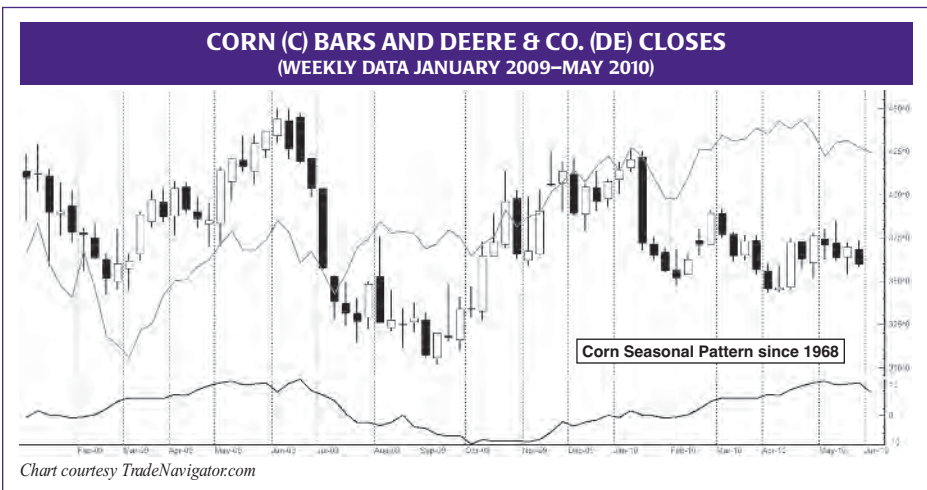
MOTHER NATURE MAKES CORN POP

Corn tends to peak in June under normal crop years, as planting is complete and farmers are looking for cooperation from Mother Nature to produce increased production yields. Look to sell on or about June 24 and hold through August 1. This is when we typically get a “drought scare” or mid-summer rally. The 40-year history of this timing strategy shows a win in 27 of those years, for a success rate of 67.5%.

With the price increase in corn headed into summer, we normally see the market settle back, as farmers have a better idea of their crop size and start to hedge or forward contract sales out to lock in a profit. Depending on the levels of volatility, traders can look to sell futures or buy put options or once again look for alternative trading opportunities.

The chart below has Deere & Co. (DE) overlaid with corn prices and the bottom line showing the seasonal tendency of corn prices since 1970. As you can see, there is a high correlation of the price of corn and the share price of DE. One can look to sell DE, buy puts, or write calls in the seasonally weak timeframe that starts in June and goes into July. See pages 133–138 for additional correlated trades.

JUNE SHORT CORN (SEPTEMBER) TRADING DAY: 18–HOLD: 25 DAYS					
YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	6/24	133 1/4	7/30	130 5/8	\$131
1971	6/24	154 1/4	7/30	132 1/2	1,088
1972	6/26	122 3/8	8/01	126 5/8	-213
1973	6/26	210 1/4	8/01	278	-3,388
1974	6/26	291 3/4	8/01	369 1/2	-3,888
1975	6/25	262 1/2	7/31	287	-1,225
1976	6/24	294 3/4	7/30	280 1/4	725
1977	6/24	228 1/2	8/01	195	1,675
1978	6/26	257 1/4	8/01	225 1/2	1,588
1979	6/26	315 1/4	8/01	288 1/2	1,338
1980	6/25	290 1/2	7/31	335 1/4	-2,238
1981	6/24	347	7/30	335 1/4	588
1982	6/24	271 1/4	7/30	245 3/4	1,275
1983	6/24	304 1/4	8/01	330 1/4	-1,300
1984	6/26	322 1/2	8/01	293 1/4	1,463
1985	6/26	257	8/01	232	1,250
1986	6/25	189 3/4	7/31	165 1/4	1,225
1987	6/24	196 1/2	7/30	162 1/2	1,700
1988	6/24	347 1/2	8/01	290	2,875
1989	6/26	244 1/4	8/01	222 1/2	1,088
1990	6/26	283 3/4	8/01	255 1/2	1,413
1991	6/26	237 1/4	8/01	262 1/2	-1,263
1992	6/24	253 3/4	7/30	221 3/4	1,600
1993	6/24	226 1/4	7/30	235 3/4	-475
1994	6/24	250 1/2	8/01	217 3/4	1,638
1995	6/26	272 1/2	8/01	282 1/2	-500
1996	6/26	388 3/4	8/01	360 1/2	1,413
1997	6/25	242 1/4	7/31	265 1/2	-1,163
1998	6/24	265 3/4	7/30	220 1/4	2,275
1999	6/24	216 1/2	7/30	203 1/4	663
2000	6/26	202 3/4	8/01	179 3/4	1,150
2001	6/26	193 1/4	8/01	215 1/4	-1,100
2002	6/26	229	8/01	249 1/4	-1,013
2003	6/25	234 3/4	7/31	206	1,438
2004	6/25	280 1/2	8/02	218 1/4	3,113
2005	6/24	242	8/01	231 3/4	513
2006	6/26	234 1/2	8/01	240 1/2	-300
2007	6/26	367	8/01	319	2,400
2008	6/25	744 1/2	8/01	565	8,975
2009	6/24	395	7/30	332 1/4	3,138
40-Year Gain					\$29,669



Start Long Cattle(J)—65.0% Accuracy Since 1970—End Feb. 7, 2012—Page 60

MONDAY

20

Markets are constantly in a state of uncertainty and flux, and money is made by discounting the obvious and betting on the unexpected.

— George Soros (Financier, philanthropist, political activist, author, and philosopher, b. 1930)

TUESDAY

21

LT: US(M), CL(N)

It is totally unproductive to think the world has been unfair to you. Every tough stretch is an opportunity.

— Charlie Munger (Vice-Chairman Berkshire Hathaway, 2007 Wesco Annual Meeting, b. 1924)

WEDNESDAY

22

FN: KC(N)

Whenever you see a successful business, someone once made a courageous decision.

— Peter Drucker (Austria-born pioneer management theorist, 1909–2005)

THURSDAY

23

FN: CL(N)

There is no great mystery to satisfying your customers. Build them a quality product and treat them with respect. It's that simple.

— Lee Iacocca (American industrialist, former Chrysler CEO, b. 1924)

End Short Silver(N) (May 13)

Start Short Corn(U)—67.5% Accuracy Since 1970—End Aug. 1—Page 62

FRIDAY

24

OE: C(N), S(N), W(N)

There is a perfect inverse correlation between inflation rates and price/earnings ratios...

When inflation has been very high... P/E has been [low].

— Liz Ann Sonders (Chief investment strategist, Charles Schwab, June 2006)

SATURDAY

25

SUNDAY

26

JULY ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to see follow-through weakness in July. Tech stocks generally sell off in July, as this month marks the start of the NASDAQ's worst four months. This weakness weighs on the performance of the S&P 500. In the last 28-year history, selling September S&P 500 on or about the 10th trading day and holding for 7 trading days has reaped a cumulative profit of \$52,088, with 19 wins (page 66). We do see lows posted at month end lasting into early September (page 140). 30-year Treasury bond prices are flat to weak, but have tendencies to rally, especially when stocks take a sharp nose dive in July.

◆ ENERGY

Crude oil continues to stay supportive during the month of July. Seasonally, this is one of the best months to get long natural gas. Buy November natural gas futures on or about July 26 and hold until about October 21. In the past 20 years, this trade has worked 12 times, for a success rate of 60.0%. The cumulative profit totals \$47,770 (page 68).

◆ METALS

Seasonally, the end of July begins a strong price period for gold until early October (page 152). Silver can follow gold's strength in July (page 155). Copper prices tend to make counter-seasonal uptrends in July, as summer construction season is underway (page 149).

◆ GRAINS

Soybeans are seasonally in a weak period; we like to take advantage of price weakness to cover a short position from June (page 54) on or about July 28. Soybeans can remain weak under normal weather markets until the harvest lows in late October (page 92), but as August approaches, hot, dry weather conditions can create a panic short-covering rally. Wheat remains in a strong uptrend after harvest lows are posted in June (page 56). Even though corn is in a seasonally weak time period, there are times when we see counter-seasonal rallies due to weather scares. Look at the past history of price moves in corn (page 158). End-of-month weakness in corn prices gives us an opportunity to cover the short corn position from June (page 62).

◆ SOFTS

Liquidate long cocoa trades from June on or about July 7 (page 127). This is also the month to reverse the position toward the end of the month. Seasonally, we see downturns lasting into early November. Short December cocoa on or about July 27 and hold until around November 3 (page 76). Coffee prices tend to remain under pressure until early August when we have a best seasonal trade (page 72). Sugar prices tend to be choppy during the month of July, as the market is trying to post a seasonal low (page 173). This is the peak harvest time in Brazil and India.

◆ MEATS

Seasonally, this is a strong price period for live cattle until February (page 176). We are holding a long position from June (page 60). Lean hogs are in a seasonally weak period until late October to early November (page 179).

◆ CURRENCIES

The euro tends to consolidate into early September. July can produce rallies (page 185), but the overall trend remains down against the dollar in this time frame. Exceptions have been 2006 through 2008, as the dollar was in a torrid decline. The Swiss franc seasonally enters a strong period, since this currency correlates well with gold's price moves and gold is strong in this period. Traders may want to watch this relationship between gold and the Swiss franc. August tends to produce the best seasonal trades (page 70) for the "Swissie". Cover the British pound long position from June (page 127) on or about July 21. The yen continues to historically show weakness through the early part of August (page 190).

JULY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JULY STRATEGY CALENDAR*

Symbol		B	M	E
SP	L/S			
US	L/S			
CL	L/S			
NG	L/S			
HG	L/S			
GC	L/S			
SI	L/S			
C	L/S			
S	L/S			
W	L/S			
CC	L/S			
KC	L/S			
SB	L/S			
LC	L/S			
LH	L/S			
BP	L/S			
EC	L/S			
SF	L/S			
JY	L/S			

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127.
L = Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

JUNE/JULY

MONDAY

27

OE: NG(N), HG(N), SI(N)

If you create an act, you create a habit. If you create a habit, you create a character.

If you create a character, you create a destiny.

— André Maurois (Novelist, biographer, essayist, 1885–1967)

Start Long British Pound(U)—68.6% Accuracy Since 1975—End Jul. 21—Page 127

TUESDAY

28

LT: NG(N), HG(M), GC(M)

Those companies that the market expects will have the best futures, as measured by the price/earnings ratios they are accorded, have consistently done worst subsequently.

— David Dreman (Dreman Value Management, author, *Forbes* columnist, b. 1936)

WEDNESDAY

29

FN: NG(N)

If you live each day as if it was your last, someday you'll most certainly be right.

— Favorite quote of Steve Jobs (CEO Apple and Pixar, Stanford University commencement address, 6/15/05)

THURSDAY

30

FN: HG(N), SI(N), C(N), S(N), W(N)

LT: SB(N), LC(M)

In the realm of ideas, everything depends on enthusiasm; in the real world, all rests on perseverance.

— Johann Wolfgang von Goethe (German poet and polymath, 1749–1832)

FRIDAY

1

FN: SB(N)

If you bet on a horse, that's gambling. If you bet you can make three spades, that's entertainment.

If you bet cotton will go up three points, that's business. See the difference?

— Blackie Sherrod (Sportswriter, b. 1919)

SATURDAY

2

SUNDAY

3

LAST-HALF OF JULY SHORT S&P 500

Active traders looking for a high probability play should pay heed to this potential market move. Sell the September S&P 500 on or about July 15 and hold until on or about July 26. This trade has a 67.9% success rate, registering 19 wins against 9 losses in the last 28 years. The best win was \$19,150 in 2002, and the worst loss was in 2009, posting a \$12,650 bereavement.

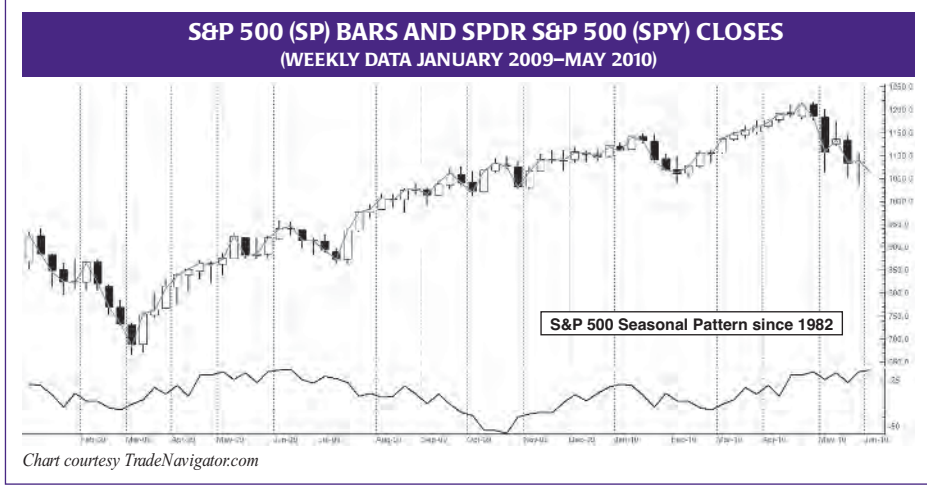
Looking at the chart on page 140, you will see the average price tendency is for a mid-summer sell-off. Part of the reason is perhaps due to the fact that July starts the worst four months of the year in the NASDAQ and also falls in the middle of the worst six months for the Dow and S&P 500 indices.

Mid-July is also when we typically kick off earnings season, where a strong early month rally can fade, as active traders may have “bought the rumor” or bought ahead on anticipation of good earnings expectations and then turn around and “sell the fact” once the news hits the street.

Watch for an early month rally, and pay close attention, especially if we trade near the monthly predicted resistance level using Pivot Point analysis (2010 edition, pages 6–9). Market conditions that tend to start out strong early in the month tend to fade towards the middle to end of month. S&P's sold off early in July the past two years, creating losses for this trade two years in a row. However, using the timing tools detailed on pages 6–9 in this edition and last year's could have turned those losses into profits with a little extra effort.

Active traders can also consider the electronic e-mini Futures (ES), and stock traders can use the exchange-traded fund SPDR S&P 500 (SPY) and/or trade options on any of these equities. See pages 133–138 for additional correlated trades.

JULY SHORT S&P 500 (SEPTEMBER)						
TRADING DAY: 10–HOLD: 7 DAYS						
YEAR	DATE	ENTRY CLOSE	DATE	EXIT CLOSE	PROFIT/LOSS	
1982	7/15	113.50	7/26	111.20	\$575	
1983	7/15	165.15	7/26	171.40	-1,563	
1984	7/16	153.65	7/25	150.35	825	
1985	7/15	194.05	7/24	191.90	538	
1986	7/15	235.05	7/24	238.40	-837	
1987	7/15	312.20	7/24	310.30	475	
1988	7/15	272.80	7/26	266.15	1,663	
1989	7/17	335.60	7/26	340.60	-1,250	
1990	7/16	372.30	7/25	359.65	3,163	
1991	7/15	384.50	7/24	380.75	938	
1992	7/15	417.20	7/24	411.25	1,488	
1993	7/15	449.75	7/26	449.05	175	
1994	7/15	454.80	7/26	453.95	213	
1995	7/17	565.45	7/26	564.05	350	
1996	7/15	630.25	7/24	630.70	-113	
1997	7/15	931.75	7/24	945.85	-3,525	
1998	7/15	1183.40	7/24	1147.40	9,000	
1999	7/15	1419.40	7/26	1354.80	16,150	
2000	7/17	1522.00	7/26	1469.00	13,250	
2001	7/16	1210.50	7/25	1191.50	4,750	
2002	7/15	920.60	7/24	844.00	19,150	
2003	7/15	1000.90	7/24	980.30	5,150	
2004	7/15	1103.40	7/26	1082.90	5,125	
2005	7/15	1231.20	7/26	1235.00	-950	
2006	7/17	1240.50	7/26	1273.20	-8,175	
2007	7/16	1559.70	7/25	1524.70	8,750	
2008	7/15	1211.50	7/24	1253.80	-10,575	
2009	7/15	927.20	7/24	977.80	-12,650	
28-Year Gain					\$52,088	



JULY

Independence Day

(Market Closed)



MONDAY

4

Nothing gives one person so much advantage over another as to remain always cool and unruffled under all circumstances.

— Thomas Jefferson (3rd U.S. president, 1743–7/4/1826)

TUESDAY

5

We will have to pay more and more attention to what the funds are doing. They are the ones who have been contributing to the activity, especially in the high-fliers.

— Humphrey B. Neill (Investor, analyst, author, *NY Times*, 6/11/1966, 1895–1977)

WEDNESDAY

6

I've learned that only through focus can you do world-class things, no matter how capable you are.

— William H. Gates (Microsoft founder, *Fortune*, July 8, 2002)

End Long Cocoa(U) (Jun. 2)

THURSDAY

7

Unless you love EVERYBODY, you can't sell ANYBODY. — (From Jerry Maguire, 1996)

FRIDAY

8

Don't be the last bear or last bull standing, let history guide you, be contrary to the crowd, and let the tape tell you when to act.

— Jeffrey A. Hirsch (Editor, *Stock Trader's Almanac*, b. 1966)

SATURDAY

9

SUNDAY

10

SUMMER AIR CONDITIONING HEATS UP NATURAL GAS

Seasonally, July is a good month to get long natural gas ahead of its best five months, August through December. Buy natural gas futures on or about July 26 and hold until about October 21. In the past 20 years, this trade has worked 12 times, for a success rate of 60.0%.

This unique commodity has a dual demand season based on hot and cold weather temperatures. In the United States, natural gas, coal, and refined petroleum products are used as substitutes in electric power generation. Electric power generators switch back and forth, preferring to use whichever energy source is less expensive.

Natural gas is a cleaner burning fuel source, and as crude oil has risen sharply, the less expensive product has been natural gas. But this has pushed prices higher in recent years. In addition, the effect of higher crude oil has caused demand to spike for natural gas, thus magnifying seasonal price moves.

The seasonal spikes in demand are obvious in the chart below, as increased summer electricity demands from air conditioning lift prices in mid-July. As we exit the summer season, weather can still play a role in September, when hurricanes can and have threatened production in the Gulf of Mexico, as occurred with Hurricane Katrina.

Besides options on futures, traders can take advantage of these seasonal price moves through options on the ETF, U.S. Natural Gas (UNG), or stocks of companies that find, produce, develop, and distribute natural gas. One in particular is Devon Energy (DVN), which correlates very closely with natural gas futures, as shown in the chart below. See pages 133–138 for additional correlated trades.

JULY LONG NATURAL GAS (NOVEMBER) TRADING DAY: 17—HOLD: 62 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1990	7/25	1.775	10/22	1.970	\$1,950
1991	7/24	1.670	10/21	2.013	3,430
1992	7/24	1.975	10/21	2.488	5,130
1993	7/26	2.344	10/21	2.126	-2,180
1994	7/26	2.066	10/21	1.597	-4,690
1995	7/27	1.699	10/24	1.772	730
1996	7/25	2.250	10/22	2.625	3,750
1997	7/24	2.273	10/21	3.404	11,310
1998	7/24	2.310	10/21	2.180	-1,300
1999	7/26	2.734	10/21	3.064	3,300
2000	7/27	3.951	10/24	4.820	8,690
2001	7/25	3.583	10/25	2.938	-6,450
2002	7/25	3.243	10/22	4.110	8,670
2003	7/24	4.981	10/21	4.875	-1,060
2004	7/26	6.366	10/21	7.697	13,310
2005	7/26	8.101	10/21	12.872	47,710
2006	7/27	8.858	10/24	7.091	-17,670
2007	7/25	7.228	10/22	6.891	-3,370
2008	7/24	9.833	10/21	6.844	-29,890
2009	7/24	4.760	10/21	5.100	3,400
20-Year Gain					\$44,770

NATURAL GAS (NG) BARS AND DEVON ENERGY (DVN) CLOSURES (WEEKLY DATA JANUARY 2009–MAY 2010)

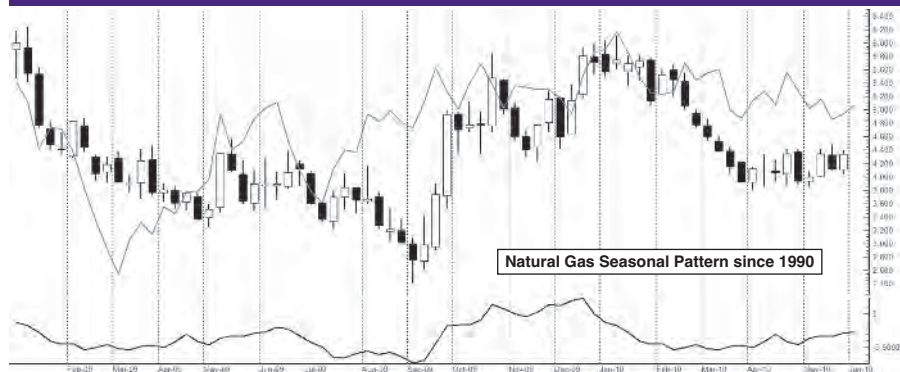


Chart courtesy TradeNavigator.com

JULY

MONDAY

11

The first human who hurled an insult instead of a stone was the founder of civilization.
— Sigmund Freud (Austrian neurologist, psychiatrist, “father of psychoanalysis,” 1856–1939)

TUESDAY

12

Lack of money is the root of all evil. — George Bernard Shaw (Irish dramatist, 1856–1950)

WEDNESDAY

13

A weak currency is the sign of a weak economy, and a weak economy leads to a weak nation.
— H. Ross Perot (American businessman, *The Dollar Crisis*,
2-time 3rd-party presidential candidate 1992 and 1996, b. 1930)

THURSDAY

14

LT: C(N), S(N), W(N), CC(N)

America, this brash and noble container of dreams, this muse to artists and inventors and entrepreneurs, this beacon of optimism, this dynamo of energy, this trumpet blare of liberty.
— Peter Jennings (Canadian-born anchor, ABC World News Tonight, July 2003 after gaining US citizenship in May, 1938–2005)

[Start Short S&P 500\(U\)—67.9% Accuracy Since 1982—End Jul. 26—Page 66](#)

FRIDAY

15

LT: LH(N)
OE: CL(Q), LH(N)

The facts are unimportant! It's what they are perceived to be that determines the course of events.
— R. Earl Hadady (*Bullish Consensus, Contrary Opinion*)

SATURDAY

16

SUNDAY

17

SWISS FRANC FOLLOWS GOLD HIGHER

The Swiss franc correlates well with gold's price moves. Gold is strong in this time period, so traders may want to watch this relationship between gold and the Swiss franc.

The "Swissie", which is the trader talk for the currency, has been a safe haven currency in the past, especially during times of financial and geopolitical instability. Due to this country's neutral stance and ability to close its borders, it has been well protected, as history shows.

However, under normal market conditions or a trading environment, the "Swissie" does tend to have seasonal forces against the U.S. dollar. One tendency for a relatively predictable move is in August. Traders want to go long on this seasonal best trade on or about August 8 and hold until on or about October 14. In the last 35-year history of this trade, it has worked 25 years, for a success rate of 71.4%.

The chart below shows the Swiss franc overlaid with the price of the exchange-traded fund, CurrencyShares Swiss Franc (FXF), demonstrating how closely the two trading instruments are correlated. The line at the bottom shows the 35-year average seasonal price move. As you can see, the August through October period (page 187) tends to lead prices higher versus the U.S. dollar. See pages 133–138 for additional correlated trades.

AUGUST LONG SWISS FRANC (DECEMBER) TRADING DAY: 6—HOLD: 48 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1975	8/08	37.48	10/16	38.12	\$800
1976	8/09	40.69	10/15	41.10	513
1977	8/08	41.92	10/14	44.41	3,112
1978	8/08	60.95	10/16	67.55	8,250
1979	8/08	62.58	10/16	61.97	-762
1980	8/08	61.56	10/16	61.21	-438
1981	8/10	46.82	10/16	53.87	8,813
1982	8/09	48.03	10/15	46.87	-1,450
1983	8/08	46.97	10/14	47.72	938
1984	8/08	41.88	10/16	39.27	-3,263
1985	8/08	43.29	10/16	45.64	2,938
1986	8/08	60.50	10/16	61.96	1,825
1987	8/10	64.26	10/16	67.71	4,312
1988	8/08	63.89	10/14	66.22	2,913
1989	8/08	61.75	10/16	61.36	-488
1990	8/08	74.54	10/16	78.45	4,888
1991	8/08	66.08	10/16	66.69	762
1992	8/10	74.84	10/16	75.34	625
1993	8/09	66.21	10/15	69.83	4,525
1994	8/08	75.06	10/14	79.37	5,388
1995	8/08	86.57	10/16	87.35	975
1996	8/08	83.58	10/16	79.39	-5,238
1997	8/08	67.19	10/17	68.27	1,350
1998	8/10	67.75	10/19	75.79	10,050
1999	8/09	67.85	10/18	68.71	1,075
2000	8/08	59.10	10/17	56.93	-2,713
2001	8/08	58.60	10/18	61.18	3,225
2002	8/08	66.23	10/17	66.27	50
2003	8/08	73.68	10/17	75.26	1,975
2004	8/09	80.13	10/18	81.46	1,663
2005	8/08	80.24	10/17	77.90	-2,925
2006	8/08	82.80	10/17	79.32	-4,350
2007	8/08	84.40	10/17	85.01	762
2008	8/08	92.64	10/17	88.34	-5,375
2009	8/10	92.22	10/16	98.28	7,575
35-Year Gain					\$52,300

SWISS FRANC (SF) BARS AND CURRENCYSHARES SWISS FRANC (FXF) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

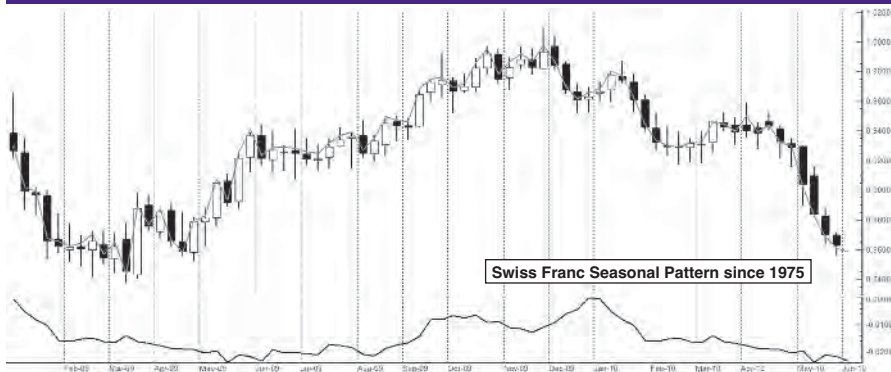


Chart courtesy TradeNavigator.com

JULY

MONDAY

18

There is a habitual nature to society and human activity. People's behavior and what they do with their money and time bears upon economics and the stock market.
— Jeffrey A. Hirsch (Editor, *Stock Trader's Almanac*, b. 1966)

TUESDAY

19

LT: KC(N)

If buying equities seem the most hazardous and foolish thing you could possibly do, then you are near the bottom that will end the bear market.
— Joseph E. Granville (Financial writer, *The Market Letter*)

WEDNESDAY

20

LT: CL(Q)

A statistician is someone who can draw a straight line from an unwarranted assumption to a foregone conclusion. — Anonymous

End Long British Pound(U) (Jun. 28)

THURSDAY

21

Everything possible today was at one time impossible. Everything impossible today may at some time in the future be possible.
— Edward Lindaman (Apollo space project, president, Whitworth College, 1920–1982)

FRIDAY

22

FN: CL(Q)
OE: S(Q)

If the market does not rally, as it should during bullish seasonal periods, it is a sign that other forces are stronger and that when the seasonal period ends those forces will really have their say.
— Edson Gould (Stock market analyst, *Findings & Forecasts*, 1902–1987)

SATURDAY

23

SUNDAY

24

AUGUST GIVES COFFEE A LIFT

Coffee has increased in popularity on an international scale in the last few decades. Most consumption had been from the United States, parts of Europe, and Canada. Many Europeans have switched from tea to coffee, and with the introduction in late 2005 of Starbucks coffee in Europe and in Asia, more and more people are consuming “Vente Lattés.”

Demand is improving, especially for higher grade and quality coffee. With increasing global consumption habits, if there are threats of supply disruptions or production declines for higher grade coffee, the futures market can be prone to extreme price moves.

Coffee typically tends to start a seasonal bottoming process before distributors begin buying ahead of anticipated demand in the upcoming cold winter months. This is the time to cover the best seasonal trade short position from May on or about August 9. It is also a time to look for a short term trade opportunity from the buy side. Traders should look to enter a new long position on or about August 16 and hold this position until about September 2. This trade usually falls right around Labor Day. However, this was not the case in 2009, but once again we would like to point out that if one uses technical indicators to help time your entry, it may have kept traders from entering this trade until early September or from entering at all.

This trade has worked 24 times in the last 36 years, for a success rate of 66.7%. The chart below shows the way the market traded in 2009–2010 along with Green Mountain Coffee Roasters (GMCR) as well as the 36-year average seasonal trading pattern. See pages 133–138 for additional correlated trades.

AUGUST LONG COFFEE (DECEMBER) TRADING DAY: 12–HOLD: 13 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1974	8/16	56.25	9/05	55.60	-\$244
1975	8/18	85.73	9/05	81.35	-1,643
1976	8/17	153.75	9/03	153.85	37
1977	8/16	193.50	9/02	183.81	-3,634
1978	8/16	128.50	9/05	150.38	8,205
1979	8/16	195.50	9/05	208.09	4,721
1980	8/18	154.16	9/05	135.34	-7,058
1981	8/18	114.57	9/04	107.29	-2,730
1982	8/17	125.70	9/03	126.95	469
1983	8/16	129.45	9/02	130.37	345
1984	8/16	142.25	9/05	144.80	956
1985	8/16	138.70	9/05	136.75	-731
1986	8/18	180.93	9/05	203.32	8,396
1987	8/18	106.25	9/04	116.80	3,956
1988	8/16	120.69	9/02	123.17	930
1989	8/16	79.26	9/05	83.45	1,571
1990	8/16	98.20	9/05	103.70	2,063
1991	8/16	82.75	9/05	90.20	2,794
1992	8/18	53.20	9/04	54.50	487
1993	8/17	74.00	9/03	76.25	844
1994	8/16	197.00	9/02	209.90	4,838
1995	8/16	146.35	9/05	149.10	1,031
1996	8/16	111.55	9/05	111.60	19
1997	8/18	162.95	9/05	188.85	9,713
1998	8/18	113.00	9/04	112.85	-56
1999	8/17	92.40	9/03	92.30	-38
2000	8/16	82.90	9/05	78.50	-1,650
2001	8/16	52.85	9/05	52.10	-281
2002	8/16	50.35	9/05	56.70	2,381
2003	8/18	62.25	9/05	66.35	1,538
2004	8/17	72.45	9/03	72.20	-94
2005	8/16	101.45	9/02	103.05	600
2006	8/16	108.60	9/05	110.30	638
2007	8/16	115.25	9/05	116.05	300
2008	8/18	137.95	9/05	142.65	1,763
2009	8/18	128.25	9/04	124.10	-1,556
36-Year Gain					\$38,880

COFFEE (KC) BARS AND GREEN MOUNTAIN COFFEE ROASTERS (GMCR) CLOSSES (WEEKLY DATA JANUARY 2009–MAY 2010)

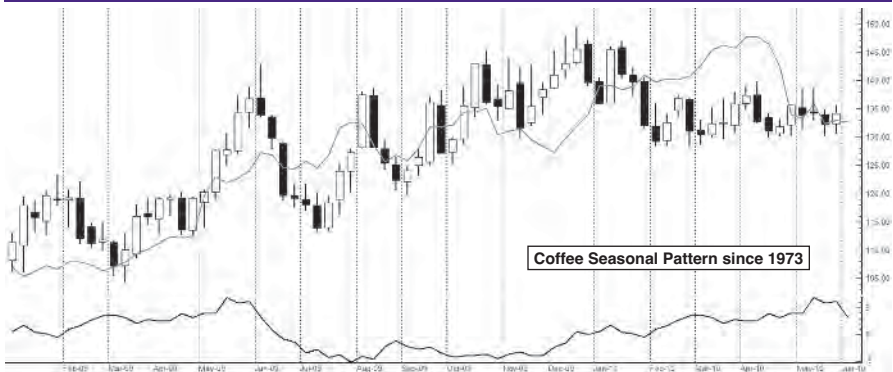


Chart courtesy TradeNavigator.com

JULY

MONDAY

25

People become attached to their burdens sometimes more than the burdens are attached to them.
— George Bernard Shaw (Irish dramatist, 1856–1950)

Start Long Natural Gas(X)—60.0% Accuracy Since 1990—End Oct. 21—Page 68
End Short S&P 500(U) (Jul. 15)

TUESDAY

26

OE: NG(Q), HG(Q), GC(Q)

Technology has no respect for tradition.
— Peter C. Lee (Merchants' Exchange CEO, quoted in *Stocks, Futures & Options* magazine, May 2003)

Start Short Cocoa(Z)—67.6% Accuracy Since 1973—End Nov. 3—Page 127

WEDNESDAY

27

LT: NG(Q), HG(N), SI(N)

All the features and achievements of modern civilization are, directly or indirectly, the products of the capitalist process.
— Joseph A. Schumpeter (Austrian-American economist, *Theory of Economic Development*, 1883–1950)

End Short Soybeans(U) (Jun. 7)

THURSDAY

28

FN: NG(Q)

To achieve satisfactory investment results is easier than most people realize.
The typical individual investor has a great advantage over the large institutions.
— Benjamin Graham (Economist, investor, *Securities Analysis* 1934, *The Intelligent Investor* 1949, 1894–1976)

FRIDAY

29

FN: HG(Q), GC(Q), S(Q)

The heights by great men reached and kept, were not attained by sudden flight,
but they, while their companions slept, were toiling upward in the night.
— Henry Wadsworth Longfellow (Educator and poet, 1807–1882)

SATURDAY

30

SUNDAY

31

AUGUST ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to see strength lasting into early September (page 140). In 2008, stocks actually posted a mild gain in August from July's close. However, September marked a treacherous bear market decline. 30-year Treasury bond prices are flat to weak but have tendencies to rally, especially when stocks take sharp nose dives.

◆ ENERGY

Crude oil continues to stay supportive during the month of August, but beware of late month declines. Seasonally, this is one of the best five months to be long natural gas, from late July through December. Best seasonal trade is long natural gas from about July 26 (page 68).

◆ METALS

Seasonally, this is still in a strong price period for gold until October. Traders should be long from our seasonal best trade (page 78). Silver follows gold's strength, seasonally speaking (page 155). Copper prices tend to continue the seasonal downturn in August, as the dog days of summer cause a decline in demand and the construction season slows to a crawl (page 149).

◆ GRAINS

Soybeans are seasonally still in a weak period under normal weather markets until the harvest lows in October (page 92). Wheat remains in a strong uptrend after harvest lows are posted in June (page 127). Even though corn is in a seasonally weak time period, there are times when we see counter-seasonal rallies due to weather scares (page 158).

◆ SOFTS

Cocoa encounters a counter-trend seasonal trade (page 76). This is a potential conflict with the short position established in July (page 127), since cocoa is, as previously described, volatile during mid-crop harvest. Active traders can look to take a counter-trend long trade on or about August 18 through September. Cover short coffee position from May on or about August 9 (page 52). Enter new long trade on or about August 16. This trade has worked 24 times in its 36-year history with a 66.7% success rate (page 72). Sugar prices tend to be choppy during the month of August, as the market tries to post a seasonal low. Exit the long sugar trade from June on or about August 1 (page 58). This is the end of harvest time in Brazil and India. Seasonal bottoms are typically posted in September (page 173).

◆ MEATS

Live cattle continue in their seasonally strong price period until February (page 60). Lean hogs continue to see weakness in August (page 179).

◆ CURRENCIES

The euro has a tendency to continue to decline against the U.S. dollar headed into Labor Day weekend. However, the first part of September marks a short-term seasonal buying opportunity (page 127). Go long the December Swiss franc contract for its seasonal best trade on or about August 8 and hold until about October 14 (page 70). The British pound tries to post a bottom in August into September (page 84). The yen has a strong seasonal tendency to post bottoms against the U.S. dollar in late August to early October, as it marks the halfway point in Japan's fiscal year, which runs April–March (page 190).

AUGUST						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

AUGUST STRATEGY CALENDAR*

Symbol		B	M	E
SP	$\frac{L}{S}$		+	-
US	$\frac{L}{S}$		+	-
CL	$\frac{L}{S}$		+	-
NG	$\frac{L}{S}$		+	-
HG	$\frac{L}{S}$		+	-
GC	$\frac{L}{S}$		+	-
SI	$\frac{L}{S}$		+	-
C	$\frac{L}{S}$		+	-
S	$\frac{L}{S}$		+	-
W	$\frac{L}{S}$		+	-
CC	$\frac{L}{S}$		+	-
KC	$\frac{L}{S}$		+	-
SB	$\frac{L}{S}$		+	-
LC	$\frac{L}{S}$		+	-
LH	$\frac{L}{S}$		+	-
BP	$\frac{L}{S}$		+	-
EC	$\frac{L}{S}$		+	-
SF	$\frac{L}{S}$		+	-
JY	$\frac{L}{S}$		+	-

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126–127.
L = Long Trade, S = Short Trade. See pages 133–138 for contract symbols.

AUGUST

End Short Corn(U) (Jun. 24)
End Long Sugar(V) (Jun. 15)

MONDAY

1

History must repeat itself because we pay such little attention to it the first time.
— Blackie Sherrod (Sportswriter, b. 1919)

TUESDAY

2

To succeed in the markets, it is essential to make your own decisions.
Numerous traders cited listening to others as their worst blunder.
— Jack D. Schwager (Investment manager, author, *Stock Market Wizards: Interviews with America's Top Stock Traders*, b. 1948)

WEDNESDAY

3

Executives owe it to the organization and to their fellow workers not to tolerate nonperforming individuals in important jobs.
— Peter Drucker (Austria-born pioneer management theorist, 1909–2005)

THURSDAY

4

There has never been a commercial technology like this (Internet) in the history of the world, whereby the minute you adopt it, it forces you to think and act globally.
— Robert D. Hormats (Under secretary of state for Economic, Energy, and Agricultural Affairs 2009–, Goldman Sachs 1982–2009, b.1943)

FRIDAY

5

OE: CC(U), LC(Q)

Six words that spell business success: create concept, communicate concept, sustain momentum.
— Yale Hirsch (Creator of *Stock Trader's Almanac*, b. 1923)

SATURDAY

6

SUNDAY

7

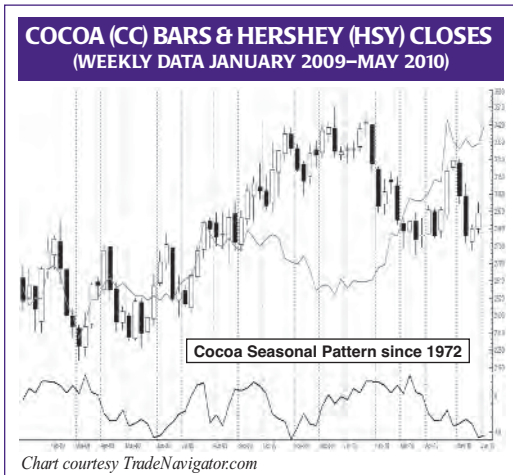
TWIN COCOA CROPS CREATE TWIN SUMMERTIME TRADES

Cocoa is split between two harvested crops. The so-called mid-crop begins in May and can last until August. The main crop is between October and March. This accounts for the fact that we see, from a seasonal perspective, downturns lasting into early November.

But as harvest is underway in the mid-crop, the market is vulnerable to volatility created by harvest and/or shipping delays caused by weather conditions. Looking at this situation from a historical perspective, we have found, that in the last 37 years, selling cocoa on or about July 27 and holding until around November 3 has worked 25 times.

Active traders can look to take a secondary long trade on or about August 18 and exit on approximately September 22. In the past 37 years this trade has also worked 25 times, providing a success rate of 67.6%.

The weekly chart below shows the tremendous rally that occurred in the second half of 2009 and the accompanying decline in chocolate titan Hershey (HSY). The graph in the bottom section shows the 37-year average seasonal price tendency. From June to November cocoa goes through a period of increased volatility during the mid-crop harvest. See pages 133–138 for additional correlated trades.



JULY SHORT COCOA (DECEMBER)					
TRADING DAY: 18–HOLD: 70 DAYS					
YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1973	7/27	1613	11/7	1321	\$2,920
1974	7/25	1585	11/4	1898	-3,130
1975	7/25	1272	11/5	1385	-1,130
1976	7/27	1946	11/5	3084	-11,380
1977	7/28	4057	11/7	3963	940
1978	7/27	3143	11/6	3811	-6,680
1979	7/26	3061	11/2	2695	3,660
1980	7/25	2336	11/3	2095	2,410
1981	7/27	2087	11/3	1956	1,310
1982	7/27	1451	11/4	1350	1,010
1983	7/27	2404	11/3	2032	3,720
1984	7/26	2097	11/2	2295	-1,980
1985	7/26	2185	11/6	2039	1,460
1986	7/28	2028	11/4	1889	1,390
1987	7/27	2050	11/3	1819	2,310
1988	7/27	1504	11/3	1309	1,950
1989	7/27	1311	11/3	964	3,470
1990	7/26	1313	11/2	1147	1,660
1991	7/26	1086	11/4	1200	-1,140
1992	7/27	1072	11/3	949	1,230
1993	7/27	970	11/3	1097	-1,270
1994	7/27	1500	11/3	1319	1,810
1995	7/28	1282	11/6	1329	-470
1996	7/26	1394	11/4	1325	690
1997	7/25	1556	11/3	1578	-220
1998	7/27	1601	11/3	1508	930
1999	7/27	1068	11/4	836	2,320
2000	7/28	882	11/6	743	1,390
2001	7/26	930	11/8	1099	-1,690
2002	7/26	1796	11/4	1806	-100
2003	7/25	1447	11/3	1422	250
2004	7/27	1618	11/3	1460	1,580
2005	7/27	1488	11/3	1376	1,120
2006	7/27	1531	11/3	1484	470
2007	7/26	2037	11/2	1970	670
2008	7/25	2828	11/3	1969	8,590
2009	7/27	2900	11/3	3274	-3,740
37-Year Gain					\$16,330

AUGUST LONG COCOA (DECEMBER)					
TRADING DAY: 14–HOLD: 24 DAYS					
YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1973	8/20	1393	9/24	1549	\$1,560
1974	8/20	1662	9/24	1694	320
1975	8/20	1151	9/24	1220	690
1976	8/19	2174	9/23	2436	2,620
1977	8/18	3814	9/22	4075	2,610
1978	8/18	3257	9/22	3804	5,470
1979	8/20	2991	9/24	3068	770
1980	8/20	2130	9/24	2328	1,980
1981	8/20	2109	9/24	2103	-60
1982	8/19	1506	9/23	1538	320
1983	8/18	2165	9/22	2115	-500
1984	8/20	2016	9/24	2418	4,020
1985	8/20	2174	9/24	2305	1,310
1986	8/20	1957	9/24	2000	430
1987	8/20	1932	9/24	1940	80
1988	8/18	1390	9/22	1216	-1,740
1989	8/18	1178	9/22	1054	-1,240
1990	8/20	1178	9/24	1295	1,170
1991	8/20	1010	9/24	1204	1,940
1992	8/20	1073	9/24	957	-1,160
1993	8/19	1029	9/23	1174	1,450
1994	8/18	1459	9/22	1337	-1,220
1995	8/18	1334	9/22	1295	-390
1996	8/20	1430	9/24	1366	-640
1997	8/20	1569	9/24	1691	1,220
1998	8/20	1576	9/24	1527	-490
1999	8/19	961	9/23	969	80
2000	8/18	796	9/22	812	160
2001	8/20	1007	9/28	1077	700
2002	8/20	1917	9/24	2120	2,030
2003	8/20	1542	9/24	1637	950
2004	8/19	1731	9/23	1522	-2,090
2005	8/18	1398	9/22	1342	-560
2006	8/18	1545	9/22	1499	-460
2007	8/20	1759	9/24	2011	2,520
2008	8/20	2659	9/24	2757	980
2009	8/20	2915	9/24	3066	1,510
37-Year Gain					\$26,340

AUGUST

Start Long Swiss Franc(Z)—71.4% Accuracy Since 1975—End Oct. 14—Page 70

MONDAY

8

FN: LC(Q)

If you are ready to give up everything else—to study the whole history and background of the market and all the principal companies... as carefully as a medical student studies anatomy... and, in addition, you have the cool nerves of a great gambler, the sixth sense of a clairvoyant, and the courage of a lion, you have a ghost of a chance.

— Bernard Baruch (Financier, speculator, statesman, presidential adviser, 1870–1965)

End Short Coffee(U) (May 23)

TUESDAY

9

He who wants to persuade should put his trust not in the right argument, but in the right word. The power of sound has always been greater than the power of sense.

— Joseph Conrad (Polish/British novelist, 1857–1924)

WEDNESDAY

10

Anyone who has achieved excellence knows that it comes as a result of ceaseless concentration.

— Louise Brooks (Actress, 1906–1985)

THURSDAY

11

Q. What kind of grad students do you take? A. I never take a straight-A student. A real scientist tends to be critical, and somewhere along the line, they had to rebel against their teachers.

— Lynn Margulis, (U. Mass science professor, *The Scientist*, 6/30/03)

FRIDAY

12

LT: S(Q), LH(Q)
OE: KC(U), LH(Q)

The government would not look fondly on Caesar's Palace if it opened a table for wagering on corporate failure. It should not give greater encouragement for Goldman Sachs [et al] to do so.

— Roger Lowenstein (Financial journalist and author, *End of Wall Street*, *NY Times* OpEd, 4/20/2010, b. 1954)

SATURDAY

13

SUNDAY

14

GOLD GLITTERS MID-SUMMER

Seasonally, this is a strong price period for gold until late September or early October. Look to enter long positions on or about August 24 and hold until September 29. In the last 35 years this trade has worked 21 times, for a success rate of 60.0%. The last nine years have provided an amazing cumulative profit of \$25,650 per futures contract.

The chart below is a weekly chart of the price of gold with the exchange-traded fund (ETF) known as the SPDR Gold Shares Trust (GLD) overlaid to show the direct price correlation between the two trading vehicles. The line on the bottom section is the 35-year average seasonal tendency showing the market directional price trend.

SPDR Gold Shares (GLD) was the first ETF to own physical gold in the U.S. Each share represents 1/10 ounce of gold and the closing price of the ETF will represent, within reason, spot gold divided by 10. As of June 7, 2010, GLD owned 41,357,740.75 ounces of gold with 422.7 million shares outstanding. Just like every other ETF, a premium or discount to net asset value (NAV) can exist. See pages 133–138 for additional correlated trades, such as stocks of gold mining and producing companies that track the underlying commodity rather closely.

AUGUST LONG GOLD (DECEMBER) TRADING DAY: 18—HOLD: 25 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1975	8/26	165.6	10/01	144.2	-\$2,140
1976	8/25	106.1	9/30	116.1	1,000
1977	8/24	146.9	9/29	156.0	910
1978	8/24	204.8	9/29	220.9	1,610
1979	8/24	320.7	10/01	424.5	10,380
1980	8/26	651.0	10/01	696.5	4,550
1981	8/26	430.5	10/01	440.0	950
1982	8/25	417.0	9/30	404.8	-1,220
1983	8/24	433.4	9/29	411.5	-2,190
1984	8/24	362.3	10/01	350.9	-1,140
1985	8/26	342.9	10/01	327.1	-1,580
1986	8/26	385.6	10/01	429.2	4,360
1987	8/26	465.8	10/01	459.7	-610
1988	8/24	444.4	9/29	401.6	-4,280
1989	8/24	370.6	9/29	372.0	140
1990	8/27	396.2	10/02	393.9	-230
1991	8/26	360.3	10/01	357.3	-300
1992	8/26	340.9	10/01	349.1	820
1993	8/25	375.5	9/30	357.1	-1,840
1994	8/24	388.6	9/29	398.7	1,010
1995	8/24	387.9	9/29	386.5	-140
1996	8/26	394.5	10/01	381.0	-1,350
1997	8/26	329.0	10/01	336.1	710
1998	8/26	285.9	10/01	302.1	1,620
1999	8/25	254.2	9/30	299.5	4,530
2000	8/24	277.5	9/29	276.9	-60
2001	8/24	274.9	10/03	291.6	1,670
2002	8/26	311.0	10/01	322.2	1,120
2003	8/26	366.8	10/01	385.0	1,820
2004	8/25	410.0	9/30	420.4	1,040
2005	8/24	442.2	9/29	475.8	3,360
2006	8/24	628.5	9/29	604.2	-2,430
2007	8/24	677.5	10/01	754.1	7,660
2008	8/26	828.1	10/01	887.3	5,920
2009	8/26	945.8	10/01	1000.7	5,490
				35-Year Gain	\$41,160

GOLD (GC) BARS AND SPDR GOLD (GLD) CLOSSES (WEEKLY DATA JANUARY 2009–MAY 2010)

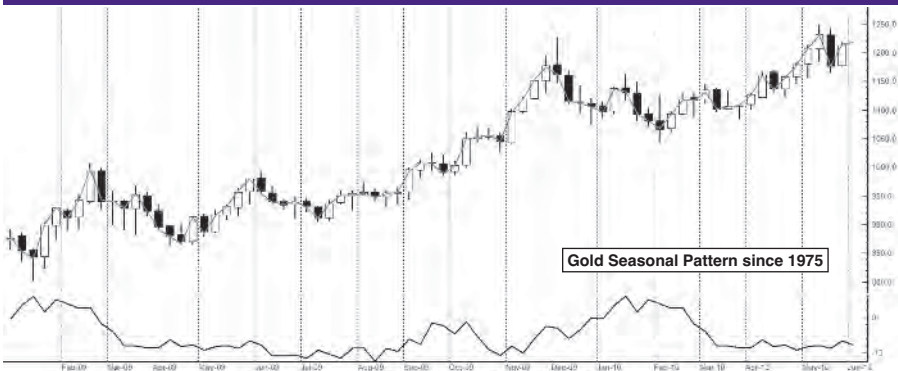


Chart courtesy TradeNavigator.com

AUGUST

MONDAY

15

In business, the competition will bite you if you keep running; if you stand still, they will swallow you.
— William Knudsen (Former president of GM 1937–1940, 1879–1948)

Start Long Coffee(Z) – 66.7% Accuracy Since 1974 – End Sep. 2 – Page 72

TUESDAY

16

Government is like fire—useful when used legitimately, but dangerous when not.
— David Brooks (NY Times columnist, 10/5/07)

WEDNESDAY

17

OE: CL(U)

We may face more inflation pressure than currently shows up in formal data.
— William Poole (Economist, president Federal Reserve Bank St. Louis 1998–2008, June 2006 speech, b. 1937)

Start Long Cocoa(Z) – 67.6% Accuracy Since 1973 – End Sep. 22 – Page 76

THURSDAY

18

FN: CC(U)

Those who cannot remember the past are condemned to repeat it.
— George Santayana (American philosopher, poet, 1863–1952)

FRIDAY

19

The only function of economic forecasting is to make astrology look respectable.
— John Kenneth Galbraith (Canadian/American economist and diplomat, 1908–2006)

SATURDAY

20

SUNDAY

21

CRUDE OIL TAKES A BREATHER

In most years, crude oil prices make significant price gains in the summer, as vacationers and the annual trek of students returning to college in August create increased demand for unleaded gasoline. The market also prices in a premium for supply disruptions due to threats of hurricanes in the Gulf of Mexico. However, towards mid-September, we see a seasonal tendency of prices to peak out, as the driving and hurricane seasons are behind us.

Selling on or before September 13 and holding until on or about December 9 has produced 18 winning trades in the last 27 years. This gives us a 66.7% success rate and total gains of \$72,550 per futures contract.

Below is a chart of crude oil overlaid with the price of Frontline Limited (FRO), a company that primarily transports crude oil. What better way to follow the price of a commodity that needs to be transported? This company's stock price does reflect the fact that when demand goes up, prices rise for both crude oil and the stock due to the need for increased shipments. In this scenario, the company should profit. However, as demand for crude oil declines, there is less need for shipping, and the company's revenues should also decline.

This ebb and flow of supply and demand tendencies are correlated, as the chart shows, with the price of crude oil, FRO, and the seasonal historic price of the company at the bottom. Frontline highly correlates to the seasonal price swings in crude oil. See pages 133–138 for additional correlated trades.

SEPTEMBER SHORT CRUDE OIL (FEBRUARY) TRADING DAY: 8-HOLD: 62 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1983	9/13	30.93	12/12	28.98	\$1,950
1984	9/13	29.65	12/12	26.80	2,850
1985	9/12	26.28	12/11	25.79	490
1986	9/11	14.76	12/10	15.24	-480
1987	9/11	19.00	12/10	18.16	840
1988	9/13	14.51	12/12	15.72	-1,210
1989	9/13	18.88	12/11	20.51	-1,630
1990	9/13	28.11	12/11	25.88	2,230
1991	9/12	21.16	12/10	19.46	1,700
1992	9/11	21.51	12/10	19.38	2,130
1993	9/13	18.11	12/10	15.36	2,750
1994	9/13	17.67	12/12	16.95	720
1995	9/13	17.74	12/12	18.42	-680
1996	9/12	22.23	12/11	22.93	-700
1997	9/11	19.62	12/10	18.41	1,210
1998	9/11	15.20	12/10	11.21	3,990
1999	9/13	22.54	12/10	24.71	-2,170
2000	9/13	31.24	12/12	29.10	2,140
2001	9/18	27.55	12/17	19.52	8,030
2002	9/12	28.05	12/11	27.42	630
2003	9/11	28.01	12/10	31.76	-3,750
2004	9/13	42.42	12/10	41.36	1,060
2005	9/13	65.19	12/12	62.26	2,930
2006	9/13	67.51	12/12	61.99	5,520
2007	9/13	76.05	12/11	89.92	-13,870
2008	9/11	101.94	12/09	44.66	57,280
2009	9/11	71.14	12/09	72.55	-1,410
27-Year Gain					\$72,550

CRUDE OIL (CL) BARS AND FRONTLINE LIMITED (FRO) CLOSE (WEEKLY DATA JANUARY 2009–MAY 2010)

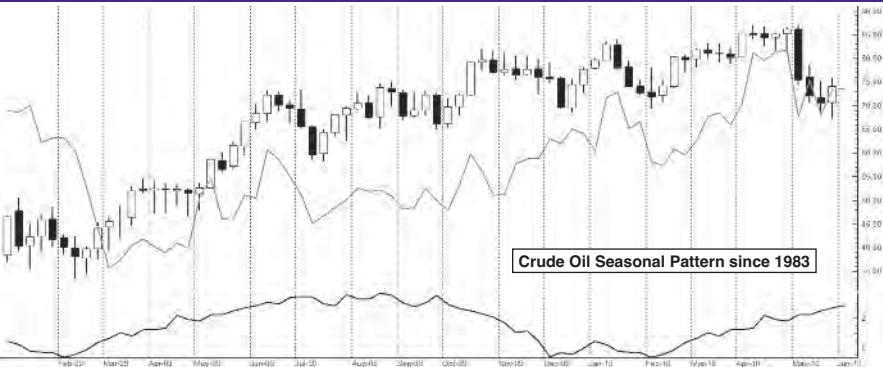


Chart courtesy TradeNavigator.com

AUGUST

End Long 30-Year Bond(U) (Apr. 27)

MONDAY

22

LT: CL(U)

If you don't keep [your employees] happy, they're not going to keep the [customers] happy.

— David Longest (Red Lobster VP, *NY Times*, 4/23/89)

TUESDAY

23

FN: KC(U)

When everybody thinks alike, everyone is likely to be wrong.

— Humphrey B. Neill (Investor, analyst, author, *Art of Contrary Thinking* 1954, 1895–1977)

Start Long Gold(Z) –60.0% Accuracy Since 1975—End Sep. 29—Page 78

WEDNESDAY

24

FN: CL(U)

Stock prices tend to discount what has been unanimously reported by the mass media.

— Louis Ehrenkrantz (Rosenkrantz, Ehrenkrantz, Lyon & Ross)

THURSDAY

25

OE: HG(U)SI(U)

Your organization will never get better unless you are willing to admit that there is something wrong with it.

— General Norman Schwarzkof (Ret. commander of Allied Forces in 1990–1991 Gulf War)

FRIDAY

26

OE: US(U), NG(U), C(U), S(U), W(U)

I have a simple philosophy. Fill what's empty. Empty what's full. And scratch where it itches.

— Alice Roosevelt Longworth (Theodore Roosevelt's eldest daughter, 1884–1980)

SATURDAY

27

SUNDAY

28

SEPTEMBER ALMANAC

◆ STOCKS AND BONDS

S&P's have shown a tendency to see mid-month selloffs lasting into early October (page 140). In 2008, equity prices made a vicious decline. Even during the big rebound in 2009, S&P's posted a mid-September high and declined until October 2. 30-year Treasury bonds tend to rise when stock prices tend to decline (page 142).

◆ ENERGY

Crude oil tops out in September with the peak driving and hurricane seasons behind us. Refineries begin to focus on the production of heating oil and less on gasoline, thereby reducing the amount of crude oil inventories. Selling the February futures contract on or before September 13 and holding until on or about December 9 has produced 18 winning trades in the last 27 years (page 80). Natural gas is in the midst of its best three-month span from August through October (page 68).

◆ METALS

Liquidate the long gold position from August (page 78) at month end. Silver has a tendency to follow gold higher during the month (page 155). Copper prices tend to stabilize in September but still lean toward a seasonal downturn until mid-December (Page 149).

◆ GRAINS

Soybeans are in a weak period under normal weather markets until the harvest lows come by late October (page 92). Wheat continues to remain in an uptrend, but prices have a tendency to stall or correct mid-month (page 164). Corn continues a seasonal decline in normal weather conditions apart from any early frost scare. Generally, the corn crop is made by now, and prices tend to decline until the seasonal harvest lows are posted in late October or early November (page 98).

◆ SOFTS

Exit the long cocoa trade from August 18 on or about September 22. In addition, we have a trading opportunity that overlaps this trade and the July short (page 76), which is to sell a December futures contract short on or about September 15 and hold until on or about November 1. In the last 37-years, this trade has worked 26 times, for a success rate of 70.3% (page 127). We also exit the long coffee trade from August 16 on or about September 2 (page 72). Sugar bottoms are typically posted in late August to early October (page 173).

◆ MEATS

Live cattle prices tend to press higher through year-end, as demand tends to rise in the fall. Fostering the bullish bias is the fact that people generally eat more meat in cooler temperatures. Also bullish for cattle prices, with children back in school, government-sponsored lunch programs reinforce the demand outlook (page 176). Lean hog prices continue their seasonal decline, typically lasting to November (page 102).

◆ CURRENCIES

The euro tends to rally after Labor Day, from approximately September 8 until about September 30. In the 11-year history, this trade has worked 10 times, good for a cumulative profit of \$17,283 (page 127). The Swiss franc is still in an uptrend until on or about October 14 (page 70). British pound is a buy in September. Look to go long around September 19, holding until about November 3 (page 84). The yen has a strong seasonal tendency to continue rallying against the U.S. dollar (page 190).

SEPTEMBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

OCTOBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER STRATEGY CALENDAR*

Symbol		B	M	E
SP	L/S	-	-	-
US	L/S	-	-	-
CL	L/S	-	-	-
NG	L/S	-	-	-
HG	L/S	-	-	-
GC	L/S	-	-	-
SI	L/S	-	-	-
C	L/S	-	-	-
S	L/S	-	-	-
W	L/S	-	-	-
CC	L/S	-	-	-
KC	L/S	-	-	-
SB	L/S	-	-	-
LC	L/S	-	-	-
LH	L/S	-	-	-
BP	L/S	-	-	-
EC	L/S	-	-	-
SF	L/S	-	-	-
JY	L/S	-	-	-

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127.
L = Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

AUGUST/SEPTEMBER

MONDAY

29

LT: NG(U), HG(Q), GC(Q)

Explosive growth of shadow banking was about the invisible hand having a party, a non-regulated drinking party, with rating agencies handing out fake IDs.

— Paul McCulley (Economist, bond investor, PIMCO, coined “shadow banking” in 2007, *NY Times*, 4/26/2010, b. 1957)

TUESDAY

30

FN: NG(U)

The more feted by the media, the worse a pundit's accuracy.

— Sharon Begley (Senior editor *Newsweek*, 2/23/2009, referencing Philip E. Tetlock's 2005 *Expert Political Judgment*)

WEDNESDAY

31

FN: US(U), HG(U), SI(U), C(U), S(U), W(U)

LT: LC(Q)

We are all born originals; why is it so many die copies?

— Edward Young (English poet, 1683–1765)

THURSDAY

1

Anyone who believes that exponential growth can go on forever in a finite world is either a madman or an economist.

— Kenneth Ewart Boulding (Economist, activist, poet, scientist, philosopher, cofounder General Systems Theory, 1910–1993)

End Long Coffee(Z) (Aug. 16)

FRIDAY

2

OE: BP(V), EC(V), SF(V), JY(V)

The man who can master his time can master nearly anything.

— Winston Churchill (British statesman, 1874–1965)

SATURDAY

3

SUNDAY

4

BRITISH POUND AUTUMN RALLY

Great Britain is a multi-trillion-dollar economy, and its largest city, London, is considered the world's top financial trading center. Many market factors can influence the floating value of the pound versus other currencies such as the euro. However, when we compare the pound in terms of the U.S. dollar, we see several trading opportunities throughout the year.

Here is an interesting, relatively short-term trade, one that seems to have the same reaction with the trade direction in the yen, Swiss franc, and euro currencies during this time period. The British pound has a seasonal tendency to decline just ahead of the end of the third quarter and reach a bottom near mid-September.

We typically see rallies in October through the end of the calendar year. After that, the market starts to fade against the dollar again, before posting a bottom shortly before Britain's fiscal year begins in April. Seasonally speaking, the pound tends to trade higher in value against the U.S. dollar from about September 19 until about November 3. In the last 35 years this trade has worked 23 times, for a success rate of 65.7%.

The chart below shows the pound with the exchange-traded fund, CurrencyShares British Pound (FXB), overlaid to illustrate the close correlation to price movement these two trading vehicles have. Technical timing tools could have improved the results from the last two years, boosting the potential profit of this seasonal trading opportunity. See pages 133–138 for additional correlated trades.

SEPTEMBER LONG BRITISH POUND (DECEMBER) TRADING DAY: 12—HOLD: 33 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1975	9/17	205.65	11/3	206.50	\$1,062
1976	9/17	169.60	11/4	160.90	-10,875
1977	9/19	174.10	11/3	179.95	7,312
1978	9/19	194.40	11/3	196.00	2,000
1979	9/19	213.25	11/5	207.10	-7,688
1980	9/17	237.20	11/3	244.35	8,938
1981	9/17	184.50	11/3	189.30	6,000
1982	9/17	171.40	11/3	167.40	-5,000
1983	9/19	151.65	11/3	148.95	-3,375
1984	9/19	123.85	11/5	126.85	3,750
1985	9/18	132.30	11/4	143.50	14,000
1986	9/17	146.15	11/3	140.45	-7,125
1987	9/17	163.85	11/3	173.90	12,563
1988	9/19	166.32	11/3	176.96	13,300
1989	9/19	155.34	11/3	155.90	700
1990	9/19	185.46	11/5	196.32	13,575
1991	9/18	170.90	11/4	176.58	7,100
1992	9/17	174.66	11/3	154.22	-25,550
1993	9/17	152.24	11/3	147.82	-5,525
1994	9/19	156.72	11/3	161.66	6,175
1995	9/19	154.26	11/3	157.72	4,325
1996	9/18	156.00	11/4	164.44	10,550
1997	9/17	159.56	11/4	168.26	10,875
1998	9/17	167.54	11/4	165.76	-2,225
1999	9/17	162.38	11/4	162.14	-300
2000	9/19	141.20	11/6	143.02	2,275
2001	9/20	145.90	11/7	145.92	25
2002	9/18	154.12	11/5	155.86	2,175
2003	9/17	159.98	11/4	167.56	9,475
2004	9/17	178.07	11/4	183.72	7,063
2005	9/19	180.07	11/4	175.03	-6,300
2006	9/19	188.34	11/6	189.72	1,725
2007	9/19	199.77	11/6	208.45	10,850
2008	9/17	181.55	11/4	158.92	-28,288
2009	9/17	164.47	11/3	163.33	-1,425
35-Year Gain					\$52,138

BRITISH POUND (BP) BARS & CURRENCYSHARES BRITISH POUND (FXB) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

SEPTEMBER

Labor Day (Market Closed)

MONDAY

5

Regardless of current economic conditions, it's always best to remember that the stock market is a barometer and not a thermometer.
— Yale Hirsch (Creator of *Stock Trader's Almanac*, b. 1923)

TUESDAY

6

You get stepped on, passed over, knocked down, but you have to come back.
— 90-year old Walter Watson (MD, *Fortune*, 11/13/2000)

WEDNESDAY

7

Never lend money to someone who must borrow money to pay interest [on other money owed].
— (A Swiss Banker's First Rule quoted by Lester Thurow)

Start Long Euro(Z)—90.9% Accuracy Since 1999—End Sep. 30—Page 127

THURSDAY

8

The average man is always waiting for something to happen to him instead of setting to work to make things happen.
For one person who dreams of making 50,000 pounds, a hundred people dream of being left 50,000 pounds.
— A. A. Milne (British author, *Winnie-the-Pooh*, 1882–1956)

FRIDAY

9

A national debt, if it is not excessive, will be to us a national blessing.
— Alexander Hamilton (U.S. Treasury secretary 1789–1795, *The Federalist* 1788, in April 30, 1781 letter to Robert Morris)

SATURDAY

10

SUNDAY

 11

"In Memory"

SILVER SLUMPS IN OCTOBER

Silver has a tendency to move up in September, as jewelers and manufacturers accumulate inventories in preparation for increased demand for jewelry during the year-end holiday season. In addition, the harvest season in India is underway, where tradition has been that farmers sell grain and buy precious metals, including silver, in preparation for their wedding season. Once this demand has been satisfied, silver tends to peak in early October.

This trade goes short silver on or about October 6 until about October 31. In the last 38 years this trade has worked 23 times, for a success rate of 60.5%. The over-arching commodity bull market of 2002–2007, negatively impacted this trade in five of the six years.

The weekly chart below shows Newmont Mining (NEM) stock prices overlaid on the price of silver. This company's main business is mining precious metals, such as gold and silver. As you can see, the stock price does move in close correlation with the price of silver, and the line on the bottom shows the seasonal tendency for silver prices to move lower through the month of October.

Traders have several ways to take advantage of this seasonal tendency, with an outright short position in silver futures, options on the futures, the exchange-traded fund, iShares Silver Trust (SLV), and stocks or options on stocks like Newmont Mining that correlate well with the underlying commodity price moves. See pages 133–138 for additional correlated trades.

OCTOBER SHORT SILVER (DECEMBER) TRADING DAY: 4–HOLD: 17 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1972	10/5	178.0	11/01	185.5	-\$375
1973	10/4	275.5	10/31	288.1	-630
1974	10/4	513.0	10/30	489.0	1,200
1975	10/6	446.5	10/30	422.5	1,200
1976	10/6	431.7	10/29	433.2	-75
1977	10/6	469.0	10/31	489.2	-1,010
1978	10/5	588.5	10/30	636.5	-2,400
1979	10/4	1691.0	10/29	1665.0	1,300
1980	10/6	2165.0	10/29	1943.0	11,100
1981	10/6	968.0	10/29	938.0	1,500
1982	10/6	833.0	10/29	1009.0	-8,800
1983	10/6	1042.0	10/31	863.0	8,950
1984	10/4	773.5	10/29	723.0	2,525
1985	10/4	640.0	10/29	625.0	750
1986	10/6	581.5	10/29	563.0	925
1987	10/6	773.5	10/29	692.5	4,050
1988	10/6	637.0	10/31	634.8	110
1989	10/5	524.3	10/30	528.3	-200
1990	10/4	473.0	10/29	415.7	2,865
1991	10/4	417.0	10/29	411.5	275
1992	10/6	375.5	10/29	376.5	-50
1993	10/6	428.7	10/29	436.7	-400
1994	10/6	566.5	10/31	526.2	2,015
1995	10/5	530.7	10/30	534.3	-180
1996	10/4	487.5	10/29	482.0	275
1997	10/6	520.7	10/29	479.5	2,060
1998	10/6	509.0	10/29	507.5	75
1999	10/6	553.0	10/29	518.0	1,750
2000	10/5	493.8	10/30	477.0	840
2001	10/4	466.5	10/29	424.3	2,110
2002	10/4	449.0	10/29	451.0	-100
2003	10/6	481.5	10/29	514.2	-1,635
2004	10/6	724.5	10/29	730.5	-300
2005	10/6	759.5	10/31	758.0	75
2006	10/5	1107.0	10/30	1225.0	-5,900
2007	10/4	1350.0	10/29	1443.0	-4,650
2008	10/6	1128.5	10/29	980.5	7,400
2009	10/6	1729.5	10/29	1665.5	3,200
				38-Year Gain	\$29,845

SILVER (SI) BARS AND NEWMONT MINING (NEM) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

SEPTEMBER

MONDAY

12

Charts not only tell what was, they tell what is; and a trend from was to is (projected linearly into the will be) contains better percentages than clumsy guessing. — Robert A. Levy (Chairman, Cato Institute, founder, CDA Investment Technologies, *The Relative Strength Concept of Common Stock Forecasting*, 1968, b. 1941)

Start Short Crude Oil(G)—66.7% Accuracy Since 1983—End Dec. 9—Page 80

TUESDAY

13

When a country lives on borrowed time, borrowed money and borrowed energy, it is just begging the markets to discipline it in their own way at their own time. Usually the markets do it in an orderly way—except when they don't.
— Thomas L. Friedman (*NY Times* Foreign Affairs columnist, 2/24/05)

WEDNESDAY

14

LT: C(U), S(U), W(U)

You know a country is falling apart when even the government will not accept its own currency.
— Jim Rogers (Financier, *Adventure Capitalist*, b. 1942)

Start Short Cocoa(Z) –70.3% Accuracy Since 1973—End Nov. 1—Page 127

THURSDAY

15

LT: SP(U), CC(U)

OE: SP(U), CL(V), SB(V)

I will never knowingly buy any company that has a real time quote of their stock price in the building lobby.
— Robert Mahan (A trader commenting on Enron)

FRIDAY

16

It has been said that politics is the second oldest profession. I have learned that it bears a striking resemblance to the first.
— Ronald Reagan (40th U.S. president, 1911-2004)

SATURDAY

17

SUNDAY

18

JAPANESE YEN DIVES AGAINST THE DOLLAR

The Japanese economy runs on a fiscal year running from April through March. The midpoint of the second half of their fiscal year is in October. Accounting and balance sheet adjustments are made at these points in time and are responsible for large currency transactions that have a seasonal influence on prices. Some years, of course, are more dramatic than others, but in normal economic times, we see a seasonal weakness that prevails in the yen versus the dollar.

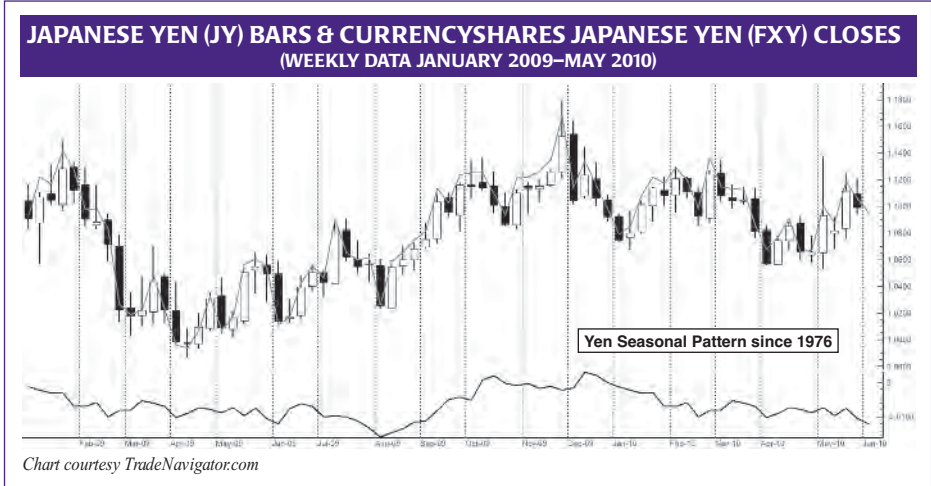
Traders need to be aware of several key elements at hand that can cause values to move violently. For one, intervention plays a role in the currencies. In past years, the Central Bank of Japan (BOJ) has been known for intervention on behalf of managing the yen's value versus the U.S. dollar. In recent years, there has been a bigger interest in the euro/yen cross rate, as hedge funds have been enjoying the carry trade. This is when one borrows money in one country at a lower interest rate and then converts that money into a different currency in a country with higher interest rates.

Traders should be aware of these tendencies and the history of actions taken with respect to certain central bankers. If the yen does manage to overstep its value relative to the dollar, beware that the BOJ can and has stepped in.

Based on our seasonal studies, traders can look to sell the yen on or about October 18 and hold until about February 9. In the 34-year history of this trade, it has worked 21 years, for a success rate of 61.8%. Massive declines in the value of the U.S. dollar, since its peak in 2002, have adversely affected this trade six times over the last eight years, so it is crucial to use technical timing tools.

The chart below shows the exchange-traded fund, CurrencyShares Japanese Yen (FXJ) overlaid on the front-month yen futures contract. FXJ is highly correlated with the underlying commodity price moves. See pages 133–138 for additional correlated trades.

OCTOBER SHORT YEN (MARCH)						
TRADING DAY: 12—HOLD: 78 DAYS						
YEAR	ENTRY		EXIT		PROFIT/ LOSS	
	DATE	CLOSE	DATE	CLOSE		
1976	10/18	34.08	2/08	34.79	-\$888	
1977	10/18	40.25	2/08	41.54	-1,613	
1978	10/17	56.62	2/09	50.67	7,437	
1979	10/16	44.18	2/07	41.92	2,825	
1980	10/16	48.55	2/10	49.45	-1,125	
1981	10/16	44.80	2/08	42.91	2,363	
1982	10/18	37.73	2/07	42.19	-5,575	
1983	10/18	43.53	2/09	42.85	850	
1984	10/16	40.98	2/06	38.55	3,038	
1985	10/16	46.48	2/06	52.51	-7,538	
1986	10/16	65.09	2/06	64.88	263	
1987	10/16	71.40	2/08	77.69	-7,862	
1988	10/18	79.95	2/08	77.64	2,888	
1989	10/17	70.73	2/07	68.81	2,400	
1990	10/16	78.80	2/06	78.00	1,000	
1991	10/16	76.55	2/06	79.41	-3,575	
1992	10/16	83.64	2/08	80.81	3,538	
1993	10/18	93.44	2/07	92.05	1,738	
1994	10/18	103.59	2/08	101.43	2,700	
1995	10/17	102.23	2/07	94.93	9,125	
1996	10/16	90.98	2/07	81.73	11,563	
1997	10/17	84.68	2/11	81.43	4,063	
1998	10/19	89.03	2/10	87.81	1,525	
1999	10/19	97.32	2/10	92.25	6,337	
2000	10/18	95.27	2/09	85.50	12,213	
2001	10/17	83.26	2/11	75.06	10,250	
2002	10/17	80.68	2/11	82.65	-2,463	
2003	10/17	91.83	2/11	94.99	-3,950	
2004	10/19	93.02	2/10	94.72	-2,125	
2005	10/19	88.17	2/13	85.26	3,638	
2006	10/18	85.84	2/09	82.61	4,038	
2007	10/17	87.29	2/11	93.73	-8,050	
2008	10/17	99.46	2/10	110.62	-13,950	
2009	10/16	110.17	2/09	111.57	-1,750	
34-Year Gain					\$33,325	



SEPTEMBER

Start Long British Pound(Z)—65.7% Accuracy Since 1975—End Nov. 3—Page 84

MONDAY

19

LT: BP(U), EC(U), SF(U), JY(U)

*Civility is not a sign of weakness, and sincerity is always subject to proof.
Let us never negotiate out of fear. But let us never fear to negotiate.*
— John F. Kennedy (35th U.S. president, Inaugural Address 1/20/1961, 1917–1963)

TUESDAY

20

LT: CL(V), KC(U)

*At a time of war, we need you to work for peace. At a time of inequality, we need you to work for opportunity.
At a time of so much cynicism and so much doubt, we need you to make us believe again.*
— Barack H. Obama (44th U.S. president, Commencement Wesleyan University 5/28/2008, b. 1961)

WEDNESDAY

21

LT: US(U)

*There are one-story intellects, two-story intellects, and three-story intellects with skylights.
All fact collectors with no aim beyond their facts are one-story men. Two-story men compare,
reason and generalize, using labors of the fact collectors as well as their own. Three-story men
idealize, imagine and predict. Their best illuminations come from above through the skylight.*
— Oliver Wendell Holmes (American author, poet, and physician, 1809–1894)

End Long Cocoa(Z) (Aug. 18)

THURSDAY

22

FN: CL(V)

Fortune favors the brave. — Virgil (Roman Poet, *Aeneid*, 70–19 B.C.)

FRIDAY

23

People with a sense of fulfillment think the world is good, while the frustrated blame the world for their failure.
— Eric Hoffer (*The True Believer*, 1951)

SATURDAY

24

SUNDAY

25

OCTOBER ALMANAC

◆ STOCKS AND BONDS

S&P's have shown a tendency to see major bottoms in October, kicking off what is dubbed the "Best Six Months", according to *Stock Traders Almanac*. Our best seasonal percentage play gets long the March futures contract on or about the 27th and holds until December 27. This trade has a cumulative gain from the last 28 years of \$216,038 (page 96). 30-year Treasuries tend to move in tandem with equities during this time of year (page 142).

◆ ENERGY

Crude oil continues its seasonal weak period. We remain short from September, holding until about December 9 (page 80). Liquidate the natural gas long position from July on or about October 21 (page 68).

◆ METALS

Enter a short December gold futures position on or about October 4 and hold until about November 8. In the last 35 years, this trade has worked 22 times, for a success rate of 62.9% and a cumulative gain of \$6,570. But after 2008's \$11,210 profit, 2009 lost \$9,140 (page 127). Silver follows gold's lead, and traders can enter a short December futures position on or about October 6, holding until on or about October 31. In the last 38 years, this trade has worked 23 times, for a success rate of 60.5%, and a cumulative gain of \$29,845 (page 86). Copper continues its seasonal downturn, as new construction begins to wind down for the winter months (page 149).

◆ GRAINS

Look to go long January soybeans on or about October 24, holding until about November 9 (page 92). Wheat prices generally consolidate, as harvest and new crop corn and soybean products dominate the trade (page 164). The seasonally best trade in corn is to go long a July new crop contract on or about October 28 and hold until about May 10 (page 98).

◆ SOFTS

Cocoa is wrapping up its weak period. We are still holding the short December contract from September (page 76). Coffee prices tend to stabilize, as cold weather increases consumption, but not enough to offset inventories; thus, there is no significant price move during this month (page 170). Sugar generally maintains its seasonal uptrend (page 173).

◆ MEATS

Live cattle prices remain in a seasonal uptrend, as farmers and ranchers are focusing on the grain harvest business. Demand for beef continues to rise, as the temperature falls (page 176). Lean hogs prices remain in a seasonal downturn. Producers are feeding newly harvested corn to fatten hogs. Weights are generally up, leading to a seasonal glut in pork through November (page 179).

◆ CURRENCIES

The euro is typically weak in October. However, we are in the beginning of a seasonally strong period until January. We have a strong seasonal bottom that we want to take advantage of by going long a March futures contract on or about the 26th and holding until January (page 94). Liquidate the long Swiss franc from August on or about October 14 (page 70). The British pound is in a period of rising prices; maintain the long trade position from September 19 until on or about November 3 (page 84). The yen's seasonal weakness prevails versus the dollar. Traders can look to short the March yen futures contract on or about October 18, holding that position until on or about February 9 (page 88).

OCTOBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

NOVEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER STRATEGY CALENDAR*

Symbol	L	S	B	M	E
SP	█				
US	█				
CL	█				
NG	█				
HG	█				
GC	█				
SI	█				
C	█				
S	█				
W	█				
CC	█				
KC	█				
SB	█				
LC	█				
LH	█				
BP	█				
EC	█				
SF	█				
JY	█				

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127.
L = Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

SEPTEMBER/OCTOBER

MONDAY

26

The world hates change, but it is the only thing that has brought progress.
— Charles Kettering (Inventor of electric ignition, founded Delco in 1909, 1876–1958)

TUESDAY

27

OE: NG(V), HG(V), GC(V)

The public may boo me, but when I go home and think of my money, I clap.
— Horace (Roman poet-critic, *Epistles*, c. 20 B.C.)

WEDNESDAY

28

LT: NG(V), HG(U), SI(U)

Benjamin Graham was correct in suggesting that while the stock market in the short run may be a voting mechanism, in the long run it is a weighing mechanism. True value will win out in the end.
— Burton G. Malkiel (Economist, April 2003 Princeton Paper, *A Random Walk Down Wall Street*, b. 1932)

Rosh Hashanah

End Long Gold(Z) (Aug. 24)

THURSDAY

29

FN: NG(V)

I have a love affair with America, because there are no built-in barriers to anyone in America. I come from a country where there were barriers upon barriers.
— Michael Caine (British actor, quoted in *Parade* magazine, 2/16/03)

End Long Euro(Z) (Sep. 8)

FRIDAY

30

FN: HG(V), GC(V)
LT: SB(V)

In democracies, nothing is more great or brilliant than commerce; it attracts the attention of the public and fills the imagination of the multitude; all passions of energy are directed towards it.
— Alexis de Tocqueville (Author, *Democracy in America*, 1840, 1805–1859)

SATURDAY

1

SUNDAY

2

SOYBEAN'S HARVEST LOWS OFFER POTENTIAL FREE MEAL

This is generally not the time to sell short, especially after a prolonged decline from a peak in price at the June highs. Traders should not be looking to sell on any further weakness in early October; in fact, this is the time to cover short bean positions. Typically, this is the time of year when soybeans post what is known as their harvest lows.

Soybeans are a cash commodity because end users with feed operations that use soy meal to feed livestock and poultry must purchase hand-to-mouth, as soy meal does not have a long shelf life. Fresh new product is being rushed to cattle and hog feed lots as well as to poultry operations, and exports of soybeans are being marketed. This wave of demand starts to create a floor of support in prices (page 161).

To take advantage of this seasonal trend, traders can go long soybeans on or about October 24 and hold until around November 9. In the last 42 years, this trade has worked 26 times, for a 61.9% success rate.

The chart below shows the price of Monsanto (MON) overlaid on the price of soybeans. MON makes Roundup Ready soybean seed and has a joint venture with Cargill to commercialize a proprietary grain processing technology under the name Extrax.

Monsanto correlates very well with the price direction of soybeans. It also forms its average seasonal low in October. As was the case in 2009, technical analysis should have got you in and out later. See pages 133–138 for additional correlated trades.

OCTOBER LONG SOYBEANS (JANUARY) TRADING DAY: 16–HOLD: 12 DAYS

YEAR	ENTRY		EXIT		PROFIT/LOSS
	DATE	CLOSE	DATE	CLOSE	
1968	10/22	255	11/08	261 1/4	\$313
1969	10/22	250	11/07	249 1/2	-25
1970	10/22	306 1/4	11/10	308	88
1971	10/22	327 3/4	11/09	320 7/8	-344
1972	10/23	342 3/8	11/09	356 1/4	694
1973	10/23	554	11/08	556 1/2	125
1974	10/22	867	11/08	863	-200
1975	10/22	517 1/2	11/07	504 3/4	-638
1976	10/22	658	11/10	675	850
1977	10/24	535 3/4	11/09	595 1/2	2,988
1978	10/23	681 1/2	11/09	669	-625
1979	10/22	673 3/4	11/07	667	-338
1980	10/22	922 1/2	11/10	911	-575
1981	10/22	667 3/4	11/09	667 1/4	-25
1982	10/22	543 1/4	11/10	578 1/4	1,750
1983	10/24	841	11/09	872 1/2	1,575
1984	10/22	634 1/2	11/07	639	225
1985	10/22	522 1/4	11/07	527	238
1986	10/22	493 1/2	11/07	500 1/4	338
1987	10/22	544 3/4	11/09	553 1/4	425
1988	10/24	780 1/2	11/09	808 1/4	1,388
1989	10/23	575 1/4	11/08	576 3/4	75
1990	10/22	625 1/2	11/07	597 1/2	-1,400
1991	10/22	567	11/07	557	-500
1992	10/22	552 3/4	11/09	551	-88
1993	10/22	629 1/2	11/09	639	475
1994	10/24	564 1/4	11/09	572	388
1995	10/23	678 1/4	11/08	689 3/4	575
1996	10/22	690	11/07	685 3/4	-213
1997	10/22	704 3/4	11/07	739 1/2	1,738
1998	10/22	565	11/09	573 1/2	425
1999	10/22	484 1/2	11/09	479	-275
2000	10/23	473 1/2	11/08	484	525
2001	10/22	426 3/4	11/07	441 1/4	725
2002	10/22	548 1/4	11/07	568 1/4	1,000
2003	10/22	752	11/07	748 1/2	-175
2004	10/22	532	11/09	510 1/2	-1,075
2005	10/24	587 1/2	11/09	588 1/2	50
2006	10/23	630 1/2	11/08	678	2,375
2007	10/22	993 3/4	11/07	1038 1/2	2,238
2008	10/22	864 3/4	11/07	921	2,813
2009	10/22	1007	11/09	972	-1,750
42-Year Gain					\$16,151

SOYBEANS (S) BARS AND MONSANTO (MON) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

OCTOBER

MONDAY

3

FN: SB(V)

*Everyone blames the foreigners when the economy goes south. Always.
It is human nature to blame others, and it is the same all over the world.*
— Jim Rogers (Financier, *Adventure Capitalist*, b. 1942)

Start Short Gold(Z)—62.9% Accuracy Since 1975—End Nov. 8—Page 127

TUESDAY

4

People do not change when you tell them they should; they change when they tell themselves they must.
— Michael Mandelbaum (Johns Hopkins foreign policy specialist, *NY Times*, 6/24/2009, b. 1946)

WEDNESDAY

5

In investing, the return you want should depend on whether you want to eat well or sleep well.
— J. Kenfield Morley

Start Short Silver(Z)—60.5% Accuracy Since 1972—End Oct. 31—Page 86

THURSDAY

6

There's a lot of talk about self-esteem these days. It seems pretty basic to me. If you want to feel good about yourself, you've got to do things that you can be proud of.
— Osceola McCarty (American author, *Simple Wisdom for Rich Living*, 1908–1999)

FRIDAY

7

OE: LC(V)

Our firm conviction is that, sooner or later, capitalism will give way to socialism... We will bury you.
— Nikita Khrushchev (Soviet leader 1953–1964, 1894–1971)

Yom Kippur

SATURDAY

8

SUNDAY

9

TWO-MONTH YEAR-END EURO RALLY

Here is one of our best foreign currency (FX) plays. We had a hard time deciding whether or not share it. The euro is weak in the beginning of October and then, towards the end of the month, begins a seasonally strong period. Since it is a trade phenomenon that has been shared at several conferences in the past, after long discussions, we decided to add the trade in last year's edition. This of course jinxed the trade.

In the short history of the euro currency, the market seems to make a bottom around the third week of October; then we see a tendency to make a price gain against the U.S. dollar by year's end. Many factors could be at play to explain this, such as multi-conglomerate U.S. corporations' need to make fiscal year-end book adjustments as well as to make foreign payroll and bonuses.

The trade itself begins by going long on or about October 26 and holding until about January 4. Due to the expiration of the December futures contract, we ran the statistics using the March futures contract. Overall we have a stellar 72.7% success rate with 8 wins and 3 losses. The best win was in 2000 with a whopping \$14,813 gain. In 2009, the euro had been rallying since the stock market lows in March. Even a cursory look at the chart would have kept traders out of this trade last year.

Traders can use the spot FX markets, which would eliminate the need to buy a far out futures contract month. Stock traders can look at the exchange-traded fund, CurrencyShares Euro (FXE), or trade options on this instrument. In addition, the International Securities Exchange has a Euro Currency Index quoted in dollars per euro, symbol (EUI). It is accessible through your stock options broker; it is an exchange-listed security and is cash-settled in U.S. dollars with a European style exercise. See pages 133–138 for additional correlated trades.

OCTOBER LONG EURO (MARCH) TRADING DAY: 18–HOLD: 47 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1999	10/28	106.22	1/6	103.49	-\$3,413
2000	10/26	83.39	1/4	95.24	14,813
2001	10/24	88.92	1/3	89.74	1,025
2002	10/25	97.15	1/6	104.42	9,087
2003	10/27	116.98	1/6	127.37	12,988
2004	10/27	127.05	1/5	132.74	7,113
2005	10/27	122.35	1/6	122.03	-400
2006	10/26	127.78	1/4	131.31	4,413
2007	10/25	143.37	1/4	147.77	5,500
2008	10/27	125.23	1/5	135.73	13,125
2009	10/26	148.50	1/4	144.10	-5,500
11-Year Gain					\$58,750

EURO (WU) BARS AND CURRENCYSHARES EURO (FXE) CLOSES

(WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

OCTOBER

Columbus Day (Bond Market Closed)

MONDAY

10

FN: LC(V)

Financial markets will find and exploit hidden flaws, particularly in untested new innovations—and do so at a time that will inflict the most damage to the most people.

— Raymond F. DeVoe Jr. (Market strategist, Jesup & Lamont, *The DeVoe Report*, 3/30/07)

TUESDAY

11

When you're one step ahead of the crowd you're a genius. When you're two steps ahead, you're a crackpot.

— Shlomo Riskin (Rabbi, author, b. 1940)

WEDNESDAY

12

Don't be scared to take big steps—you can't cross a chasm in two small jumps.

— David Lloyd George (British prime minister, 1916–1922)

THURSDAY

13

Brilliant men are often strikingly ineffectual; they fail to realize that the brilliant insight is not by itself achievement. They never have learned that insights become effectiveness only through hard systematic work.

— Peter Drucker (Austria-born pioneer management theorist, 1909–2005)

End Long Swiss Franc(Z) (Aug. 8)

FRIDAY

14

LT: LH(V)

OE: LH(V)

No other country can substitute for the U.S. The U.S. is still No. 1 in military, No. 1 in economy, No. 1 in promoting human rights and No. 1 in idealism. Only the U.S. can lead the world. No other country can.

— Senior Korean official (to Thomas L. Friedman *NY Times* Foreign Affairs columnist, 2/25/2009)

SATURDAY

15

SUNDAY

16

MASSIVE S&P 500 GAINS HALLOWEEN TO CHRISTMAS

Here it is folks, the beginning of the best six months of the year to go long equities. October has been considered, on average, the best time to go long stocks with the reputation of having tremendous crashes, “acting as the bear market killer”.

October has a spooky history that has scared many strong-willed and financially sound investors and traders with the likes of the fabled Friday the 13th crash in 1989, or the earlier double whammy, back to back debacles in 1978 and 1979. Once again, as an avid futures trader who was around and trading during the crash in 1987, John can testify that October can be a scary month, yet a lucrative one for the well informed trader.

As is published in the *Stock Traders Almanac*, October can be a time to buy depressed stocks. This may be what helps in this situation, going long the March futures contract on or about October 27 and holding until December 27. Once again, due to the length of the holding period, we have featured this trade entering the next-month futures contract as opposed to the front-month December contract, which one would need to roll into the March contract due to expiration.

The success rate is a whopping 75.0%, registering a cumulative gain of \$216,038 per one lot futures contract. This is the *Commodity Trader Almanac's* highest dollar amount winner by far. In fact, even during the worst of times in 2008, we registered a nice return of \$7,825. The best gain was in 1999 with a profit of \$38,975, and the worst loser was in 2000 with a loss of only \$13,600. In the last 28 years, we have had 21 wins and only 7 losses.

This is a trade well worth considering, and of course, there are several ways to participate: full-futures contracts, the e-mini electronic futures, the exchange-traded fund, SPDR S&P 500 (SPY), or in fact, devising a bullish option strategy on these products. See pages 133–138 for additional correlated trades.

OCTOBER LONG S&P 500 (MARCH) TRADING DAY: 19–HOLD: 41 DAYS						
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS	
1982	10/27	135.75	12/27	144.70	\$2,238	
1983	10/27	169.10	12/28	167.40	-425	
1984	10/25	171.95	12/24	171.15	-200	
1985	10/25	189.05	12/24	209.25	5,050	
1986	10/27	240.05	12/24	248.30	2,063	
1987	10/27	229.75	12/24	253.30	5,888	
1988	10/27	282.15	12/27	280.00	-537	
1989	10/26	343.65	12/26	350.45	1,700	
1990	10/25	314.10	12/24	331.20	4,275	
1991	10/25	387.60	12/24	400.90	3,325	
1992	10/27	418.30	12/24	440.65	5,587	
1993	10/27	466.65	12/27	471.65	1,250	
1994	10/27	470.40	12/27	466.00	-1,100	
1995	10/26	583.35	12/26	619.55	9,050	
1996	10/25	711.75	12/24	759.05	11,825	
1997	10/27	884.40	12/24	942.20	14,450	
1998	10/27	1084.10	12/24	1239.50	38,850	
1999	10/27	1321.90	12/27	1477.80	38,975	
2000	10/26	1391.30	12/26	1336.90	-13,600	
2001	10/25	1104.70	12/24	1147.20	10,625	
2002	10/25	898.50	12/24	891.50	-1,750	
2003	10/27	1029.20	12/24	1092.90	15,925	
2004	10/27	1126.00	12/27	1208.40	20,600	
2005	10/27	1189.70	12/27	1264.00	18,575	
2006	10/26	1404.70	12/26	1428.80	6,025	
2007	10/25	1534.90	12/24	1506.60	-7,075	
2008	10/27	833.70	12/24	865.00	7,825	
2009	10/27	1055.50	12/24	1122.00	16,625	
28-Year Gain					\$216,038	

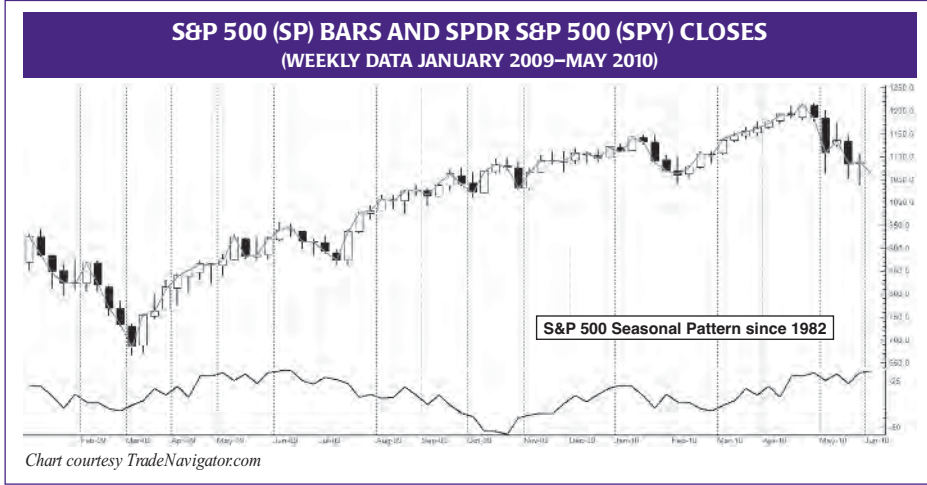


Chart courtesy TradeNavigator.com

OCTOBER

MONDAY

17

OE: CL(X)

With enough inside information and a million dollars, you can go broke in a year.
— Warren Buffett (CEO Berkshire Hathaway, investor and philanthropist, b. 1930)

Start Short Yen(H)—61.8% Accuracy Since 1976—End Feb. 9, 2012—Page 88

TUESDAY

18

Entrepreneurs who believe they're in business to vanquish the competition are less successful than those who believe their goal is to maximize profits or increase their company's value.
— Kaihan Krippendorff, (Professor of entrepreneurship at Florida International University)

WEDNESDAY

19

The dissenter (or "contrary investor") is every human at those moments of his life when he resigns momentarily from the herd and thinks for himself.
— Archibald MacLeish (American poet, writer, and political activist, 1892–1982)

THURSDAY

20

LT: CL(X)

A generation from now, Americans may marvel at the complacency that assumed the dollar's dominance would never end.
— Floyd Norris (Chief financial correspondent, *NY Times*, 2/2/07)

End Long Natural Gas(X) (Jul. 26)

FRIDAY

21

OE: S(X)

It isn't as important to buy as cheap as possible as it is to buy at the right time.
— Jesse Livermore (Early 20th century stock trader and speculator, *How to Trade in Stocks*, 1877–1940)

SATURDAY

22

SUNDAY

23

CORN HARVEST LOWS FEED BULLS ALL WINTER AND SPRING

Although going long corn on or about October 28 and holding until about May 10 has worked only 21 times in the trade's 42-year history, for a success rate of 50.0%, we expect this trade to improve in coming years. With the push for renewable energy and new changes in legislation, heightened ethanol demand has increased the demand for corn substantially since 2003. Now there is more competition for inventories of corn for animal feed, energy needs, and foreign business. These factors give support to prices, as harvest gets underway. The cumulative gain since 2003 has been a respectable \$12,238 per futures contract.

When we combine years in which the weather does not cooperate and yields are less than estimated, then this seasonal tendency for price increases (page 158) could be magnified, further enhancing the pace and level of price moves. In 2009, the lows came earlier in September, followed by a January 2010 high in step with the stock market's first break since March 2009, underscoring the case for implementing a solid set of technical timing tools in your seasonal trading strategies.

Futures traders can look to buy the July contract and hold through May 10, or one can buy the March contract and roll out into the later contract month as First Notice Day approaches. Here is a situation for equity traders looking to capture a seasonal play in corn.

Mexico's GRUMA, S.A.B. de C.V. (GMK) is arguably the world's leading tortilla and corn flour producer and distributor and the only "pure play" publicly traded company we could find. GMK has a tendency to anticipate corn price moves and likely benefits from some savvy hedging. See pages 133–138 for additional correlated trades.

OCTOBER LONG CORN (JULY) TRADING DAY: 20—HOLD: 133 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1968	10/28	120 1/4	5/01	126 1/2	\$313
1969	10/28	128 1/2	5/12	129	25
1970	10/28	157 5/8	5/11	143 1/8	-725
1971	10/28	126 1/8	5/09	126 3/4	31
1972	10/27	147 1/2	5/14	179	1,575
1973	10/29	244	5/13	265 1/4	1,063
1974	10/28	379 1/2	5/09	270 1/2	-5,450
1975	10/28	290 1/2	5/10	280	-525
1976	10/28	270 3/4	5/12	244 1/2	-1,313
1977	10/28	227 1/4	5/10	251	1,188
1978	10/27	257 1/4	5/10	270	638
1979	10/26	296 1/4	5/12	276 3/4	-975
1980	10/28	389 3/4	5/12	350 1/4	-1,975
1981	10/28	327 3/4	5/10	279 1/2	-2,413
1982	10/28	246	5/11	306 3/4	3,038
1983	10/28	337	5/09	347 1/4	513
1984	10/26	292 3/4	5/08	277 1/4	-775
1985	10/28	242	5/08	237 3/4	-213
1986	10/28	190 1/2	5/08	192 3/4	113
1987	10/28	195	5/09	209 1/2	725
1988	10/28	286 1/4	5/10	275	-563
1989	10/27	251 1/4	5/09	290 3/4	1,975
1990	10/26	247 3/4	5/08	249	63
1991	10/28	271	5/11	258	-650
1992	10/28	227	5/10	227 1/2	25
1993	10/28	267	5/11	258 1/2	-425
1994	10/28	241 1/2	5/10	258 1/4	838
1995	10/27	331 1/2	5/08	474 3/4	7,163
1996	10/28	289	5/08	284 1/2	-225
1997	10/28	302 3/4	5/11	247 3/4	-2,750
1998	10/28	243 1/2	5/11	222 1/4	-1,063
1999	10/28	223 1/2	5/10	244 1/4	1,038
2000	10/27	227 3/4	5/10	198 1/4	-1,475
2001	10/26	231 3/4	5/10	206	-1,288
2002	10/28	255	5/12	252 1/4	-138
2003	10/28	252 1/4	5/10	298 1/2	2,313
2004	10/28	231 1/4	5/11	206 1/2	-1,238
2005	10/28	226 3/4	5/11	247	1,013
2006	10/27	357 1/2	5/11	369 1/4	588
2007	10/26	407 1/2	5/08	630 1/4	11,138
2008	10/28	430 3/4	5/11	421 1/4	-475
2009	10/28	399	5/11	377	-1,100
42-Year Gain					\$9,619

CORN (C) BARS AND GRUMA (GMK) CLOSSES (WEEKLY DATA JANUARY 2009–MAY 2010)

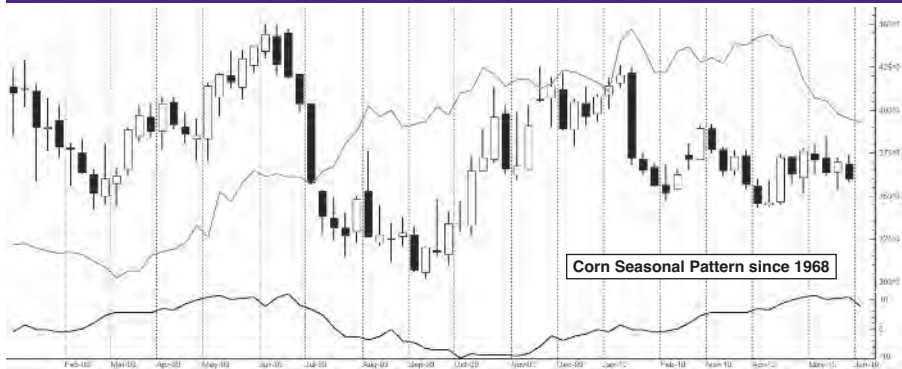


Chart courtesy TradeNavigator.com

OCTOBER

Start Long Soybeans(F)—61.9% Accuracy Since 1968—End Nov. 9—Page 92

MONDAY

24

FN: CL(X)

The ability to foretell what is going to happen tomorrow, next week, next month, and next year. And to have the ability afterwards to explain why it didn't happen.

— Winston Churchill (British statesman, 1874–1965, when asked what qualities a politician required)

TUESDAY

25

Politics ought to be the part-time profession of every citizen who would protect the rights and privileges of free people and who would preserve what is good and fruitful in our national heritage.

— Dwight D. Eisenhower (34th U.S. president, 1890–1969)

Start Long Euro(H)—72.7% Accuracy Since 1999—End Jan. 4, 2012—Page 94

WEDNESDAY

26

OE: NG(X), HG(X)

If investing is entertaining, if you're having fun, you're probably not making any money. Good investing is boring.

— George Soros (Financier, philanthropist, political activist, author, and philosopher, b. 1930)

Start Long S&P 500(H)—75.0% Accuracy Since 1982—End Dec. 27—Page 96

THURSDAY

27

LT: NG(X), HG(V), GC(V)

While markets often make double bottoms, three pushes to a high is the most common topping pattern.

— John Bollinger (Bollinger Capital Management, *Capital Growth Letter*, *Bollinger on Bollinger Bands*)

Start Long Corn(N)—50.0% Accuracy Since 1968—End May 10, 2012—Page 98

FRIDAY

28

FN: NG(X)

To change one's life: Start immediately. Do it flamboyantly. No exceptions.

— William James (Philosopher, psychologist, 1842–1910)

SATURDAY

29

SUNDAY

30

NOVEMBER ALMANAC

◆ STOCKS AND BONDS

We are holding our best seasonal percentage play, which is long the S&P's March futures contract from October 27 and holding until December 27 (page 96). Short-term traders watch for a rally the day before Thanksgiving and the day after, known as "Black Friday." 30-year Treasury bond prices tend to decline in late November. We have a seasonal short play selling the June futures contract on or about November 18 and holding through April 25 the following year (page 106).

◆ ENERGY

Crude oil continues to be in a seasonally weak period. We are still short from September, holding that position until about December 9 (page 80). November is a mixed month for natural gas, depending on the temperatures in the Midwest. Beginning in October, if weather patterns are mild, then we see less demand; prices tend to consolidate (page 147).

◆ METALS

Cover the short gold position from October on or about November 8 (page 127). Look to reverse that position and go long a February futures contract on or about November 17 until about December 2 (page 104). In 2009, using timing tools to cover the short before November 1 would have been profitable. The long trade was outstanding, as gold posted an interim high on December 3, before giving back all November's gains. Aggressive traders can look to go long December silver in tandem with gold (page 155). Copper's seasonal downtrend continues through December (page 149).

◆ GRAINS

Liquidate the long soybeans positions from October on or about November 9 (page 92). Also liquidate the long wheat position from June on or about November 4 (page 127). Corn is just beginning its seasonal best long trade that was entered on or about October 28 and is held to about May 10 (page 98).

◆ SOFTS

Cover the short cocoa position from July on or about November 3 (page 76). Enter a long March cocoa position on or about November 4 and hold until on or about December 23. This trade has worked 20 of 38 years, for a success rate of 52.6%, and has had a cumulative profit of \$18,630 (page 127). Coffee prices continue to stabilize, as cold weather increases consumption, but November rarely sees significant price moves (page 170). Sugar prices tend to peak out, and we look to sell the March futures contract on or about November 23 and hold to about February 7. This trade has worked 21 times over the last 38 years, for a success rate of 55.3% and a cumulative profit of \$1,534 (page 127).

◆ MEATS

Live cattle prices exhibit a push higher to ward the middle of the month, but consumer demand declines, as the turkey-centric Thanksgiving holiday diminishes beef sales. This can cause a short-term glut of inventory that can push prices lower through the first part of December (page 176). Buy February lean hogs on or about November 2 and exit on or before November 21 (page 102).

◆ CURRENCIES

Over the last 11 years, the euro has rallied through year-end, but not in 2009. Our best year-end rally play in the euro is still long (page 94). Look to go long the Swiss franc on or about November 25 and hold until year-end (page 127). Liquidate the long British pound position from September on or about November 3 (page 84). The yen remains in a seasonal weak period versus the U.S. dollar. Maintain a short position from about October 18 until about February 9 (page 88).

NOVEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER STRATEGY CALENDAR*

Symbol		B	I	M	E
SP	L S				
US	L S				
CL	L S				
NG	L S				
HG	L S				
GC	L S				
SI	L S				
C	L S				
S	L S				
W	L S				
CC	L S				
KC	L S				
SB	L S				
LC	L S				
LH	L S				
BP	L S				
EC	L S				
SF	L S				
JY	L S				

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127.
L = Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

OCTOBER/NOVEMBER

Halloween 

End Short Silver(Z) (Oct. 6)

MONDAY

31

FN: HG(X), S(X)
LT: LC(V)

But how do we know when irrational exuberance has unduly escalated asset values, which then become subject to unexpected and prolonged contractions as they have in Japan over the past decade?
— Alan Greenspan (Fed chairman 1987–2006, 12/5/96 speech to American Enterprise Institute, b. 1926)

Election Day

End Short Cocoa(Z) (Sep. 15)

TUESDAY

1

Learn from the mistakes of others; you can't live long enough to make them all yourself.
— Eleanor Roosevelt (First Lady, 1884–1962)

Start Long Lean Hogs(G)—65.9% Accuracy Since 1969—End Nov. 21—Page 102

WEDNESDAY

2

An economist is someone who sees something happen, and then wonders if it would work in theory.
— Ronald Reagan (40th U.S. president, 1911–2004)

End Short Cocoa(Z) (Jul. 27)

End Long British Pound(Z) (Sep. 19)

THURSDAY

3

There is one thing stronger than all the armies in the world, and this is an idea whose time has come.
— Victor Hugo (French novelist, playwright, *Hunchback of Notre Dame* and *Les Misérables*, 1802–1885)

End Long Wheat(Z) (Jun. 8)

Start Long Cocoa(H)—52.6% Accuracy Since 1972—End Dec. 23—Page 127

FRIDAY

4

OE: CC(Z)

Banking establishments are more dangerous than standing armies; and that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale.
— Thomas Jefferson (3rd U.S. president, 1743–7/4/1826, 1816 letter to John Taylor of Caroline)

SATURDAY

5

Daylight Saving Time Ends

SUNDAY

6

LEAN HOGS FATTEN UP BEFORE THANKSGIVING

Demand for pork increases, as consumers switch meat products when beef prices are too high. In addition, Canadian imports have started to fall off, and now we begin a cycle of demand outpacing inventories.

Seasonally, we have a low posted in the hog market in November, so traders should look to buy lean hogs on or about November 2 and exit on or about November 21. In the last 41 years, this trade has provided 27 years of gains, for a success rate of 65.9%. The cumulative profit is \$14,050. Again, using some simple timing techniques should have had you entering this trade a bit later in November 2009 and exiting after Thanksgiving at much more favorable prices.

The chart below is of Hormel Foods (HRL), overlaid on the lean hogs front-month futures contract to illustrate the correlation in the price action. This company is in the business of processing pork and producing hogs, both here in the United States and abroad.

As you can see, Hormel has a strong correlation to the price of hog futures. The price move of HRL and lean hog futures in 2009–2010 is rather similar to the historical seasonal price pattern of lean hogs, shown in the bottom line on the chart. Another company traders can follow based on hog price moves is Smithfield Foods (SFD), a pork product producer. These two stocks frequently move in tandem with hogs. See pages 133–138 for additional correlated trades and page 179 for more hog seasonalities.

NOVEMBER LONG LEAN HOGS (FEBRUARY) TRADING DAY: 2–HOLD: 13 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1969	11/4	25.550	11/21	27.050	\$600
1970	11/4	17.000	11/23	17.250	100
1971	11/2	22.175	11/19	23.425	500
1972	11/2	29.350	11/22	29.200	-60
1973	11/2	46.075	11/21	48.750	1,070
1974	11/4	43.650	11/22	44.075	170
1975	11/4	50.450	11/21	53.225	1,110
1976	11/3	29.925	11/22	33.300	1,350
1977	11/2	36.875	11/21	38.350	590
1978	11/2	49.400	11/22	53.700	1,720
1979	11/2	40.800	11/21	45.250	1,780
1980	11/5	55.575	11/24	55.450	-50
1981	11/3	49.000	11/20	46.300	-1,080
1982	11/2	53.825	11/19	56.750	1,170
1983	11/2	46.700	11/21	46.175	-210
1984	11/2	51.000	11/21	53.475	990
1985	11/4	46.125	11/21	46.300	70
1986	11/4	48.625	11/21	51.425	1,120
1987	11/3	41.275	11/20	43.750	990
1988	11/2	45.825	11/21	42.625	-1,280
1989	11/2	46.625	11/21	50.625	1,600
1990	11/2	50.050	11/21	51.725	670
1991	11/4	42.175	11/21	42.750	230
1992	11/3	42.925	11/20	44.225	520
1993	11/2	49.875	11/19	47.425	-980
1994	11/2	36.800	11/21	34.950	-740
1995	11/2	46.200	11/21	46.950	300
1996	11/4	75.950	11/21	76.275	130
1997	11/4	62.825	11/21	61.775	-420
1998	11/3	42.625	11/20	36.650	-2,390
1999	11/2	49.700	11/19	54.925	2,090
2000	11/2	53.700	11/21	56.850	1,260
2001	11/2	54.700	11/21	53.600	-440
2002	11/4	50.450	11/21	52.750	920
2003	11/4	58.550	11/21	54.075	-1,790
2004	11/2	69.725	11/19	73.400	1,470
2005	11/2	65.925	11/21	64.625	-520
2006	11/2	67.800	11/21	66.550	-500
2007	11/2	59.875	11/21	62.750	1,150
2008	11/4	61.850	11/21	64.100	900
2009	11/3	64.525	11/20	64.375	-60
41-Year Gain					\$14,050

LEAN HOGS (LH) BARS AND HORMEL FOODS (HRL) CLOSURES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

NOVEMBER

MONDAY

7

The principles of successful stock speculation are based on the supposition that people will continue in the future to make the mistakes that they have made in the past.
— Thomas F. Woodlock, (*Wall Street Journal* editor and columnist, quoted in *Reminiscences of a Stock Operator*, 1866–1945)

End Short Gold(Z) (Oct. 4)

TUESDAY

8

I know nothing grander, better exercise... more positive proof of the past, the triumphant result of faith in humankind, than a well-contested national election.
— Walt Whitman (American poet, 1819–1892)

End Long Soybeans(F) (Oct. 24)

WEDNESDAY

9

People who can take a risk, who believe in themselves enough to walk away [from a company] are generally people who bring about change.
— Cynthia Danaher (Exiting GM of Hewlett-Packard's Medical Products Group, *Newsweek*)

THURSDAY

10

Excellent firms don't believe in excellence—only in constant improvement and constant change.
— Tom Peters (*In Search of Excellence*)

Veterans' Day

FRIDAY

11

OE: KC(Z)

I'm not better than the next trader, just quicker at admitting my mistakes and moving on to the next opportunity.
— George Soros (Financier, philanthropist, political activist, author, and philosopher, b. 1930)

SATURDAY

12

SUNDAY

13

GOLD BUGS GET A TREAT FOR THE HOLIDAYS

Gold prices tend to move up prior to the holidays, and the trend has worked especially well over the last ten years. Seasonally speaking, it is best for traders to go long on or about November 17 and hold until about December 2. Over the last 35 years, this trade has worked 19 times, for a success rate of 54.3%. The cumulative profit tallies up to \$23,620. What is interesting is that this trade has had a 10-year win streak, starting from 2000. The longer-term record of this trade is not eye-popping, but with growing inflation concerns due to a global debt crisis and deficit spending, we would look for the current winning streak to continue in 2011 and beyond.

The chart below shows the correlation with Freeport-McMoran Copper & Gold (FCX). It is in the business of exploration and development of gold. The FCX stock price line chart is overlaid on the front-month gold futures contract. The line on the bottom section is the 35-year average seasonal price move for gold.

As you can see, both gold and FCX are highly correlated. What is important here is to see the seasonality of November's rally into December. Notice the price dip in November in gold and FCX. This price relationship between gold and producers should continue unless a gold producer begins an aggressive hedging operation, which entails selling gold in the futures to lock in production profits. In this scenario, if gold prices continue to rise during the seasonal buy period and a gold producer sells futures contracts to lock in a profit, the company could reduce its maximum profit exposure, and that is when trading a stock versus a commodity would not be effective. See pages 133–138 for additional correlated trades.

NOVEMBER LONG GOLD (FEBRUARY) TRADING DAY: 13–HOLD: 10 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1975	11/21	142.6	12/8	136.9	-\$570
1976	11/18	129.3	12/3	133.3	400
1977	11/17	162.6	12/2	160.1	-250
1978	11/20	201.8	12/5	199.1	-270
1979	11/19	399.0	12/4	438.5	3,950
1980	11/20	665.1	12/5	638.0	-2,710
1981	11/18	405.5	12/3	428.0	2,250
1982	11/18	419.6	12/3	447.8	2,820
1983	11/17	384.2	12/2	404.1	1,990
1984	11/19	348.5	12/4	334.1	-1,440
1985	11/19	328.8	12/4	325.7	-310
1986	11/19	392.1	12/4	391.7	-40
1987	11/18	470.8	12/3	493.8	2,300
1988	11/17	426.0	12/5	434.2	820
1989	11/17	401.0	12/4	406.6	560
1990	11/19	385.6	12/4	380.5	-510
1991	11/19	367.3	12/4	367.9	60
1992	11/18	336.5	12/3	336.4	-10
1993	11/17	379.2	12/3	378.6	-60
1994	11/17	389.7	12/5	379.0	-1,070
1995	11/17	389.1	12/5	388.7	-40
1996	11/19	380.2	12/5	373.0	-720
1997	11/19	306.3	12/5	290.5	-1,580
1998	11/18	300.3	12/4	294.3	-600
1999	11/17	297.5	12/3	282.1	-1,540
2000	11/17	268.9	12/5	273.3	440
2001	11/19	273.7	12/5	274.6	90
2002	11/19	319.8	12/5	325.6	580
2003	11/19	396.0	12/5	407.3	1,130
2004	11/17	447.2	12/3	457.8	1,060
2005	11/17	490.8	12/5	512.6	2,180
2006	11/17	628.7	12/5	647.9	1,920
2007	11/19	784.8	12/4	807.6	2,280
2008	11/19	736.0	12/4	765.5	2,950
2009	11/18	1142.7	12/3	1218.3	7,560
				35-Year Gain	\$23,620

GOLD (GC) BARS AND FREEPORT-MCMORAN (FCX) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

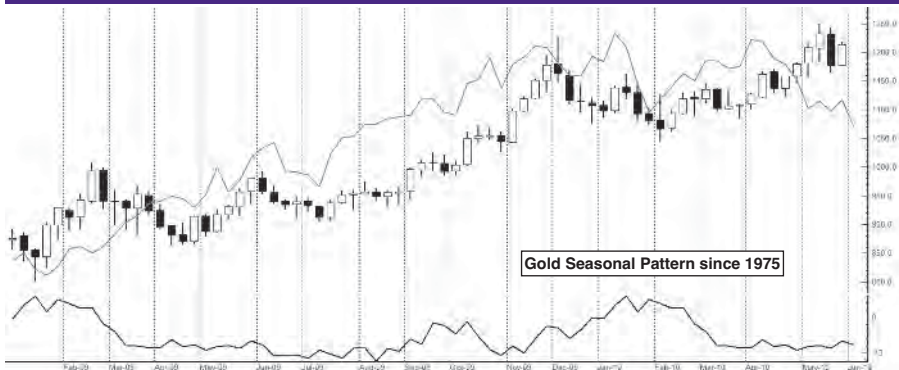


Chart courtesy TradeNavigator.com

NOVEMBER

MONDAY

14

LT: S(X)

Companies which do well generally tend to report (their quarterly earnings) earlier than those which do poorly.
— Alan Abelson (Financial journalist and editor, *Barron's*)

TUESDAY

15

OE: CL(Z)

The market can stay irrational longer than you can stay solvent.
— John Maynard Keynes (British economist, 1883–1946)

WEDNESDAY

16

FN: CC(Z)

If you are not willing to study, if you are not sufficiently interested to investigate and analyze the stock market yourself, then I beg of you to become an outright long-pull investor; to buy good stocks, and hold on to them; for otherwise your chances of success as a trader will be nil.
— Humphrey B. Neill (Investor, analyst, author, *Tape Reading and Market Tactics*, 1931, 1895–1977)

[Start Long Gold\(G\)—54.3% Accuracy Since 1975—End Dec. 2—Page 104](#)

THURSDAY

17

My best shorts come from research reports where there are recommendations to buy stocks on weakness; also, where a brokerage firm changes its recommendation from a buy to a hold.
— Marc Howard (Hedge fund manager, *New York* magazine, 1976, b. 1941)

[Start Short 30-Year Bond\(M\)—54.5% Accuracy Since 1977—End Apr. 25, 2012—Page 106](#)

FRIDAY

18

LT: CL(Z)

Of 120 companies from 1987 to 1992 that relied primarily on cost cutting to improve the bottom line, 68 percent failed to achieve profitable growth during the next five years.
— Mercer Management Consulting (*Smart Money* magazine, August 2001)

SATURDAY

19

SUNDAY

20

BONDS FREEZE UP IN WINTER

Typically, we see a seasonal tendency for bond prices to peak in November and then start a decline lasting into April, where we would be taking a seasonal long position, as covered on page 42.

Perhaps investors seeking a higher return feel more comfortable buying into the year-end stock market rally, so they sell bonds and reallocate funds into equities. Or perhaps end-of-year window dressing or savvy traders, wishing to take part in the up-coming January effect, play a role in the decline of bond prices.

In any event, this trade in the last 33 years has a 54.5% success rate. In late 2008, 30-year bonds made historic news with yields crashing and prices making all-time new highs. The peak came on December 18, 2008, giving considerable heat to this trade. However, as time passed, this trade did unwind the massive equity loss, registering a small \$578 decline.

Consider the fact that in late 2008, we were experiencing the worst financial debacle in history with the fall of Bear Stearns and Lehman Brothers as well as the discovery of history's most incredible Ponzi scheme artist, Bernie Madoff, who had scammed money from investors surpassing tens of billion of dollars. It is no wonder that this trade did not act perfectly, but over time and with proper risk management, active traders should be aware of the decoupling effect between bonds and stocks. So if stocks are rising in late November, consider taking a short bond position on or about November 18 and holding until approximately April 25.

Stock traders may consider the exchange-traded fund iShares Barclays 20+ Year Bond (TLT) as a replacement for this futures contract. See pages 133–138 for additional correlated trades.

NOVEMBER SHORT 30-YR BOND (JUNE TRADING DAY: 14–HOLD: 107 DAYS)

YEAR	DATE	ENTRY CLOSE	DATE	EXIT CLOSE	PROFIT/LOSS
1977	11/18	101'070	4/25	95'240	\$5,469
1978	11/21	93'080	4/26	88'190	4,656
1979	11/20	80'200	4/25	75'120	5,250
1980	11/21	69'230	4/29	62'180	7,156
1981	11/19	64'170	4/26	64'100	219
1982	11/19	77'140	4/26	77'300	-19
1983	11/18	69'220	4/24	65'080	4,438
1984	11/20	70'010	4/25	70'260	-781
1985	11/20	78'260	4/25	98'080	-19,438
1986	11/20	97'220	4/27	91'060	6,500
1987	11/19	87'130	4/25	88'210	-1,250
1988	11/18	87'040	4/25	89'210	-2,531
1989	11/20	98'270	4/25	89'060	9,656
1990	11/20	93'130	4/25	95'290	-2,500
1991	11/20	98'050	4/27	97'230	438
1992	11/19	101'130	4/26	111'110	-9,938
1993	11/18	113'260	4/21	105'250	8,031
1994	11/18	95'200	4/26	105'170	-9,906
1995	11/20	116'310	4/24	109'240	7,219
1996	11/21	114'210	4/29	108'300	5,719
1997	11/21	118'230	4/29	118'220	31
1998	11/20	127'160	4/27	121'230	5,781
1999	11/19	94'070	4/25	97'020	-2,844
2000	11/20	100'140	4/26	101'170	-1,094
2001	11/21	101'270	4/29	101'310	-125
2002	11/21	107'220	4/29	113'030	-5,406
2003	11/21	108'120	4/28	107'110	1,031
2004	11/19	110'280	4/26	114'020	-3,188
2005	11/21	112'130	4/27	106'220	5,719
2006	11/20	112'280	4/25	111'160	1,375
2007	11/21	115'270	4/28	116'010	-188
2008	11/20	123'075	4/28	123'260	-578
2009	11/19	118'190	4/26	116'280	1,719
33-Year Gain					\$20,141

30-YEAR BOND (US) BARS AND ISHARES BARCLAYS 20+ YEAR BOND (TLT) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

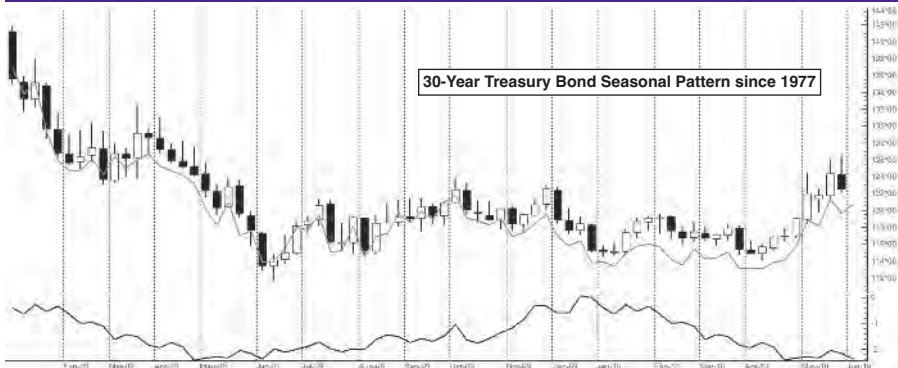


Chart courtesy TradeNavigator.com

NOVEMBER

End Long Lean Hogs(G) (Nov. 2)

MONDAY

21

FN: KC(Z)

History is a collection of agreed upon lies. — Voltaire (French philosopher, 1694–1778)

TUESDAY

22

FN: CL(Z)

OE: GC(Z), SI(Z)

Today's Ponzi-style acute fragility and speculative dynamics dictate that he who panics first panics best.
— Doug Noland (Prudent Bear Funds, *Credit Bubble Bulletin*, 10/26/07)

Start Short Sugar(H)—55.3% Accuracy Since 1972—End Feb. 7, 2012—Page 127

WEDNESDAY

23

OE: NG(Z), HG(Z)

Get to the Point! Blur it out! Tell me plainly what's in it for me!
— Roy H. Williams (*The Wizard of Ads*, A reader's mental response to a poorly constructed advertisement. Quoted in *Your Company*, 12/98)

Thanksgiving (Market Closed)

THURSDAY

24

Take care of your employees and they'll take care of your customers.
— John W. Marriott (Founder, Marriott International, 1900–1985)

(Shortened Trading Day)

Start Long Swiss Franc(H)—54.3% Accuracy Since 1975—End Dec. 30—Page 127

FRIDAY

25

OE: US(Z), C(Z), W(Z)

Good luck is what happens when preparation meets opportunity, bad luck is what happens when lack of preparation meets a challenge. — Paul Krugman (Economist, *NY Times*, 3/3/2006)

SATURDAY

26

SUNDAY

27

DECEMBER ALMANAC

◆ STOCKS AND BONDS

S&P's are prone to year-end buying pressure. Our best seasonal percentage play, which is long the March futures contract from October 27, exits on any strength from the "Santa Claus" rally y by December 27 (page 96). 30-y ear Treasury bond prices are seasonally weak, as we are in a short June futures contract from November 18 and holding through April 25 (page 106).

◆ ENERGY

Cover the short crude oil seasonal best trade from September on or about December 9 (page 80). Natural gas tends to see price declines, especially if inventories have not been worked off due to warmer than expected weather conditions (page 147).

◆ METALS

Liquidate the long gold position from November on or about December 2 (page 104). Also, exit any complementary long silver positions that may have been established alongside the November gold trade. Copper builds a solid base towards the middle to the end of the month. Go long May copper futures on or about December 14 and hold through on or about February 23 (page 112). The low in 2008 was made on December 26, and then prices made a remarkable rally into the first half of 2009. The trade worked even better in 2009–2010.

◆ GRAINS

The end-of-year marketing for soybeans is winding down, and farmers are reluctant to sell in front of end-of-year tax liabilities (page 161). December can see modest declines in the wheat market, which continues its seasonal downtrend (page 164). The corn market is in its seasonal period of strength, but much like soybeans, prices tend to consolidate due to year-end tax liabilities, as farmers tend to defer sales until after the New Year (page 98).

◆ SOFTS

Exit the long cocoa position from November on or about December 23 (page 127). Coffee prices tend to rise through year-end, as cold northern winters help increase consumption (page 170). Sugar prices tend to decline by mid-December. Continue holding a short March contract from November through February 7 (pages 127).

◆ MEATS

Live cattle prices tend to stabilize, as holiday sales demand can put a floor of support under the market. In addition, farmers try to minimize their tax liabilities by deferring sales until the New Year (page 176). Lean hogs prices tend to flat line or consolidate, as producers work off inventories until prices begin to resume a seasonal uptrend in March (page 179).

◆ CURRENCIES

The euro tends to rally through year-end (page 94). There is a seasonal short position for the Swiss franc, where we go short the March contract on or about December 28 until on or about February 28. This trade has worked 26 times in the last 35 years, for a success rate of 74.3% and a cumulative profit of \$63,088 (page 116). Sell the June British pound on or around December 28 and hold until about March 20 (page 114). The yen is in a seasonal weak period versus the U.S. dollar. The trade is to be short from about October 18 and hold until about February 9 (page 88).

DECEMBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

JANUARY 2012						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

DECEMBER STRATEGY CALENDAR*

Symbol		B	M	E
SP	$\frac{L}{S}$			
US	$\frac{L}{S}$			
CL	$\frac{L}{S}$			
NG	$\frac{L}{S}$			
HG	$\frac{L}{S}$			
GC	$\frac{L}{S}$			
SI	$\frac{L}{S}$			
C	$\frac{L}{S}$			
S	$\frac{L}{S}$			
W	$\frac{L}{S}$			
CC	$\frac{L}{S}$			
KC	$\frac{L}{S}$			
SB	$\frac{L}{S}$			
LC	$\frac{L}{S}$			
LH	$\frac{L}{S}$			
BP	$\frac{L}{S}$			
EC	$\frac{L}{S}$			
SF	$\frac{L}{S}$			
JY	$\frac{L}{S}$			

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126–127.
L = Long Trade, S = Short Trade. See pages 133–138 for contract symbols.

NOVEMBER/DECEMBER

MONDAY

28

LT: NG(Z), HG(X)

Big Business breeds bureaucracy and bureaucrats exactly as big government does.

— T. K. Quinn (Author, *Giant Business: Threat to Democracy: The Autobiography of an Insider*, 1953)

TUESDAY

29

FN: NG(Z)

The worst crime against working people is a company that fails to make a profit.

— Samuel Gompers (American labor union leader, 1850–1924)

WEDNESDAY

30

FN: US(Z), HG(Z), GC(Z), SI(Z), C(Z), W(Z)

Even being right 3 or 4 times out of 10 should yield a person a fortune if he has the sense to cut his losses quickly on the ventures where he has been wrong.

— Bernard Baruch (Financier, speculator, statesman, presidential adviser, 1870–1965)

THURSDAY

1

Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity.

— General George S. Patton Jr. (U.S. Army field commander WWII, 1885–1945)

End Long Gold(G) (Nov. 17)

FRIDAY

2

OE: LC(Z), BP(Z), EC(Z), SF(Z), JY(Z)

When an old man dies, a library burns down. — African proverb

SATURDAY

3

SUNDAY

4

EAT YOUR WINTER WHEATIES

The wheat market has posted a tradable low in early December the past 23 years, since the effects of the big grain boom/bust cycle of the 1970s and 1980s wore off in 1987. We have included the trade results since 1970 to illustrate the impact of the overarching cycles on seasonality.

This commodity has a strong seasonal pattern (page 164), and in recent years we have seen unprecedented price gains. In fact, in February 2008 this market set a record high of over \$13.49 per bushel. This was an incredible move, partly due to what was suspected to be a speculative run on commodities from investors rather than a supply and demand imbalance.

CBOT wheat is considered winter wheat, as it is seeded in the September–October time frame and during the winter, it enters its dormancy period. Southern Hemisphere supply puts pressure on prices into early December until the size and health of the newly planted Northern Hemisphere winter wheat crop is known, creating a seasonal peak in January.

Over the past 40 years, this trade has a 60.0% winning percentage with total gains of \$6,862 per contract. But since 1987, this trade has produced gains in 18 of the last 23 years, for a 78.2% success rate and total gains of \$12,463 per contract. Enter long positions on the May contract on or about December 7, and exit about 20 days later, when our January short wheat trade commences (page 18).

The chart below is of Kellogg (K), an end user or company that buys wheat to make cereals and snack cake items. Kellogg's line chart is overlaid on the price of wheat, and on the bottom is the seasonal price move of wheat. As you can see, wheat prices move mostly on an inverse relationship with this company. See pages 133–138 for additional correlated trades.

DECEMBER LONG CBOT WHEAT (MAY) TRADING DAY: 5–HOLD: 20 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1970	12/7	171 1/8	1/6	166 1/4	-\$244
1971	12/7	150 5/8	1/6	156 1/2	294
1972	12/7	249 1/4	1/9	256 1/2	363
1973	12/7	507	1/9	547	2,000
1974	12/6	494 1/2	1/7	417 3/4	-3,838
1975	12/5	363 3/4	1/7	362 1/4	-75
1976	12/7	275 1/4	1/6	286 1/2	563
1977	12/7	274 1/2	1/6	282 3/4	413
1978	12/7	349 3/4	1/8	328	-1,088
1979	12/7	447 3/4	1/11	435 1/2	-613
1980	12/5	523 1/4	1/7	513 1/4	-500
1981	12/7	426 3/4	1/6	410 1/4	-825
1982	12/7	350 3/4	1/6	337 1/2	-663
1983	12/7	351 1/2	1/6	353 1/2	100
1984	12/7	341 3/4	1/8	334	-388
1985	12/6	322	1/7	311 3/4	-513
1986	12/5	267	1/6	255 1/4	-588
1987	12/7	313 1/4	1/6	330	838
1988	12/7	406 3/4	1/6	434 3/4	1,400
1989	12/7	385	1/8	389 1/4	213
1990	12/7	273 3/4	1/8	260 3/4	-650
1991	12/6	357 1/4	1/7	376 1/4	950
1992	12/7	342	1/6	343 1/4	63
1993	12/7	342	1/6	364 3/4	1,138
1994	12/7	373 1/2	1/6	374 1/4	38
1995	12/7	468 1/4	1/8	460	-413
1996	12/6	356 1/2	1/7	370	675
1997	12/5	367 1/4	1/6	332 1/4	-1,750
1998	12/7	294 3/4	1/6	297 3/4	150
1999	12/7	256	1/6	259 1/2	175
2000	12/7	281 1/2	1/8	294 1/2	650
2001	12/7	286 1/2	1/9	298	575
2002	12/6	344 1/4	1/8	331 3/4	-625
2003	12/5	397	1/6	397 3/4	38
2004	12/7	306	1/6	315 1/2	475
2005	12/7	322	1/6	340 3/4	938
2006	12/7	502 1/4	1/9	465 1/4	-1,850
2007	12/7	918 1/2	1/8	920 1/2	100
2008	12/5	488 1/2	1/6	656 1/2	8,400
2009	12/7	561	1/6	579 3/4	938
40-Year Gain					\$6,862

CBOT WHEAT (W) BARS & KELLOGG (K) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)



Chart courtesy TradeNavigator.com

DECEMBER

MONDAY

5

FN: LC(Z)

I'd be a bum on the street with a tin cup, if the markets were always efficient.
— Warren Buffett (CEO Berkshire Hathaway, investor and philanthropist, b. 1930)

TUESDAY

6

With globalization, the big [countries] don't eat the small, the fast eat the slow.
— Thomas L. Friedman (NY Times Foreign Affairs columnist, referring to the Arab nations)

Start Long Wheat(K)—60.0% Accuracy Since 1970—End Jan. 6, 2012—Page 110

WEDNESDAY

7

You have to keep digging, keep asking questions, because otherwise you'll be seduced or brainwashed into the idea that it's somehow a great privilege, an honor, to report the lies they've been feeding you.
— David Halberstam (American writer, war reporter, 1964 Pulitzer Prize, 1934–2007)

Start Long Corn(N)—65.0% Accuracy Since 1970—End Jan. 11, 2012—Page 127

THURSDAY

8

Cooperation is essential to address 21st-century challenges; you can't fire cruise missiles at the global financial crisis.
— Nicholas D. Kristof (NY Times columnist, 10/23/2008)

End Short Crude Oil(G) (Sep. 13)

FRIDAY

9

The only way to even begin to manage this new world is by focusing on... nation building—helping others restructure their economies and put in place decent non-corrupt government.
— Thomas L. Friedman (NY Times Foreign Affairs columnist)

SATURDAY

10

SUNDAY

11

COPPER STARTS TO BUILD A BULLISH FOUNDATION

Copper prices tend to form seasonal bottoms during the month of December (page 149). Traders can look to go long on or about December 14 and hold until about February 23. This trade in the last 38-year history has worked 26 times, for a success rate of 68.4%.

Cumulative profit is a whopping \$64,463. One-third of that profit came from 2007, as the cyclical boom in the commodity market magnified that seasonal price move. However, this trade has produced other big gains per single contract, such as an \$8,213 gain in 2003, and even back in 1973, it registered another substantial \$9,475 gain. The biggest loss was for \$5,000 back in 2006. These numbers show this trade can produce big wins and big losses.

The futures contract does have electronic access, and there are options on this commodity. But due to the potential volatility and thinness of the market, options are a consideration but are also not as actively traded as other commodities. Therefore, let's introduce a stock that mirrors the price moves of copper without the excessive volatility. The chart below shows BHP Billiton's (BHP) prices overlaid on copper's. This company mines copper, silver, lead, and gold in Australia, Chile, Peru, and the United States.

Notice the price correlation to copper. The bottom line on the graph illustrates copper's average seasonal price moves, which BHP tracks rather closely. See pages 133–138 for additional correlated trades.

DECEMBER LONG COPPER (MAY) TRADING DAY: 10—HOLD: 47 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1972	12/14	49.65	2/27	62.20	\$3,138
1973	12/14	77.00	2/26	114.90	9,475
1974	12/13	57.00	2/24	58.50	375
1975	12/12	54.70	2/23	59.40	1,175
1976	12/14	60.50	2/22	67.00	1,625
1977	12/14	60.50	2/24	56.20	-1,075
1978	12/14	70.35	2/22	90.20	4,963
1979	12/14	101.00	2/25	121.00	5,000
1980	12/12	85.85	2/23	84.15	-425
1981	12/14	76.65	2/22	73.95	-675
1982	12/14	67.60	2/22	77.30	2,425
1983	12/14	66.65	2/22	66.35	-75
1984	12/14	60.35	2/25	58.00	-588
1985	12/13	64.35	2/21	64.65	75
1986	12/12	61.10	2/23	62.90	450
1987	12/14	97.70	2/22	89.60	-2,025
1988	12/14	125.10	2/22	129.25	1,038
1989	12/14	102.65	2/22	108.00	1,338
1990	12/14	106.00	2/25	109.70	925
1991	12/13	97.20	2/21	100.40	800
1992	12/14	99.70	2/22	99.50	-50
1993	12/14	79.80	2/22	86.75	1,738
1994	12/14	128.75	2/22	129.45	175
1995	12/14	122.70	2/23	114.20	-2,125
1996	12/13	96.20	2/21	109.70	3,375
1997	12/12	82.90	2/23	73.70	-2,300
1998	12/14	67.10	2/23	62.65	-1,113
1999	12/14	81.60	2/24	84.65	763
2000	12/14	88.60	2/23	80.10	-2,125
2001	12/14	68.50	2/26	70.85	587
2002	12/13	73.65	2/24	79.20	1,388
2003	12/12	98.40	2/25	131.25	8,213
2004	12/14	133.15	2/23	149.50	4,088
2005	12/14	191.30	2/23	219.95	7,162
2006	12/14	307.00	2/26	287.00	-5,000
2007	12/14	296.95	2/25	375.70	19,688
2008	12/12	144.10	2/23	145.75	413
2009	12/14	316.85	2/23	323.45	1,650
					38-Year Gain \$64,463

COPPER (HG) BARS AND BHP BILLITON (BHP) CLOSURES (WEEKLY DATA JANUARY 2009–MAY 2010)

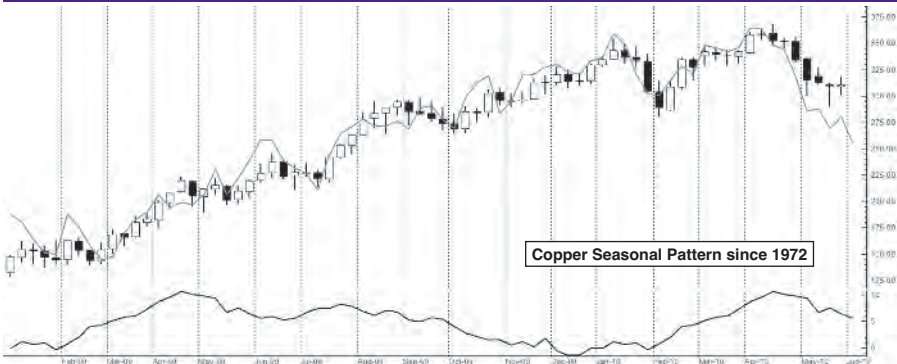


Chart courtesy TradeNavigator.com

DECEMBER

MONDAY

12

There is nothing like a ticker tape except a woman—nothing that promises, hour after hour, day after day, such sudden developments; nothing that disappoints so often or occasionally fulfils with such unbelievable, passionate magnificence.

— Walter K. Gutman (Financial analyst, described as the “Proust of Wall Street” by *New Yorker*, *You Only Have to Get Rich Once*, 1961, *The Gutman Letter*, 1903–1986)

TUESDAY

13

The symbol of all relationships among such men, the moral symbol of respect for human beings, is the trader.
— Ayn Rand (Russian-born American novelist and philosopher, from Galt’s Speech, *Atlas Shrugged*, 1957, 1905–1982)

Start Long Copper(K)—68.4% Accuracy Since 1972—End Feb. 23, 2012—Page 112

WEDNESDAY

14

LT: C(Z), W(Z), CC(Z), LH(Z)
OE: LH(Z)

I keep hearing “Should I buy? Should I buy?” When I start hearing “Should I sell?” that’s the bottom.
— Nick Moore (Portfolio manager, Jurika & Voyles, *TheStreet.com*, Mar. 12, 2001)

THURSDAY

15

LT: SP(Z)
OE: SP(Z), CL(F)

The men who can manage men manage the men who manage only things, and the men who can manage money manage all.
— Will Durant (Historian, writer, and philosopher 1885–1981)

FRIDAY

16

The only title in our democracy superior to that of President is the title of citizen.
— Louis D. Brandeis (U.S. Supreme Court justice 1916–1939, 1856–1941)

SATURDAY

17

SUNDAY

18

BRITISH POUND INVASION FADES AWAY

We hear and see information daily on the values of currencies on CNBC, Bloomberg, Fox News, and in print journals, such as *The Wall Street Journal* or *Investors Business Daily*. Analysts and investors talk about the many ways currencies can affect everyday finances, one of which is the bottom line of a multinational corporation's earnings. Another ramification of currency value fluctuations is the effect they have on individuals through their impact on the cost of vacations and business travel abroad.

One currency, the British pound or "cable," as it is referred to, has a strong seasonal tendency to decline in December. The term cable refers to the British pound/U.S. dollar exchange rate. The term was derived from the method used to report the pound/dollar exchange rate. Back in the middle 1800s, the rate was quoted via the transatlantic cable. If you are an individual investor or just happening to visit London for the holidays, perhaps this statistical trading information will be of use. If you are traveling, I would suggest holding off buying pounds until late in December.

The British pound tends to show an average seasonal weakness from late December into March, partly because U.S. dollars tend to return to the U.S., and partly because there is some book squaring pressure prior to England's new fiscal year, which begins in April. Traders can look to sell on or about December 28 and hold until on or about March 20. This trade has worked in the past 35-year history 24 times, for a success rate of 68.6%.

The chart below shows the direct correlation between the British pound/U.S. dollar futures and CurrencyShares British Pound (FXB). The 35-year average seasonal price move is the bottom line of the chart and depicts the pound's tendency to peak in late December and decline through March. See pages 133–138 for additional correlated trades.

DECEMBER SHORT BRITISH POUND (JUNE) TRADING DAY: 19–HOLD: 56 DAYS

YEAR	DATE	ENTRY CLOSE	DATE	EXIT CLOSE	PROFIT/LOSS
1975	12/29	198.10	3/18	189.30	\$11,000
1976	12/28	163.35	3/18	169.20	-7,312
1977	12/28	190.25	3/20	190.45	-250
1978	12/28	202.60	3/20	202.10	625
1979	12/31	219.00	3/20	219.45	-562
1980	12/29	239.50	3/19	228.00	14,375
1981	12/28	188.25	3/18	181.60	8,313
1982	12/28	162.20	3/17	149.90	15,375
1983	12/28	144.00	3/19	144.45	-562
1984	12/28	116.30	3/20	113.40	3,625
1985	12/27	142.15	3/19	147.40	-6,563
1986	12/26	142.80	3/18	159.50	-20,875
1987	12/28	185.25	3/17	182.45	3,500
1988	12/28	176.10	3/20	170.90	6,500
1989	12/28	155.18	3/20	157.48	-2,875
1990	12/28	188.28	3/20	176.22	15,075
1991	12/27	181.82	3/18	170.20	14,525
1992	12/28	146.88	3/18	147.74	-1,075
1993	12/28	149.62	3/17	148.82	1,000
1994	12/28	157.50	3/20	157.34	200
1995	12/28	154.14	3/19	153.12	1,275
1996	12/27	168.70	3/20	159.14	11,950
1997	12/26	166.58	3/19	165.90	850
1998	12/28	167.08	3/19	162.70	5,475
1999	12/28	161.54	3/17	157.30	5,300
2000	12/28	149.58	3/21	142.88	8,375
2001	12/28	143.64	3/21	141.82	2,275
2002	12/27	158.48	3/20	155.72	3,450
2003	12/26	174.74	3/18	181.92	-8,975
2004	12/28	191.16	3/18	191.08	100
2005	12/28	171.61	3/21	174.98	-4,212
2006	12/28	196.28	3/21	196.80	-650
2007	12/28	198.30	3/20	196.91	1,738
2008	12/26	146.51	3/19	145.15	1,700
2009	12/28	159.87	3/19	151.00	11,088
35-Year Gain					\$93,775

BRITISH POUND (BP) BARS & CURRENCYSHARES BRITISH POUND (FXB) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

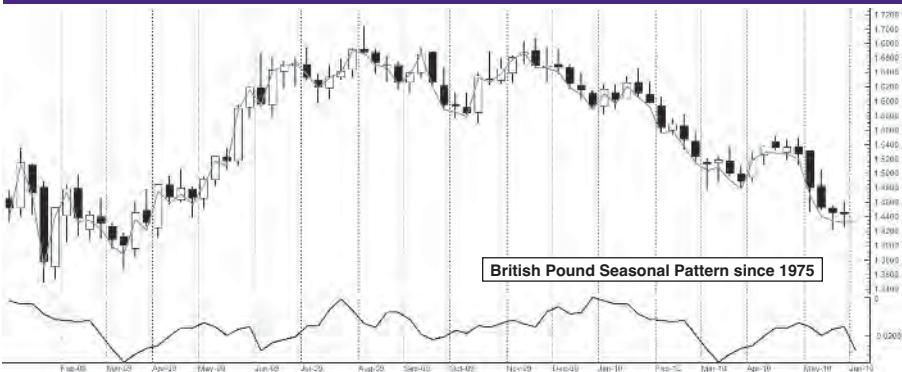


Chart courtesy TradeNavigator.com

DECEMBER

MONDAY

19

LT: KC(Z), BP(Z), EC(Z), SF(Z), JY(Z)

War is God's way of teaching Americans geography.

— Ambrose Bierce (Writer, satirist, Civil War hero, *The Devil's Dictionary*, 1842–1914?)

TUESDAY

20

LT: US(Z), CL(F)

The single best predictor of overall excellence is a company's ability to attract, motivate, and retain talented people.

— Bruce Pfau (Vice chairman human resources KPMG, *Fortune*, 1998)

Chanukah

WEDNESDAY

21

If you want to raise a crop for one year, plant corn. If you want to raise a crop for decades, plant trees.

If you want to raise a crop for centuries, raise men. If you want to plant a crop for eternities, raise democracies.

— Carl A. Schenck (German forester, 1868–1955)

THURSDAY

22

FN: CL(F)

[A contrarian's opportunity] If everybody is thinking alike, then somebody isn't thinking.

— General George S. Patton Jr. (U.S. Army field commander WWII, 1885–1945)

End Long Cocoa(H) (Nov. 4)

FRIDAY

23

Today we deal with 65,000 more pieces of information each day than did our ancestors 100 years ago.

— Dr. Jean Houston (A founder of the Human Potential Movement, b. 1937)

SATURDAY

24

Christmas Day

SUNDAY

25

SWISS FRANC TRADES LIKE GOLD

As we covered on page 70, the “Swissie” has tracked the price movement of gold. In the past, this currency had been a safe haven in times of geopolitical tensions. However, this relationship has tended to depart from the norm since the introduction of the euro currency. Moreover, with the exposure of risk from a European sovereign debt crisis, Swiss banks have been perceived to be in jeopardy. This has put downward pressure on the Swiss franc versus the U.S. dollar, while gold prices increased during the first half of 2010. But do not rule out the flight of investors to the Swissie in times of trouble in the future.

There are periods of European upheavals, as occurred in 2004, when there was dissension among members of the European Union. In fact, there were riots in Paris, and some investors flocked to the Swiss franc as a short-term safe haven. This propped up the value of the Swissie against all major currencies, including the U.S. dollar.

One of our seasonal studies suggests that traders can establish a short position that correlates with the seasonal decline in gold in the New Year. Traders can look to go short the Swiss franc on or about December 28 and hold through the end of February.

In the 35-year history, this trade has worked 26 times, for a success rate of 74.3%. The seasonal chart of gold (page 152) closely correlates to the Swiss franc. Therefore, traders may want to take note that trading both gold and the Swiss franc simultaneously would not be considered diversified trading strategies. If the trade works, then that would be great; however, traders are exposed to double the risk.

There are several ways to take advantage of this situation, such as the trade strategies for gold mentioned on page 104, trading futures or a gold stock like Freeport-McMoran Copper & Gold (FCX), or this trade in the Swiss franc or the exchange-traded fund (ETF), CurrencyShares Swiss Franc (FXF). The chart below shows the direct correlation of the Swiss franc futures and the ETF. See pages 133–138 for additional correlated trades.

DECEMBER SHORT SWISS FRANC (MAR CH) TRADING DAY: 19—HOLD: 41 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1975	12/29	38.32	2/26	39.07	-\$938
1976	12/28	41.12	2/25	39.19	2,413
1977	12/28	49.89	2/27	54.35	-5,575
1978	12/28	63.34	2/27	60.35	3,738
1979	12/31	63.94	2/28	60.04	4,875
1980	12/29	57.81	2/26	51.26	8,188
1981	12/28	55.66	2/25	53.38	2,850
1982	12/28	50.65	2/24	49.15	1,875
1983	12/28	46.25	2/27	46.20	62
1984	12/28	38.94	2/27	35.44	4,375
1985	12/27	48.62	2/26	52.90	-5,350
1986	12/26	61.27	2/25	65.03	-4,700
1987	12/28	78.17	2/25	72.02	7,688
1988	12/28	66.70	2/27	64.44	2,825
1989	12/28	64.69	2/27	67.35	-3,325
1990	12/28	78.35	2/27	75.90	3,062
1991	12/27	73.39	2/26	66.80	8,238
1992	12/28	67.60	2/25	65.79	2,262
1993	12/28	69.35	2/24	69.74	-488
1994	12/28	77.13	2/27	80.62	-4,363
1995	12/28	87.24	2/27	84.78	3,075
1996	12/27	74.65	2/27	67.95	8,375
1997	12/26	70.41	2/26	68.24	2,713
1998	12/28	73.65	2/26	69.22	5,538
1999	12/28	63.16	2/25	60.68	3,100
2000	12/28	61.52	2/28	59.94	1,975
2001	12/28	59.72	2/28	58.91	1,013
2002	12/27	72.03	2/27	73.67	-2,050
2003	12/26	79.96	2/26	78.91	1,313
2004	12/28	88.48	2/25	86.03	3,063
2005	12/28	76.48	2/28	76.32	200
2006	12/28	82.40	2/28	82.25	188
2007	12/28	89.16	2/28	95.24	-7,600
2008	12/26	93.86	2/26	85.85	10,013
2009	12/28	96.65	2/26	93.08	4,463
35-Year Gain					\$63,088

SWISS FRANC (SF) BARS & CURRENCYSHARES SWISS FRANC (FXF) CLOSES (WEEKLY DATA JANUARY 2009–MAY 2010)

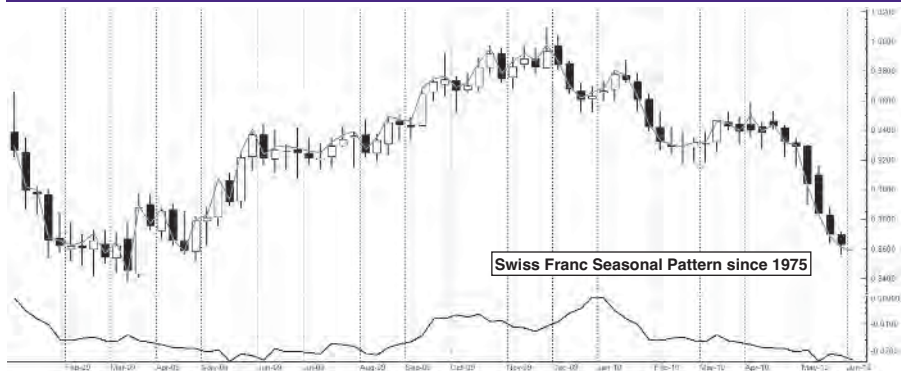


Chart courtesy TradeNavigator.com

DECEMBER/JANUARY 2012

(Market Closed)

MONDAY

26

The thing always happens that you really believe in. The belief in a thing makes it happen.

— Frank Lloyd Wright (American architect, 1867–1959)

End Long S&P 500(H) (Oct. 27)

TUESDAY

27

OE: NG(F), HG(F)

That's the American way. If little kids don't aspire to make money like I did, what the hell good is this country?

— Lee Iacocca (American industrialist, former Chrysler CEO, b. 1924)

Start Short British Pound(M)—68.6% Accuracy Since 1975—End Mar. 20, 2012—Page 114

Start Short Swiss Franc(H)—74.3% Accuracy Since 1975—End Feb. 28, 2012—Page 116

WEDNESDAY

28

LT: NG(F), HG(Z), GC(Z), SI(Z)

Whenever a well-known bearish analyst is interviewed [Cover story] in the financial press it usually coincides with an important near-term market bottom.

— Clif Droke (Clifdroke.com, 11/15/04)

THURSDAY

29

FN: NG(F)

Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with that plan.

— Tom Landry (Head coach, Dallas Cowboys 1960–1988)

End Long Swiss Franc(H) (Nov. 25)

FRIDAY

30

FN: HG(F), SI(F), S(F)

LT: LC(Z)

There is only one corner of the universe you can be certain of improving, and that's yourself.

— Aldous Huxley (English author, *Brave New World*, 1894–1963)

SATURDAY

31

New Year's Day

SUNDAY

1

2012 STRATEGY CALENDAR

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
JANUARY	26	27	28	29	30	31	1 JANUARY New Year's Day
	2	3	4	5	6	7	8
	9	10	11	12	13	14	15
	16 Martin Luther King Day	17	18	19	20	21	22
	23	24	25	26	27	28	29
FEBRUARY	30	31	1 FEBRUARY	2	3	4	5
	6	7	8	9	10	11	12
	13	14	♥ 15	16	17	18	19
	20 Presidents' Day	21	22 23 Ash Wednesday		24	25	26
	27	28	29	1 MARCH	2	3	4
MARCH	5	6	7	8	9	10	11 Daylight Saving Time Begins
	12	13	14	15	16	17 St. Patrick's Day	18
	19	20	21	22	23	24	25
	26	27	28	29	30	31	1 APRIL
	2	3	4	5	6 Good Friday	7 Passover	8 Easter
APRIL	9	10	11	12	13	14	15
	16 Tax Deadline	17	18	19	20	21	22
	23	24	25 26		27	28	29
	30	1 MAY	2	3	4	5	6
	7	8	9	10	11	12	13 Mother's Day
MAY	14	15	16	17	18	19	20
	21	22	23	24	25	26	27
	28 Memorial Day	29	30	31	1 JUNE	2	3
	4	5	6	7	8	9	10
	11	12	13	14	15	16	17 Father's Day
JUNE	18	19	20	21	22	23	24
	25	26	27	28	29	30	1 JULY

2012 STRATEGY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
2	3	4 <small>Independence Day</small>	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1 AUGUST	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22 23		24	25	26
27	28	29 3	0	31	1 SEPTEMBER	2
3 <small>Labor Day</small>	4	5	6	7	8	9
10	11	12	13	14	15	16
17 <small>Rosh Hashanah</small>	18	19	20	21	22	23
24	25	26 <small>Yom Kippur</small>	27	28	29	30
1 OCTOBER	2	3	4	5	6	7
8 <small>Columbus Day</small>	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25 26		27	28
29	30	31 	1 NOVEMBER	2	3	4 <small>Daylight Saving Time Ends</small>
5	6 <small>Election Day</small>	7	8	9	10	11 <small>Veterans' Day</small>
12	13	14	15	16	17	18
19	20	21	22 <small>Thanksgiving</small>	23	24	25
26	27	28	29	30	1 DECEMBER	2
3	4	5	6	7	8	9 <small>Chanukah</small>
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25 <small>Christmas</small>	26	27	28	29	30
31	1 JANUARY <small>New Year's Day</small>	2	3	4	5	6

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

DIRECTORY OF TRADING PATTERNS AND DATABANK

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JANUARY S&P 500 BREAK CASE STUDY

Last year we introduced two new futures products: the S&P 500 stock index contract and the 30-year Treasury bonds. As we have pointed out, the stock market has a tendency to see profit taking declines after the New Year, as investors sell positions to defer capital gains taxes on profits. Generally speaking, the overall strength from October can last into April.

Timing the trades can be tricky, as not all buy and sell dates fall exactly as scheduled year after year. That is why in last year's edition we introduced the reader to both candlestick patterns and Pivot Point analysis.

If traders want to take advantage of the January break, they can do so one of two ways. Aggressive short term-traders can look to take short positions when given an opportunity based on a bearish set-up with confirmation, such as a failure to penetrate the longer-term Pivot resistance lines.

As the chart below shows, in early January 2010, the market traded right up against the monthly predicted Person Pivot level, giving traders an opportunity to target a sell point of interest, including a level to place stop loss orders. This year we have added the trade to "Short S&P Into Early January Strength" on page 14.

The other way to take advantage of the January break is to wait for prices to decline and then look for a buying opportunity against support (page 20). Last year presented an opportunity for both style of traders. I want to point out that it is important to use technical tools to help you fine tune your entries.

There remain few indicators I trust more than my Person Pivot Indicator. As the chart below shows, these predictive indicators not only helped pinpoint the highs and lows for the entire month of January, they were also instrumental in helping uncover support or the actual low in the month of February.



JANUARY-MARCH SHORT EURO CASE STUDY

In early 2010, the financial community was gripped with fear over the European sovereign debt crisis. By early May, the concerns were a reality that had infected Greece, Portugal, and Spain and then came Hungary. As a result of this crisis, the euro declined significantly versus the U.S. dollar.

But the decline did not just happen overnight. In the grand scheme of things, we had two big seasonal plays that were right on target! Our first trade in the *2010 Almanac* to start the New Year featured the short Euro trade on page 14. Here is an excerpt straight from last year's January Almanac on page 12:

"The euro has a short lifespan since beginning in 1999. However, since inception, it has a stellar trade by going short on the third trading day and holding for 24 days. It has been up 10 and registered only one loss." This trade can now boast a track record of 11 gains out of 12 years.

But as the chart below shows, it would have been more effective to wait until a technical indicator gave the green light to sell or at least to wait until the market failed to breach above the monthly Pivot Point.

As you can see, the market bottomed out right after our holding period expired. By mid-February, the euro started to recover in value right into mid-March, where our second seasonal setup for this currency alerts us to go short.

On page 30 we stated: "The euro currency has revealed a tendency to decline during the second half of March in 7 out of 11 years." We can now boast that this has occurred 8 out of 12 years, for a 75% accuracy rate. Once again notice that the price rallied right up to the predicted monthly Pivot resistance where a sell signal was generated on my indicators. Another text book example of how to incorporate seasonal analysis with technical indicators.

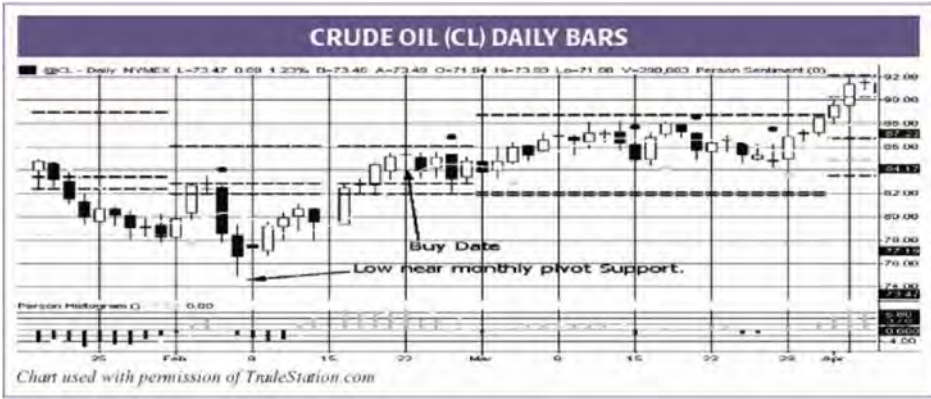


FEBRUARY LONG CRUDE OIL CASE STUDY

It is hard to argue with historical performance, and this situation is no different. It is often stated that crude oil bottoms in the first few weeks of the New Year. But the research we have put into the *Commodity Trader's Almanac* clearly shows that the best time to enter long positions is in February.

This trade now boasts a track record of 23 gains in the last 27 years. 2010 racked in another stellar performance (page 26). After a major early month decline, the price stopped just slightly above the predicted monthly Pivot point support target.

By understanding that we are entering the seasonally strong period, traders can now look for confirming indicators to help trigger long entries. In last year's edition (page 123), we used the same trade example of going long crude oil with a Stochastic and a MACD indicator. I have a proprietary indicator named Person Histogram that not only indicates a bullish convergence signal, but also a zero line cross over buy signal that supports the concept of going long this market.



The *Commodity Trader's Almanac* also features exchange-traded funds and stocks that are highly-correlated to the underlying commodity throughout with a listing on pages 133-138. Murphy Oil is one company we found that correlates well to the underlying crude oil price moves. Not only can traders take advantage of the seasonal break in crude oil, but also they can use individual stocks to profit on this information.



MARCH LONG BRITISH POUND CASE STUDY

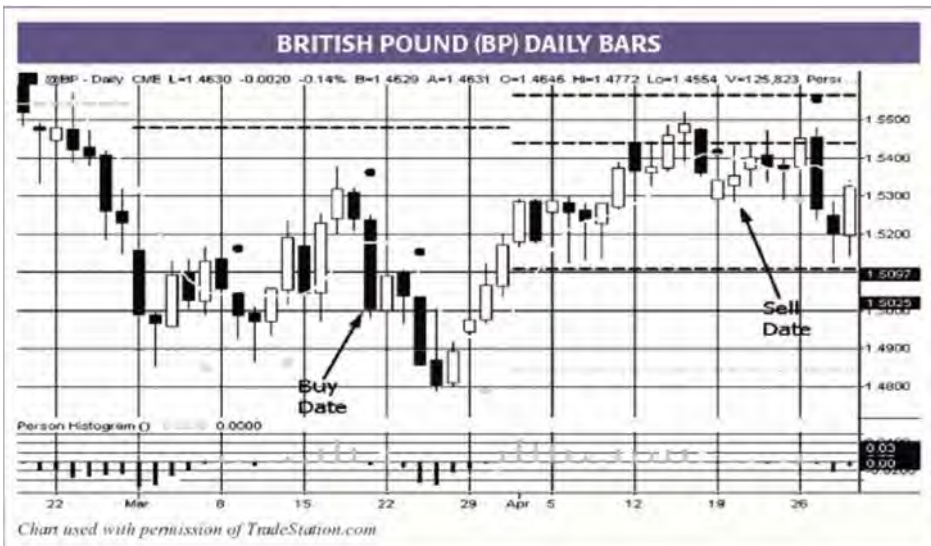
Despite the fact that the U.S. dollar gained against most of the foreign currencies in early 2010, there were still times where the seasonal forces came through for us. This next case study is no exception. As detailed on page 36, the British pound has a distinct pattern of doing the opposite of the euro and Swiss franc in March.

It has a strong tendency to move up against the U.S. dollar in mid-March. This trade has now been positive for 25 out of 35 years and now boasts a 71.4% success rate. However, once again it pays to exploit technical tools to reduce the drawdown or "heat" factor one can take initially on the trade.

As the chart below shows, there was approximately a 200-point, or tick, initial price decline from the exact seasonality buy date from about 1.5000 to 1.4800. When one incorporates technical tools, such as a zero line histogram signal against monthly Pivot support to time the entry, one sees almost immediate results.

Then, by knowing the exact holding period and exit date, if you incorporate the monthly Pivot tool to predict the resistance, you can target the exit price and, therefore, gain slightly better results. Granted once our holding period had expired, the British pound did head lower.

However, the seasonal forces did have a positive impact on this trade at this particular point in time during the calendar year. It is interesting to note that during this time frame the euro was moving lower, as the British pound moved higher against the U.S. dollar.



MAY SHORT SILVER CASE STUDY

The phrase "sell in May and go away" might resonate with stock traders, but it can also apply to silver bugs. In the 2009 edition, we introduced the concept to sell silver in mid-May. In the 2010 May Almanac on page 46 we stated, "Silver sees a strong tendency to peak—look to sell silver on or about May 14 and hold through June 25."

The closing price on May 14, 2010 was 19.22 per ounce, and then by June 4th, the price had declined to a low of 17.37. If you look at the chart below, you will see another example of how certain timing tools can be very instrumental in helping to exit as well as to enter the market.

Not only did we have a Low Close Doji pattern form on the sell date, you will also notice that the price of silver had traded at the predicted monthly Pivot Point resistance. Last year I gave the foundation of what, how, and why one should be using Pivot Point analysis on pages 6-9. In addition, I gave an explanation of my proprietary candle patterns, the Low Close Doji formation and the High Close Doji. Both of these concepts were first introduced in my second book titled *Candlestick and Pivot Point Trading Triggers: Setups for Stock, Forex, and Futures Markets*, John Wiley & Sons, 2007.

What has been effective for me as a trader is combining the reliability of seasonal factors in supply and demand functions with timing tools such as these to maximize entries and exits as well as to indicate where to set stops and how to set profit targets.

Once again, by reading the *Commodity Tinder's Almanac* and having a heads up that silver tends to decline in mid-May, had you been long, you would have had a great exit level near the monthly resistance at around 19.50. Aggressive traders, looking to go short, had a textbook strategy all mapped out for them. Let's see what 2011 brings for us!



COMMODITY SEASONALITY: TOP PERCENTAGE PLAYS

Below and continued on page 127 are the seasonal trades that are the backbone of the *Commodity Trader's Almanac*. After parsing the data compiled from the continuously linked, non-adjusted front-month contracts, seasonal strength and weakness was identified. Armed with these observations, the best contract to trade, the best time to execute, and the number of days to hold are determined for both the long and short. Inclusion of the trade is based primarily on the success rate, but new or developing trades were also included such as the long wheat trade in December (page 110).

The hold period begins the day after the purchase. Hold days correlate to the trading days, not calendar days. Weekends and days on which the CME trading floor is closed, as depicted in the Strategy Calendars on pages 10-11 and 118-119 and throughout the Almanac on the weekly planner pages, are not counted in the hold period.

Whether you are buying or shorting the commodity or a correlating stock or ETF, the same logic applies; buy on or about the trading day listed and hold for the specified period. This is intended to be a guide for your trades, not gospel. If you are satisfied with your gain or have reached your threshold for losses, get out of the trade.

Results are based on trading one contract of the month specified; commissions, fees, and taxes are omitted. Moreover, when a trade results in no gain, it is counted as a loss. The trades are also conveniently mapped to the weekly planner pages to alert you of activity throughout the year.

A graphical representation of these trades is located on pages 128 and 129. A one month view of this graphic is also on each monthly almanac page. Each commodity has been listed in the same order as the databank, with their respective long and short trade opportunities mapped to provide a month-by-month snapshot of upcoming and currently active trades.

COMMODITY SEASONALITY: TOP PERCENTAGE PLAYS

Commodity	Contract	Years	Trading Day	Hold Days	Success Rate	# Gains	# Losses	Total Gain	Best Gain	Worst Loss
January										
S&P 500 Peaks (Short)	H	1983-2010	2	12	57.1%	16	12	\$86,300	\$37,350	\$10,475
Euro Peaks (Short)	H	1999-2010	3	24	91.7	11	1	41,263	8,413	3,625
Wheat Peaks (Short)	N	1970-2010	3	85	68.3	28	13	20,744	5,775	5,775
S&P 500 Bottoms (Long)	H	1983-2010	15	7	71.4	20	8	59,688	13,900	6,125
February										
30-Year Bond Bottoms (Short)	M	1978-2010	3	44	66.7	22	11	21,781	10,125	18,375
Yen Bottoms (Long)	M	1977-2010	6	62	55.9	19	15	12,025	22,350	10,688
Soybeans Bottom (Long)	N	1969-2010	9	73	54.8	23	19	69,481	24,638	5,563
Crude Oil Bottoms (Long)	N	1984-2010	10	60	85.2	23	4	96,410	29,210	3,490
Gold Peaks (Short)	J	1975-2010	13	17	63.9	23	13	36,350	14,300	6,170
Silver Peaks (Short)	K	1973-2010	13	45	76.3	29	9	125,185	103,500	17,550
Sugar Peaks (Short)	N	1973-2010	14	39	55.3	21	17	29,546	8,669	2,083
Natural Gas Bottoms (Long)	N	1991-2010	16	41	75.0	15	5	49,650	17,310	8,380
March										
Cocoa Peaks (Short)	N	1973-2010	10	23	76.3	29	9	13,750	4,060	4,940
Yen Peaks (Short)	M	1977-2010	10	14	73.5	25	9	16,075	4,963	7,713
Euro Peaks (Short)	M	1999-2010	11	9	66.7	8	4	9,537	4,938	4,013
British Pound Bottoms (Long)	M	1976-2010	15	22	71.4	25	10	21,038	5,063	5,219
April										
30-Year Bond Bottoms (Long)	U	1978-2009	18	81	68.8	22	10	62,141	8,563	5,906
S&P 500 Bottoms (Long)	u	1982-2009	18	28	71.4	20	8	74,550	23,075	14,875
May										
Cattle Peaks (Short)	V	1976-2009	2	30	61.8	21	13	8,860	2,780	2,470
Copper Peaks (Short)	N	1973-2009	8	13	62.2	23	14	17,313	6,575	5,825
Silver Peaks (Short)	N	1973-2009	10	29	64.9	24	13	58,045	19,750	13,000
Coffee Peaks (Short)	U	1974-2009	16	54	72.2	26	10	147,979	37,556	17,119
British Pound Peaks (Short)	U	1975-2009	20	8	65.7	23	12	16,013	7,125	1,938

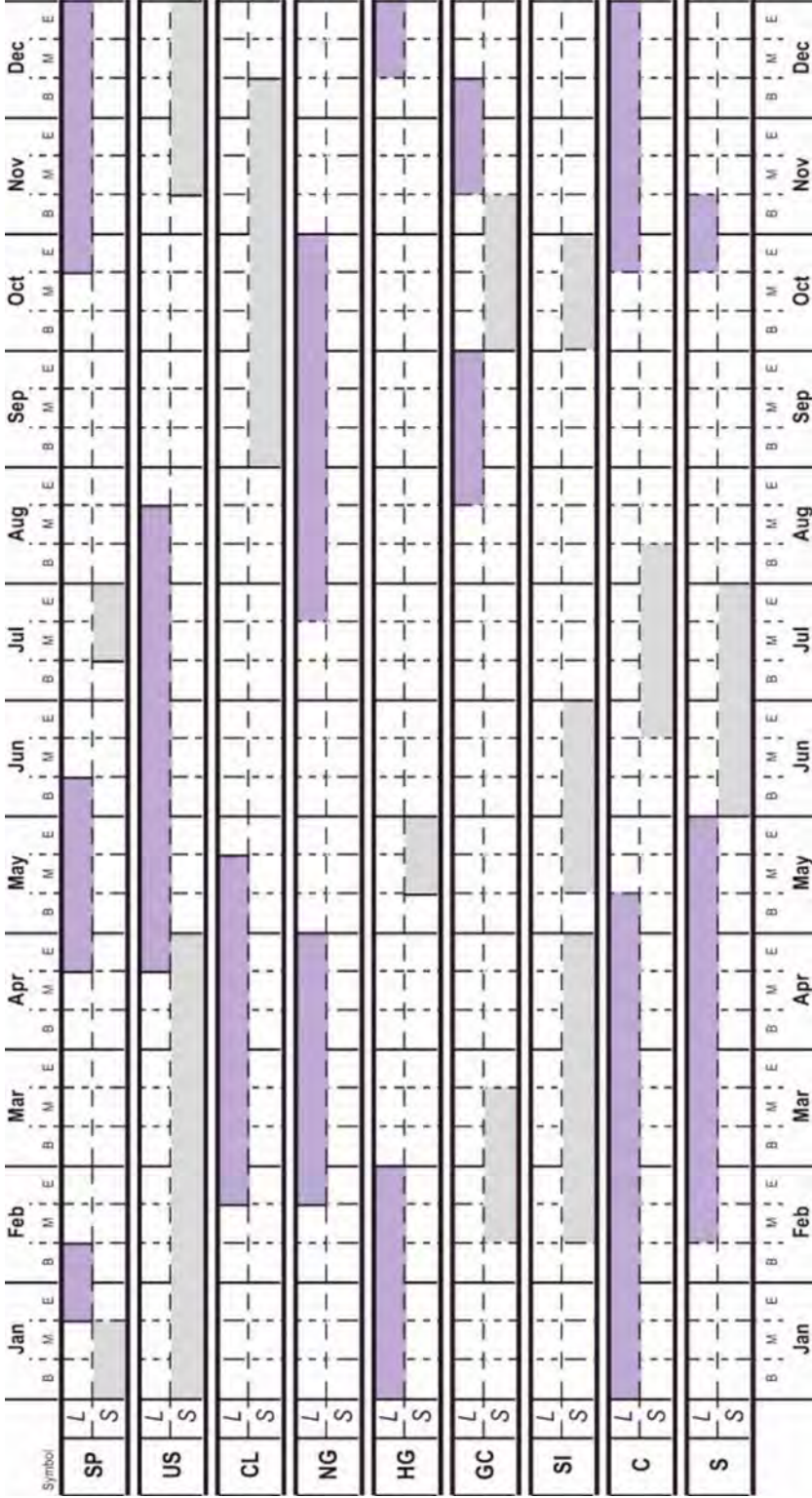
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COMMODITY SEASONALITY: TOP PERCENTAGE PLAYS

COMMODITY SEASONALITY: TOP PERCENTAGE PLAYS

Commodity	Contract	Years	Trading Day	Hold Days	Success Rate	# Gains	# Losses	Total Gain	Best Gain	Worst Loss
June										
30-Year Bond Bottoms (Long)	U	1978-2009	2	10	65.6%	21	11	\$20,266	\$5,156	\$2,828
Cocoa Bottoms (Long)	U	1973-2009	2	24	64.9	24	13	14,590	2,980	4,130
Soybeans Peak (Short)	U	1970-2009	5	36	65.0	26	14	27,725	12,763	16,375
Wheat Bottoms (Long)	Z	1970-2009	6	105	55.0	22	18	12,175	12,025	15,300
Sugar Bottoms (Long)	V	1975-2009	11	32	60.0	21	14	10,573	4,704	5,869
Cattle Bottoms (Long)	J	1970-2009	14	160	65.0	26	14	22,240	5,110	11,600
Corn Peaks (Short)	U	1970-2009	18	25	67.5	27	13	29,669	8,975	3,888
British Pound Bottoms (Long)	U	1975-2009	20	16	68.6	24	11	29,550	8,406	7,188
July										
S&P 500 Peaks (Short)	U	1982-2009	10	7	67.9	19	9	52,088	19,150	12,650
Natural Gas Bottoms (Long)	X	1990-2009	17	62	60.0	12	8	44,770	47,710	29,890
Cocoa Peaks (Short)	Z	1973-2009	18	70	67.6	25	12	16,330	8,590	11,380
August										
Swiss Franc Bottoms (Long)	Z	1975-2009	6	48	71.4	25	10	52,300	10,050	5,375
Coffee Bottoms (Long)	Z	1974-2009	12	13	66.7	24	12	38,880	9,713	7,058
Cocoa Bottoms (Long)	Z	1973-2009	14	24	67.6	25	12	26,340	5,470	2,090
Gold Bottoms (Long)	Z	1975-2009	18	25	60.0	21	14	41,160	10,380	4,280
September										
Euro Bottoms (Long)	Z	1999-2009	5	16	90.9	10	1	17,283	6,950	5,012
Crude Oil Peaks (Short)	G	1983-2009	8	62	66.7	18	9	72,550	57,280	13,870
Cocoa Peaks (Short)	Z	1973-2009	10	33	70.3	26	11	19,340	5,230	4,600
British Pound Bottoms (Long)	Z	1975-2009	12	33	65.7	23	12	52,138	14,000	28,288
October										
Gold Peaks (Short)	Z	1975-2009	2	25	62.9	22	13	6,570	11,210	9,140
Silver Peaks (Short)	Z	1972-2009	4	17	60.5	23	15	29,845	11,100	8,800
Yen Peaks (Short)	H	1976-2009	12	78	61.8	21	13	33,325	12,213	13,950
Soybeans Bottom (Long)	F	1968-2009	16	12	61.9	26	16	16,151	2,988	1,750
Euro Bottoms (Long)	H	1999-2009	18	47	72.7	8	3	58,750	14,813	5,500
S&P 500 Bottoms (Long)	H	1982-2009	19	41	75.0	21	7	216,038	38,975	13,600
Com Bottoms (Long)	N	1968-2009	20	133	50.0	21	21	9,619	11,138	5,450
November										
Lean Hogs Bottoms (Long)	G	1969-2009	2	13	65.9	27	14	14,050	2,090	2,390
Cocoa Bottoms (Long)	H	1972-2009	4	34	52.6	20	18	18,630	6,920	4,060
Gold Bottoms (Long)	G	1975-2009	13	10	54.3	19	16	23,620	7,560	2,710
30-Year Bond Peaks (Short)	M	1977-2009	14	107	54.5	18	15	20,141	9,656	19,438
Sugar Peaks (Short)	H	1972-2009	17	50	55.3	21	17	1,534	21,056	10,114
Swiss Franc Bottoms (Long)	H	1975-2009	18	24	54.3	19	16	38,075	11,400	4,438
December										
Wheat Bottoms (Long)	K	1970-2009	5	20	60.0	24	16	6,862	8,400	3,838
Corn Bottoms (Long)	N	1970-2009	6	22	65.0	26	14	12,556	4,063	1,213
Copper Bottoms (Long)	K	1972-2009	10	47	68.4	26	12	64,463	19,688	5,000
British Pound Peaks (Short)	M	1975-2009	19	56	68.6	24	11	93,775	15,375	20,875
Swiss Franc Peaks (Short)	H	1975-2009	19	41	74.3	26	9	63,088	10,013	7,600

Commodity Seasonality Strategy Calendar*



*Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127 = Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

Commodity Seasonality Strategy Calendar*

Symbol	Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		Oct		Nov		Dec	
	B	M	E	B	M	E	B	M	E	B	M	E	B	M	E	B	M	E	B	M	E	B	M	E
W	L	S																						
CC	L	S																						
KC	L	S																						
SB	L	S																						
LC	L	S																						
LH	L	S																						
BP	L	S																						
EC	L	S																						
SF	L	S																						
JY	L	S																						

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 126-127. L - Long Trade, S = Short Trade. See pages 133-138 for contract symbols.

CFTC COT REPORT- INSIDER'S LOOK, TRADER'S EDGE

Last year in the Commodity Trader's Almanac 2010 we introduced readers to the Commodity Futures Trading Commission's (CFTC) Commitment of Traders (COT) report available at www.cftc.gov and how to use it effectively.

If this is your first copy, let us reiterate. The COT report is like an insider information report, but it is legal. It acts like a true consensus of who literally "owns" the market. A trader can use this data to determine if market participants are too heavily positioned on one side of the market in a long-term trend run.

This report breaks down the three main categories of traders and shows their overall net positions. The first group is called the commercials, the next group is called non-commercials (the large speculators), and the third group is called non-reportable (the small speculators). As a rule, when you trade a large number of contracts, these positions need to be reported to the CFTC. The number of allowable positions that need to be reported varies by different futures contracts.

The data is taken from the close of business on Tuesday and then released on the following Friday at 3:30 PM ET for futures only. It is also released twice a month or every other Monday for futures combined with the figures for options.

The commercials are considered to be hedgers. They could be producers or users of a given product. Due to the fact that they already own or will own the underlying product, they are trying to hedge their risk in the cash market from adverse price moves. They do this in the futures market, and they generally receive a discount from the margin requirements set for speculators.

When a commercial entity fills out their account application, they usually disclose the fact that they are hedging. The exchanges recognize that hedgers are on the other side of the market from a cash standpoint and can usually, financially speaking, support their futures position. Therefore, they set lower margin rates for those accounts. Commercials are considered to be the "smart money" or the strong hands because they are in the business of that commodity. They are considered to have the "inside scoop."

Since money moves the market, banks and large professional traders are a bit savvier when it comes to their business. After all, one would think a bank has a good idea of where interest rates are headed once a central bank meeting occurs, right? If 80% of small speculators are accused of losing their money trading, then it would stand to reason that you would not want to be in the market on the side of the small speculator.

What you want to watch for is the net position for each category; and if you see a lopsided market position and prices are at an extreme high or an extreme low, this could signal a major turnaround in price direction. A trader can use this data to determine if market participants are too heavily positioned on one side of the market, as an historical seasonal pattern is about to come into play.

This report reveals what the professionals are doing in relation to the small speculators. It helps you to uncover imbalances in markets that may have been trending in a particular direction for quite some time, which can help you spot timing clues at market turning points and, therefore, can help you develop a game plan to enter or exit trades accordingly.

Keep in mind the commercials are sometimes not right. They are not in the market to time market turns; they are hedging their risk exposure in a cash position. Therefore the non-commercials, professional speculators, and funds, in the short term, are considered the "smart money." Here are some general guidelines to follow:

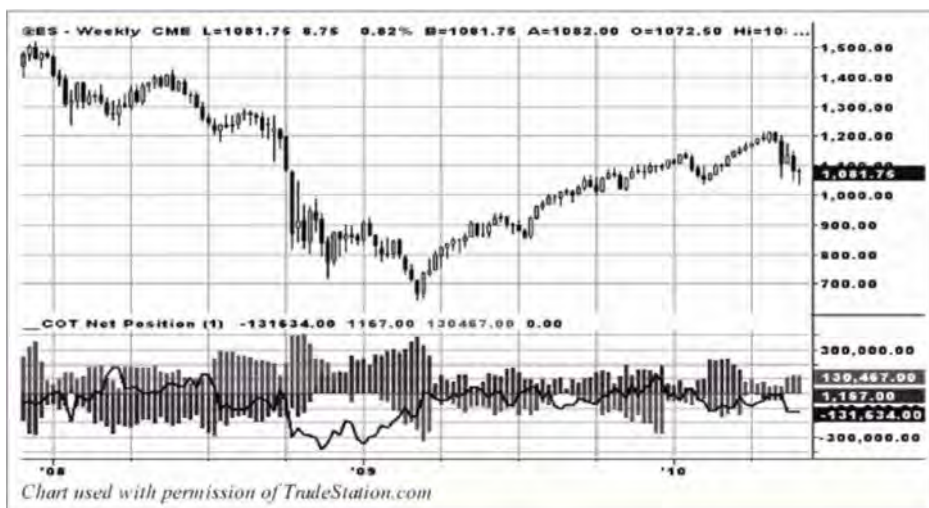
- If non-commercials are net long, commercials are net long, and the non-reportable positions category are net short by at least a two to one margin, look at buying opportunities. In other words go long with the pros.
- If non-commercials are net short, commercials are net short, and the non-reportable positions category are net long by at least two to one margin, look at selling opportunities.
- If non-commercials are net long, commercials are net short, and the non-reportable positions category are neutral, meaning not heavily net long or short, look at buying opportunities, and stick with the non-commercial "smart money."

(continued on next page)

CFTC COT REPORT-INSIDER'S LOOK, TRADER'S EDGE

(continued from previous page)

Below, using TradeStation® software is a weekly chart on the E-mini S&P 500 futures contract. The bottom portion of the chart contains a COT indicator. There are three measurements plotted on a zero line histogram. Figures above the zero line indicate longs, and readings below the zero line indicate short positions. The solid single line represents the commercials position in the market. The light grey bars represent the small speculator and the darker bars represent the large professional speculators position.



Notice throughout most of decline in the stock market in 2008, small speculators were net long while professionals were net short. Then as the market posted its low in March of 2009, small speculators increased their net short holdings by the largest amount while the professional speculators increased their long positions by the largest margin.

This relationship existed up until late April of 2010, just before the bottom fell out again. This was an instrumental tool in helping us lighten our long positions and establish speculation short positions. It is ironic that the small speculators went net long at the top of the market while professional speculators reversed and went net short.

This indicator provides an up-to-date end-of-week analysis of whose hands are in control of all the U.S. futures markets. If you use TradeStation" or would like a free trial of my COT indicator, simply visit www.nationalfutures.com, and under the tab, John's Indicators, you will see the request form.

COMMODITY AND RELATED SECURITIES SPECIFICATIONS

Contract/Security	Trading Symbol*	Exchange*	Trading Hours (ET)	Contract Size*	Unit Quoted*	Minimum Tick (Change)	Contract Months*
S&P 500 Futures	SP	CME OC	9:30a-4:15p (M-F)	S250 x index	S/index	\$0.10=\$25.00	H,M,U,Z
		Globex	4:30p-9:15a(M-Th)				
		Globex	6:00p-9:15a (Sun)				
		MSD	5:30p-6:00p				
E-mini S&P 500	ES	Globex	6:00 p-4:15p(M-Th)	\$50 x index	S.index	\$0.25=\$ 12.50	H,M,U,Z
		Globex	4:30p-5:30p (M-Th)				
		Globex	6:00p-4:15p (Sun)				
		MSD	5:30p-6:00p				
iShares S&P 500	IW	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
S&P 500 Spyder	SPY	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
30 Year Treasury	US	CME OC	8:20a-3:00p (M-F)	\$100,000	Pnt=\$1000	.5 of 1/32=\$15.625	H,M,U,Z
		ZB	Globex				
iShares Barclays 20+yr Bond	TLT	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
SPDR Barclays Long Term Treasury	TLO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Vanguard Long-Term Bond	BLV	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Crude Oil	CL	CMEOC	9:00a-2:30p (M-F)	1000 bbl	\$/bbl	\$0.01 =\$10.00	All
		Globex	6:00p-5:15p(Su-f)				
		MSD	5:15p-6:00p				
miNY Crude Oil	QM	CME	6:00p-5:15p (Su-F)	500 bbl	\$/bbl	\$0.025=\$ 12.50	All
		MSD	5:15p-6:00p				
iShares DJ US Energy	IYE	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
iShares DJ US Oil & Gas Exp&Prod	IEO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
iShares DJ US Oil Equip & Serv	IEZ	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
iShares GSCI Commodity	GSG	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
iShares S&P Global Energy	IXC	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
PowerShares DB Commodity	DBC	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
PowerShares DB Energy	DBE	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
PowerShares DB Oil	DBO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
PowerShares Oil Services	PXJ	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
SPDR Energy	XLE	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
SPDR Oil & Gas Equip & Service	XES	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
SPDR Oil & Gas Explore & Prod	XOP	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
United States 12 Month Oil Fund	USL	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
United States Oil Fund	USO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Vanguard Energy VIPERS	VDE	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF

(continued on next page)

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Contract/Security	Trading Symbol*	Exchange*	Trading Hours (ET)	Contract Size [†]	Unit Quoted [†]	Minimum Tick (Change)	Contract Months [†]
Crude Oil (continued)							
Chesapeake Energy	CHK	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Chevron	CVX	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Conoco Phillips	COP	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Exxon Mobil	XOM	NYSE	9:30a-4:00p (M-F)	STOCK		\$0.01	STOCK
Marathon Oil	MRO	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Occidental Petroleum	OXY	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Natural Gas							
	NG	CMEOC	9:00a-2:30p (M-F)	10,000 mmBtu	S/mmBtu	\$0.001=\$10.00	All
		Globex	6:00p-5:15p(Su-F)				
		MSD	5:15p-8:00p				
miNY Natural Gas	QG	Globex	6:00p-5:15p (Su-F)	2,500 mmBtu	S/mmBtu	\$0.005=\$12.50	All
		MSD	5:15p-6:00p				
First Trust ISE-Revere Natural Gas	FCG	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
iShares DJ US Oil & Gas Exp&Prod	IEO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
SPDR Oil & Gas Equip & Service	XES	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
SPDR Oil & Gas Explore & Prod	XOP	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
United States Natural Gas Fund	UNG	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Apache	APA	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Devon Energy	DVN	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
DTE Energy	DTE	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Noble	NE	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
XTO Energy	XTO	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Copper							
	HG	CMEOC	8:10a-1:00p(M-F)	25,000 lbs	¢/lb	¢0.05=\$12.50	All
		Globex	6:00p-5:15p(Su-F)				
		MSD	5:15p-6:00p				
miNY Copper (Thinly Traded)	OC	Globex	6:00p-5:15p (Su-F)	12,500 lbs	\$/lb	\$0.002=\$25.00	All
		MSD	5:15p-6:00p				
Global X Copper Miners	COPX	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
iShares DJ US Basic Materials	IYM	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
PowerShares DB Base Metals	DBB	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
BHP Billiton Ltd	BHP	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Southern Copper Corp	PCU	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK

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Gold	GC	CME/OC	8:20a-1:30p (M-F)	100 oz	\$/oz	\$0.10-\$10.00	G,J,M,Q,V,Z
		Globex	6:00p-5:15p(Su-F)				
		MSD	5:15p-6:00p				
E-miniGold	YG	Globex	6:00p-5:15p(Su-F)	33 oz		\$0.10=53.30	G,J,M,Q,V,Z
		MSD	5:15p-6:00p				
miNY Gold (Thinly Traded)	QO	Globex	6:00p-5:15p(Su-F)	50 oz		\$0.25=512.50	G,J,M,Q,V,Z
		MSD	5:15p-6:00p				
ETFS Gold	SGOL	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
iSharesComexGold	IAU	NYSE	9:30a-4:00p(M-F)	ETF		\$0.01	ETF
Market VectorsGold Miners	GDX	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
Market Vectors Jr Gold Miners	GDXJ	NYSE	9:30a-4:00p(M-F)	ETF		\$0.01	ETF
PowerShares DB Gold	DGL	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
PowerShares DB Precious Metafe	DGL	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
PowerShares Global Gold/Pre Metal	PSAU	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
SPDR Gold	GLD	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
Sprott Physical Gold	PHYS	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
Agnico-Eagle fAies	AEM	NYSE	9:30a-4:00p (M-F)	STOCK		\$0.01	STOCK
ASA Ltd.	ASA	NYSE	9:30a-4:00p (M-F)	STOCK		\$0.01	STOCK
Barrick Gold	ABX	NYSE	9:30a-4:00p (M-F)	STOCK		\$0.01	STOCK
Freeport-McMoRan Copper & Gold	FCX	NYSE	930a-4:00p (M-F)	STOCK		\$0.01	STOCK
Newmont Mining	NEM	NYSE	9:30a-4:00p (M-F)	STOCK		\$0.01	STOCK
Silver	SI	CME/OC	8:25a-1:25p (M-F)	5000 oz	¢/oz	¢0.5=\$25.00	F,H,K,N,U,Z
		Globex	6:00p-5:15p(Su-F)				
		MSD	5:15p-6:00p				
E-miniSiKier	YI	Globex	6:00p-5:15p(Su-F)	1000 oz		\$0.005=55.00	F,H,K,N,U,Z
		MSD	5:15p-6:00p				
miNY Silver (Thinly Traded)	OI	Globex	6:00p-5:15p(Su-F)	2500 oz		\$0.0125=\$31.25	F,H,K,N,U,Z
		MSD	5:15p-6:00p				
ETFS Silver	SIVR	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
Global X Stoer Miners	SIL	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
iSharesSilver	SLV	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
PowerShares DB Silver	DBS	NYSE	9:30a-4:00p (M-F)	ETF		\$0.01	ETF
Mines Management	MGN	AMEX	9:30a-4:00p (M-F)	STOCK		\$0.01	STOCK
Silver Wheaton	SLW	NYSE	9:30a-4:00p (M-F)	STOCK		\$0.01	STOCK

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Corn	C	CME OC	10:30a-2:15p (M-F)	5000 bu	c/bu	c0.25-\$12.50	H,K,N,U,Z
	ZC	Globex	7:00p-7:00a (Su-F)				
		Globex	10:30a-2:15p (Su-F)				
Mini-Sized Corn	YC	CME OC	10:30a-2:45p (M-F)	1,000 bu	c/bu	c0.125-\$1.25	H,K,N,U,Z
	XC	Globex	7:00p-7:00a (Su-F)				
		Globex	10:30a-2:45p (Su-F)				
Jefferies TR/J CRB Global Ag	CRBA	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Market Vectors Agribusiness	MOO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Archer Daniels Midland	ADM	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Bunge Ltd.	BG	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Conagra	CAG	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Gruma S.A.B. de CV	GMK	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
John Deere	DE	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Kellogg	K	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Monsanto	MON	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Mosaic	MOS	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Potash	POT	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Soybeans	S	CME OC	10:30a-2:15p (M-F)	5000 bu	c/bu	c0.25-\$12.50	F,H,K,N,Q,U,X
	ZS	Globex	7:00p-7:00a (Su-F)				
		Globex	10:30a-2:15p (Su-F)				
Mini-Sized Soybeans	YK	CME OC	10:30a-2:45p (M-F)	1000 bu	c/bu	c0.125-\$1.25	F,H,K,N,Q,U,X
	XK	Globex	7:00p-7:00a (Su-F)				
		Globex	10:30a-2:45p (Su-F)				
Jefferies TR/J CRB Global Ag	CRBA	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Market Vectors Agribusiness	MOO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Archer Daniels Midland	ADM	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Bunge Ltd.	BG	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Conagra	CAG	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
John Deere	DE	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Monsanto	MON	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Mosaic	MOS	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Potash	POT	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK

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Wheat	W	CME OC	10:30a-2:15p (M-F)	5000 bu	c/bu	c0.25=\$12.50	H,K,N,U,Z
	ZW	Globex	7:00p-7:00a (Su-F)				
			10:30a-2:15p (Su-F)				
Mini-Sized Wheat	YW	CME OC	10:30a-2:45p (M-F)	1000 bu	c/bu	c0.125=\$1.25	H,K,N,U,Z
		Globex	7:00p-7:00a (Su-F)				
			10:30a-2:45p (Su-F)				
Jefferies TR/I CRB Global Ag	CRBA	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Market Vectors Agribusiness	MOO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Archer Daniels Midland	ADM	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Bunge Ltd.	BG	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Conagra	CAG	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
General Mills	GIS	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
John Deere	DE	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Kellogg	K	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Monsanto	MON	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Mosaic	MOS	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Potash	POT	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Ralcorp Holdings	RAH	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Cocoa	CC	ICE	4:00a-2:00p (M-F)	10 mt	\$/mt	\$1.00=\$10.00	H,K,N,U,Z
	CJ	Globex	6:00p-5:15p (Su-F)				
		MSD	5:15p-6:00p				
Hershey	HSY	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Coffee	KC	ICE	3:30a-2:00p (M-F)	37500 lbs	\$/lb	\$0.0005=\$18.75	H,K,N,U,Z
	KT	Globex	6:00p-5:15p (Su-F)				
		MSD	5:15p-6:00p				
Green Mountain Coffee Roasters	GMCR	NASDAQ	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Starbucks	SBUX	NASDAQ	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Sugar	SB	ICE	3:30a-2:00p (M-F)	112000 lbs	\$/lb	\$0.0001=\$11.20	H,K,N,V
	YO	Globex	6:00p-5:15p (Su-F)				
		MSD	5:15p-6:00p				
Imperial Sugar	IPSU	NASDAQ	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK

(continued on next page)

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Live Cattle	LC	CME OC	10:05a-2:00p (M-F)	40000 lbs	c/lb	\$0.0025-\$10.00	G,J,M,Q,V,Z
	LE	Globex	10:05a M-2:55p F				
		DTH	5:00p-6:00p				
Market Vectors Agribusiness	MOO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Burger King Holdings	BKC	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
McDonalds	MCD	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Wendy's/Arby's Group	WEN	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Lean Hogs	LH	CME OC	10:05a-2:00p (M-F)	40000 lbs	c/lb	\$0.0025-\$10.00	G,J,K,M,N,Q,V,Z
	HE	Globex	10:05a M-2:55p F				
		DTH	5:00p-6:00p				
Market Vectors Agribusiness	MOO	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Hormel Foods	HRL	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
Smithfield Foods	SFD	NYSE	9:30a-4:00p (M-F)	STOCK	\$	\$0.01	STOCK
British Pound	BP	CME OC	8:20a-3:00p (M-F)	62500 £	£/\$	\$0.0001=\$6.25	H,M,U,Z
	6B	Globex	6:00p-5:00p (Su-F)				
CurrencyShares British Pound	FXB	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Euro	EC	CME OC	8:20a-3:00p (M-F)	125000 €	€//\$	\$0.0001=\$12.50	H,M,U,Z
	6E	Globex	6:00p-5:00p (Su-F)				
E-Mini Euro	E7	Globex	6:00p-5:00p (Su-F)	62500 €	€//\$	\$0.0001=\$6.25	H,M,U,Z
CurrencyShares Euro	FXE	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
WisdomTree Dreyfus Euro	EU	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Swiss Franc	SF	CME OC	8:20a-3:00p (M-F)	125000 CHF	CHF/\$	\$0.0001=\$12.50	H,M,U,Z
	6S	Globex	6:00p-5:00p (Su-F)				
CurrencyShares Swiss Franc	FXF	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
Japanese Yen	JY	CME OC	8:20a-3:00p (M-F)	12500000 ¥	¥/\$	\$0.000001=\$12.50	H,M,U,Z
	6J	Globex	6:00p-5:00p (Su-F)				
E-Mini Yen	J7	Globex	6:00p-5:00p (Su-F)	6250000 ¥	¥/\$	\$0.000001=\$6.25	H,M,U,Z
CurrencyShares Japanese Yen	FXY	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF
WisdomTree Dreyfus Japanese Yen	JYF	NYSE	9:30a-4:00p (M-F)	ETF	\$	\$0.01	ETF

* Month Codes: F = January, G = February, H = March, J = April, K = May, M = June, N = July, O = August, U = September, V = October, X = November, Z = December / OC = Open Outcry, DTH = Daily Trading Halts, MSD = Daily Maintenance Shutdown / oz = troy ounces, bu = bushels, lb = pounds, bbl = barrels, mmBtu = million British thermal units, m = metric ton. Stocks & ETFs trade at multiple exchanges. Different symbols can be assigned. All information obtained from sources believed to be reliable and subject to change. Check before trading.

SELECT COMMODITY, CURRENCY & STOCK INDEX ETFS

Bonds		Leveraged	Long <small>(continued)</small>
TLH	iShares Barclays 10-20 Yr Trsry	UCD	ProShares Ultra DJ-AIG Commodity
TLT	iShares Barclays 20+yr Bond	UCO	ProShares Ultra DJ-AIG Crude Oil
LTPZ	PIMCO 15+ Year U S TIPS	DDM	ProShares Ultra Dow 30
PLW	PowerShares 1-30 Laddered Trsry	ULE	ProShares Ultra Euro
TLO	SPDR Barclays Long Term Trsry	UGL	ProShares Ultra Gold
BLV	Vanguard Long-Term Bond	DIG	ProShares Ultra Oil & Gas
Broad Stock Index		QLD	ProShares Ultra QQQ
DIA	Diamonds	SSO	ProShares Ultra S&P 500
ONEQ	Fidelity NASDAQ Composite	AGQ	ProShares Ultra Silver
IVV	iShares S&P 500	YCL	ProShares Ultra Yen
QQQQ	PowerShares QQQ	UDOW	ProShares UltraPro Dow 30
SPY	S&P 500 Spyder	UPRO	ProShares UltraPro S&P 500
Currency		RSU	Rydex 2x S&P 500
FXA	CurrencyShares Aussie Dollar	Materials	
FXB	CurrencyShares British Pound	FXZ	First Trust Materials
FXC	CurrencyShares Canadian Dollar	IYM	iShares DJ US Basic Materials
FXE	CurrencyShares Euro	MXI	iShares S&P Global Materials
FXY	CurrencyShares Japanese Yen	VAW	Materials VIPERS
FXM	CurrencyShares Mexican Peso	PYZ	PowerShares Dyn Basic Material
FXS	CurrencyShares Swedish Krona	RTM	Rydex S&P Eq Wt Materials
FXF	CurrencyShares Swiss Franc	XLB	SPDR Materials
UDN	PowerShares DB US Dollar-Bear	DBN	WisdomTree Int Basic Materials
UUP	PowerShares DB US Dollar-Bull	Natural Resources	
BZF	WisdomTree Dreyfus Brazilian Real	SGOL	ETFS Gold
CYB	WisdomTree Dreyfus Chinese Yuan	PALL	ETFS Physical Palladium
EU	WisdomTree Dreyfus Euro	PPLT	ETFS Physical Platinum
ICN	WisdomTree Dreyfus Indian Rupee	SIVR	ETFS Silver
JYF	WisdomTree Dreyfus Japanese Yen	COPX	Global X Copper Miners
BNZ	WisdomTree Dreyfus New Zealand Dollar	SIL	Global X Silver Miners
SZR	WisdomTree Dreyfus South African Rand	GCC	GreenHaven Cont Commodity
Alt Energy & Energy		GRES	IQ ARB Global Resources
TAN	Claymore/MAC Global Solar	IAU	iShares Comex Gold
ENY	Claymore/SWM Canada Energy Income	GSG	iShares GSCI Commodity
VDE	Energy VIPERS	IGE	iShares Natural Resources
FXN	First Trust Energy	SLV	iShares Silver Trust
FCG	First Trust ISE-Reverse Natural Gas	CRBA	Jefferies TR/J CRB Global Ag
FAN	FirstTrust Global Wind Energy	CRBQ	Jefferies TR/J CRB Global Commodity
IYE	iShares DJ US Energy	MOO	Market Vectors Agribusiness
IEZ	iShares DJ US Oil Equip & Serv	GDX	Market Vectors Gold Miners
IEO	iShares DJ US Oil&Gas Exp&Prod	GDXJ	Market Vectors Jr Gold Miners
ICLN	iShares S&P Global Clean Energy	HAP	Market Vectors RVE Hard Asset Producers
IXC	iShares S&P Global Energy	DBA	PowerShares DB Agriculture
NUCL	iShares S&P Global Nuclear	DBB	PowerShares DB Base Metals
WC AT	Jefferies TR/J CRB Wildcatters Explore/Prod	DBC	PowerShares DB Commodity
KOL	Market Vectors Coal	DGL	PowerShares DB Gold
GEX	Market Vectors Global Alt Energy	DBP	PowerShares DB Precious Metals
NLR	Market Vectors Nuclear Energy	DBS	PowerShares DB Silver
KWT	Market Vectors Solar Energy	PAGG	PowerShares Global Agriculture
OIH	Oil Service HOLDERS	PSAU	PowerShares Global Gold and Prec Metals
PZD	PowerShares Cleantech	GLD	SPDR Gold
DBE	PowerShares DB Energy	XME	SPDR Metals & Mining
DBO	PowerShares DB Oil	PHYS	Sprott Physical Gold
PXI	PowerShares Dyn Energy	Short & Leveraged Short	
PXE	PowerShares Energy Exp & Prod	TBT	ProShares Ultrashort Barclays 20+ Yr
PBD	PowerShares Global Clean Energy	TMV	Direxion 30-Yr Treasury Bear 3X
PK OL	PowerShares Global Coal	ERY	Direxion Energy Bear 3x
PKN	PowerShares Global Nuclear Energy	TBF	ProShares Short 20+ Year Treasury
PWND	PowerShares Global Wind Energy	DOG	ProShares Short Dow 30
PXJ	PowerShares Oil Services	DDG	ProShares Short Oil & Gas
PBW	PowerShares WilderHill Energy	PSQ	ProShares Short QQQ
PUW	PowerShares WilderHill Prog En	SH	ProShares Short S&P 500
RYE	Rydex S&P Eq Wt Energy	SOW	ProShares UltraPro Short Dow 30
XLE	SPDR Energy	SPXU	ProShares UltraPro Short S&P 500
XES	SPDR Oil & Gas Equip & Service	CMD	ProShares Ultrashort DJ-AIG Commodity
XOP	SPDR Oil & Gas Explore & Prod	SCO	ProShares Ultrashort DJ-AIG Crude Oil
USL	United States 12 Month Oil Fund	DXD	ProShares Ultrashort Dow 30
UGA	United States Gasoline Fund	EUO	ProShares Ultrashort Euro
UHN	United States Heating Oil Fund	GLL	ProShares Ultrashort Gold
UNG	United States Natural Gas	DUG	ProShares Ultrashort Oil&Gas
USO	United States Oil Fund	QID	ProShares Ultrashort QQQ
DKA	WisdomTree Int Energy	SDS	ProShares Ultrashort S&P 500
Leveraged Long		ZSL	ProShares Ultrashort Silver
TMF	Direxion 30-Yr Treasury Bull 3X	YCS	ProShares Ultrashort Yen
ERX	Direxion Energy Bull 3x	RSW	Rydex Inverse 2x S&P 500
ÜBT	ProShares Ultra 20+ Yr Treasury	DNO	United States Short Oil

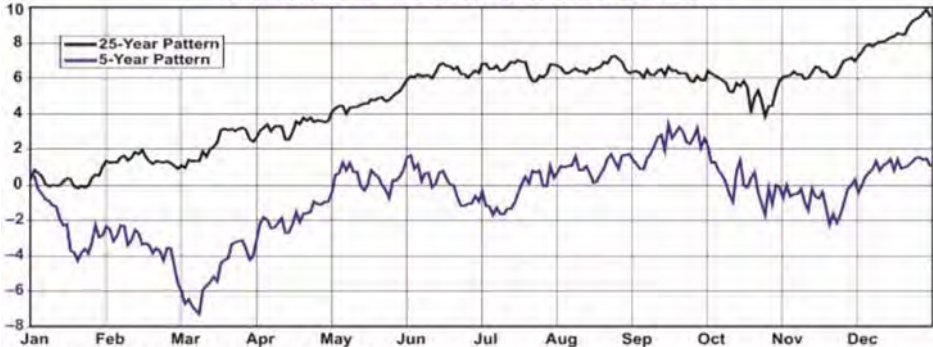
S&P 500 CYCLES, SEASONAL PATTERN, AND TRADING GUIDE

Stock prices demonstrate predictable directional price swings throughout the year at certain times, as a function of the overall condition of the economy, supply and demand of shares based on overall sector performance, and as a result of year-end window dressing and quarterly earnings reports.

There are other factors that can magnify or mute these price tendencies, as described for the past 44 years by Yale and Jeffrey Hirsch in the *Stock Traders Almanac*. The famed four-year Presidential Election/Stock Market cycle clearly shows the impact of politics on the market. There is also the January Barometer, which has a strong record for predicting the general course of stock prices for the year. Fiscal and monetary policy decisions, guided by the men in charge in Washington and Wall Street, have more to do with investors' confidence and, therefore, can be a catalyst for accelerating or putting the brakes on seasonal price moves as well.

Typically, October marks the best time of the year to buy stocks. This month has earned a reputation as a "bear killer", as 11 post-World War II bear markets were turned in October. The Santa Claus rally can spill into early January; but we do see some profit taking for tax deferral purposes, which can incite savvy traders to buy the "January Dip"* and sell before the Presidents' Day holiday weekend. In April, we see an early month sell-off, as traders liquidate shares in order to pay taxes; this is where we see a typical top. This rally, spanning November to April, is the Best Six Months. As we hit mid- to late July, after second quarter earnings season, the market begins to fade; and aggressive traders may want to be short, while buyers may want to wait until the next cycle begins at the typical October low.

S&P 500 ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data: 1985–2009

S&P 500 NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1983

YEAR	DATE	HIGH	CLOSE	DATE	LOW	CLOSE	YEAR	DATE	HIGH	CLOSE	DATE	LOW	CLOSE	YEAR	DATE	HIGH	CLOSE
1983	10/10	174.05		01/03	139.00	167.30	1997	10/07	989.60		04/11	738.50	979.10				
1984	09/17	173.00		07/24	148.85	170.20	1998	12/29	1254.60		01/09	929.50	1245.50				
1985	12/16	215.15		01/04	166.40	212.45	1999	12/31	1484.20		01/14	1219.00	1484.20				
1986	12/04	254.65		01/22	202.80	242.15	2000	03/24	1555.40		12/20	1279.60	1335.00				
1987	08/25	338.40		10/19	201.50	246.75	2001	02/01	1382.50		09/21	973.00	1149.20				
1988	10/21	285.00		01/08	240.75	280.40	2002	01/04	1175.30		10/09	777.80	878.90				
1989	10/09	363.85		01/03	277.65	356.35	2003	12/31	1110.60		03/11	800.20	1110.60				
1990	07/16	372.30		10/11	297.35	330.65	2004	12/29	1217.00		08/06	1063.60	1213.70				
1991	12/31	418.20		01/09	312.65	418.20	2005	12/14	1282.10		04/20	1139.80	1254.80				
1992	12/22	441.95		04/08	395.25	437.65	2006	12/14	1438.20		06/13	1232.40	1428.40				
1993	12/28	471.90		01/08	429.70	466.95	2007	10/09	1576.20		03/05	1372.20	1477.20				
1994	02/02	482.30		04/04	439.25	461.35	2008	01/03	1458.70		11/20	748.30	900.10				
1995	12/14	623.75		01/03	461.45	618.45	2009	12/28	1123.10		03/09	675.90	1110.70				
1996	12/26	764.60		01/10	600.75	744.50	2010*	04/23	1212.30		02/08	1055.90	AT PRESS TIME				

*Through April 30, 2010

S&P 500 NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1983	147.20	149.20	151.85	164.25	162.20	170.15	163.70	164.95	168.25	165.45	166.40	167.30
1984	165.50	157.15	161.05	161.40	150.80	154.85	152.25	167.40	170.10	168.60	164.55	170.20
1985	180.45	181.80	183.35	180.85	189.65	193.65	191.35	187.90	182.80	189.25	202.40	212.45
1986	213.05	226.00	241.00	234.80	247.55	252.25	235.95	252.65	230.60	244.70	248.65	242.15
1987	274.15	283.55	291.25	289.45	289.45	303.55	320.20	330.85	325.85	259.35	232.00	246.75
1988	257.05	267.30	259.05	261.00	262.95	275.40	273.25	261.60	274.15	279.10	273.05	280.40
1989	298.75	289.65	297.85	311.55	321.45	321.20	348.30	351.80	352.60	343.15	347.50	356.35
1990	330.50	332.95	341.45	332.10	361.75	362.35	358.60	322.55	306.75	306.80	324.05	330.65
1991	344.65	366.80	376.25	375.90	389.70	372.25	388.40	395.55	390.30	393.30	375.70	418.20
1992	408.60	412.35	404.20	414.80	414.90	409.50	423.90	414.15	418.35	417.80	430.95	437.65
1993	438.25	443.70	452.60	438.65	450.10	451.00	448.00	463.25	459.35	468.05	461.85	466.95
1994	481.70	466.15	446.75	450.35	456.20	445.05	458.90	474.10	463.25	472.45	453.95	461.35
1995	472.20	488.55	504.40	516.75	533.35	547.15	563.15	562.85	588.20	583.85	607.25	618.45
1996	637.95	638.25	651.25	654.85	666.95	676.80	642.40	651.35	691.40	709.65	758.25	744.50
1997	787.50	790.40	758.00	802.80	850.60	890.25	957.95	903.10	954.50	924.00	954.90	979.10
1998	987.80	1050.50	1110.50	1119.20	1090.80	1143.00	1123.00	954.00	1026.00	1105.20	1162.50	1245.50
1999	1281.50	1235.50	1293.30	1336.50	1297.20	1381.70	1331.80	1319.80	1298.20	1376.20	1391.50	1484.20
2000	1401.00	1372.00	1515.30	1460.00	1422.20	1468.10	1438.90	1521.20	1453.70	1440.20	1321.50	1335.00
2001	1372.90	1242.00	1169.20	1254.30	1257.40	1231.70	1215.30	1135.10	1043.70	1060.70	1140.00	1149.20
2002	1130.40	1106.90	1149.20	1077.20	1067.50	990.10	911.50	916.10	815.00	885.40	936.00	878.90
2003	854.70	840.90	847.00	916.10	963.30	973.30	989.30	1007.70	994.10	1049.50	1057.80	1110.60
2004	1129.90	1144.60	1124.90	1106.10	1120.30	1140.40	1101.10	1104.10	1114.90	1130.30	1174.10	1213.70
2005	1181.70	1204.10	1183.90	1158.50	1192.30	1195.50	1236.80	1221.40	1234.30	1209.80	1251.10	1254.80
2006	1283.60	1282.40	1303.30	1315.90	1272.10	1279.40	1281.80	1305.60	1345.40	1383.20	1402.90	1428.40
2007	1443.00	1408.90	1431.20	1488.40	1532.90	1515.40	1461.90	1476.70	1538.10	1554.90	1483.70	1477.20
2008	1379.60	1331.30	1324.00	1386.00	1400.60	1281.10	1267.10	1282.60	1167.40	967.30	895.30	900.10
2009	822.50	734.20	794.80	870.00	918.10	915.50	984.40	1019.70	1052.90	1033.00	1094.80	1110.70
2010	1070.40	1103.40	1165.20	1183.40								

S&P 500 NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

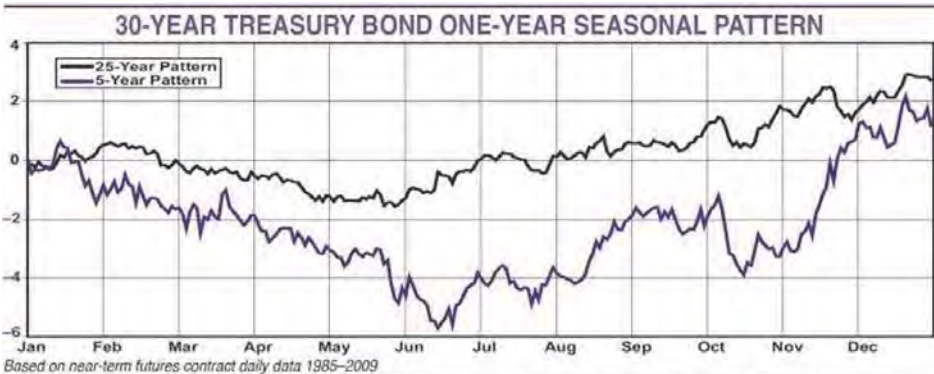
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1983	3.8	1.4	1.8	8.2	-1.2	4.9	-3.8	0.8	2.0	-1.7	0.6	0.5	18.0
1984	-1.1	-5.0	2.5	0.2	-6.6	2.7	-1.7	10.0	1.6	-0.9	-2.4	3.4	1.7
1985	6.0	0.7	0.9	-1.4	4.9	2.1	-1.2	-1.8	-2.1	3.5	6.9	5.0	24.8
1986	0.3	6.1	6.6	-2.6	5.4	1.9	-6.5	7.1	-8.7	6.1	1.6	-2.6	14.0
1987	13.2	3.4	2.7	-0.6	N/C	4.9	5.5	3.3	-1.5	-20.4	-10.5	6.4	1.9
1988	4.2	4.0	-3.1	0.8	0.7	4.7	-0.8	-4.3	4.8	1.8	-2.2	2.7	13.6
1989	6.5	-3.0	2.8	4.6	3.2	-0.1	8.4	1.0	0.2	-2.7	1.3	2.5	27.1
1990	-7.3	0.7	2.6	-2.7	8.9	0.2	-1.0	-10.1	-4.9	0.02	5.6	2.0	-7.2
1991	4.2	6.4	2.6	-0.1	3.7	-4.5	4.3	1.8	-1.3	0.8	-4.5	11.3	26.5
1992	-2.3	0.9	-2.0	2.6	0.02	-1.3	3.5	-2.3	1.0	-0.1	3.1	1.6	4.7
1993	0.1	1.2	2.0	-3.1	2.6	0.2	-0.7	3.4	-0.8	1.9	-1.3	1.1	6.7
1994	3.2	-3.2	-4.2	0.8	1.3	-2.4	3.1	3.3	-2.3	2.0	-3.9	1.6	-1.2
1995	2.4	3.5	3.2	2.4	3.2	2.6	2.9	-0.1	4.5	-0.7	4.0	1.8	34.1
1996	3.2	0.1	2.0	0.6	1.8	1.5	-5.1	1.4	6.1	2.6	6.8	-1.8	20.4
1997	5.8	0.4	-4.1	5.9	6.0	4.7	7.6	-5.7	5.7	-3.2	3.3	2.5	31.5
1998	0.9	6.3	5.7	0.8	-2.5	4.8	-1.7	-15.0	7.5	7.7	5.2	7.1	27.2
1999	2.9	-3.6	4.7	3.3	-2.9	6.5	-3.6	-0.9	-1.6	6.0	1.1	6.7	19.2
2000	-5.6	-2.1	10.4	-3.6	-2.6	3.2	-2.0	5.7	-4.4	-0.9	-8.2	1.0	-10.1
2001	2.8	-9.5	-5.9	7.3	0.2	-2.0	-1.3	-6.6	-8.1	1.6	7.5	0.8	-13.9
2002	-1.6	-2.1	3.8	-6.3	-0.9	7.3	-7.9	0.5	-11.0	8.6	5.7	-6.1	-23.5
2003	-2.8	-1.6	0.7	8.2	5.2	1.0	1.6	1.9	-1.3	5.6	0.8	5.0	26.4
2004	1.7	1.3	-1.7	-1.7	1.3	1.8	-3.4	0.3	1.0	1.4	3.9	3.4	9.3
2005	-2.6	1.9	-1.7	-2.1	2.9	0.3	3.5	-1.2	1.1	-2.0	3.4	0.3	3.40
2006	2.3	-0.1	1.6	1.0	-3.3	0.6	0.2	1.9	3.0	2.8	1.4	1.8	13.8
2007	1.0	-2.4	1.6	4.0	3.0	-1.1	-3.5	1.0	4.2	1.1	-4.6	-0.4	3.4
2008	-6.6	-3.5	-0.5	4.7	1.1	-8.5	-1.1	1.2	-9.0	-17.1	-7.4	0.5	-39.1
2009	-8.6	-10.7	8.3	9.5	5.5	-0.3	7.5	3.6	3.3	-1.9	6.0	1.5	23.4
2010	-3.6	3.1	5.6	1.6									

TOTALS	22.4	-5.4	48.9	42.3	40.9	21.1	2.8	0.2	-11.6	1.9	23.2	59.6	
AVG	0.8	-0.2	1.7	1.5	1.5	0.8	0.1	0.01	-0.4	0.1	0.9	2.2	
# Up	18	16	20	16	18	19	11	17	14	16	18	23	
# Down	10	12	8	10	7	9	16	10	13	11	9	4	

30-YEAR TREASURY BOND CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Even though the 10-year note has become the benchmark yield instrument, the long end of the yield curve offers investors added volatility and much bigger price swings. Price is the opposite of yield; when prices move up, interest rates go down, and when prices decline, interest rates are rising. Moreover, Treasury issues, at times, have a decoupling relationship with stock price action. When stocks go up, investors sell bonds to raise cash to allocate back into equities and vice versa. In times of financial and economic upheaval, as was the case in late 2008, bond prices soar. However, we still see a seasonal cycle of supply and demand flows, as bond prices tend to peak towards mid-December when investors reallocate funds for year-end book adjustments. It is no coincidence that as stock prices are at their best, bond prices are beginning to peak. If that theory holds, then the opposite should be true.

Bond prices typically tend to make their seasonal bottom in late June to mid-July, as stocks tend to see summertime highs. Other factors that weigh on Treasury prices are the perception of inflation, whether real or not. Inflation, as well as increases in supply, reduce an investment instrument's long-term value. When we are in periods of rising inflation, we will see price declines (rising yields and interest rates). This accounts for the loss in the value of a bond today vis-a-vis the face value of the bond at maturity. A higher yield attracts an investor; in other words, higher interest rates help boost demand. The government spends money, and to raise capital they issue treasury bonds. This is done through quarterly refunding operations. Typically, the Treasury Department's borrowing estimates are announced for the second quarter around late January or early February, and this can add pressure to bond prices, where we see a seasonal decline lasting to the seasonal lows in June.



30-YEAR TREASURY BOND NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1978

HIGH		LOW		YEAR	HIGH		LOW		YEAR
YEAR	DATE	CLOSE	DATE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE
1978	01/04	98'310	12/28	90'060	1995	12/29	121'150	01/03	98'230
1979	07/02	92'090	11/07	78'060	1996	01/03	121'180	06/12	105'280
1980	06/16	86'000	02/21	64'130	1997	12/22	120'290	04/11	106'200
1981	01/05	72'290	09/29	55'260	1998	10/05	134'210	03/05	118'210
1982	11/04	79'030	02/09	57'030	1999	01/29	128'000	12/23	90'300
1983	05/04	79'220	08/08	68'220	2000	12/22	105'190	01/18	89'070
1984	12/18	72'220	05/30	59'080	2001	11/07	111'160	05/29	98'180
1985	12/27	85'100	03/18	67'170	2002	10/09	114'200	03/14	97'260
1986	04/16	104'270	01/13	81'250	2003	06/13	122'210	09/03	104'070
1987	01/09	101'190	10/19	77'250	2004	03/17	115'310	06/14	103'000
1988	02/10	95'010	08/22	83'310	2005	06/27	119'080	03/22	109'240
1989	08/01	100'120	03/20	86'160	2006	01/17	114'280	06/28	105'150
1990	01/02	98'130	08/24	87'050	2007	11/26	118'280	06/12	105'110
1991	12/31	104'240	06/12	92'090	2008	12/30	141'135	06/13	111'270
1992	09/08	106'290	03/16	97'090	2009	01/15	137'045	06/10	112'220
1993	10/15	121'300	01/12	103'210	2010*	02/05	119'160	04/05	114'120
1994	01/28	117'140	11/11	96'020					AT PRESS LLC
				99'050					

*Through April 30, 2010

30-YEAR TREASURY BOND NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1978	97'230	96'140	95'300	95'150	93'210	93'000	93'180	95'070	93'100	91'050	92'190	90'110
1979	91'160	89'210	90'050	88'060	89'270	91'270	90'170	89'110	87'250	79'300	82'130	82'060
1980	74'160	69'000	67'270	77020	79'140	81 '060	75'100	73'090	70'220	67'260	69'080	71'120
1981	69'090	65'310	67'020	61'280	65'260	64'120	61'010	58'080	56'000	58'220	65'200	61'290
1982	60'230	61'140	61'300	63'060	63'030	60'220	62'260	66'210	71'020	76'170	74'280	76'200
1983	73'110	76'220	75'310	78'300	74'020	74'140	69'300	69'070	72'230	70'220	71'020	70'010
1984	70'260	68'070	66'070	64'220	59'150	59'200	64'160	65'050	67070	70'250	70'290	71'020
1985	73'060	67'280	69'230	70'240	76'130	77'020	75'060	76'010	75'190	78'170	80'160	85'070
1986	85'050	94'000	102'100	100'240	93'030	99'180	97'260	101'230	96'180	98'030	98'240	98'060
1987	99'220	100'140	98'150	93'020	91'020	91'160	89'160	86'170	81'220	87180	86'240	87310
1988	93'290	93'200	90'020	87290	84'290	86'240	86'060	85'160	88'240	91'130	88'030	89'040
1989	90'260	88'060	88'130	90'060	93'000	97'300	99'240	96'070	95'270	99'110	99'150	98'210
1990	94'080	93'060	91'280	88'260	92'230	94'110	94'220	88'260	89'120	91'030	94'180	95'230
1991	96'100	95'170	95'150	96'130	94'310	93'200	94'270	97'080	100'000	99'260	98'260	104'240
1992	101'010	100'100	98'230	98'040	99'230	100'210	104'270	103'310	105'100	102'240	101'310	104'210
1993	107'060	109'200	109'170	110'050	109'050	113'300	115'160	118'130	118'170	118'240	114'070	114'160
1994	117'050	111'110	106'080	104'160	102'200	101'070	104'250	102'290	98'300	98'110	98'020	99'050
1995	101'150	103'140	103'290	105' 110	112'210	113' 170	111'070	112'240	114'110	117'020	119'050	121'150
1996	120'300	114'100	111'150	109'050	107'170	109'170	109'040	106'250	109'060	113'000	115'280	112'200
1997	111'140	110'140	107'070	109'090	109'200	111'020	116'240	112'240	115'090	118'150	119'010	120'150
1998	122'090	120'150	120'080	120'070	121'160	123'190	122'190	127'000	131'150	128'290	129'190	127'250
1999	128'000	120'310	120'180	120'060	117'150	115'290	114'310	113'310	113'300	113'190	93'020	90'300
2000	92'070	94'220	97'220	96'180	95'200	97'110	98'190	100'140	98'210	99'270	102'210	104'200
2001	104'020	105'090	104'060	100'150	99'180	100'100	104'010	105'100	105'160	110'140	103'220	101'170
2002	102'270	102'290	98'050	102'100	101'040	102'250	105'300	109'220	114'080	110'210	107'300	112'220
2003	112'060	114'150	112'240	114'010	119'070	117'110	105'200	106'000	112'050	108'230	107'270	109'100
2004	111'110	112'140	114'020	107'030	105'070	106'120	108'070	111'100	112'070	113'270	110'040	112'160
2005	114'270	112'110	111'120	114'270	117'140	118'240	115'100	118'010	114'130	111'310	112'010	114'060
2006	112'270	113'030	109'050	106'270	106'070	106'210	108'090	111'020	112'130	112'210	114'120	111'140
2007	110'040	112'300	111'080	111'240	109'040	107'240	110'020	111'180	111'110	112'190	117'060	116'120
2008	119'100	118'200	118'255	116'285	113'160	115'190	115'160	117'100	117'055	113'040	127'155	138'015
2009	126'225	123'110	129'225	122'180	117'210	118'115	119'000	119'240	121'120	120'050	122'230	115'120
2010	118'260	117'220	116'040	119'020								

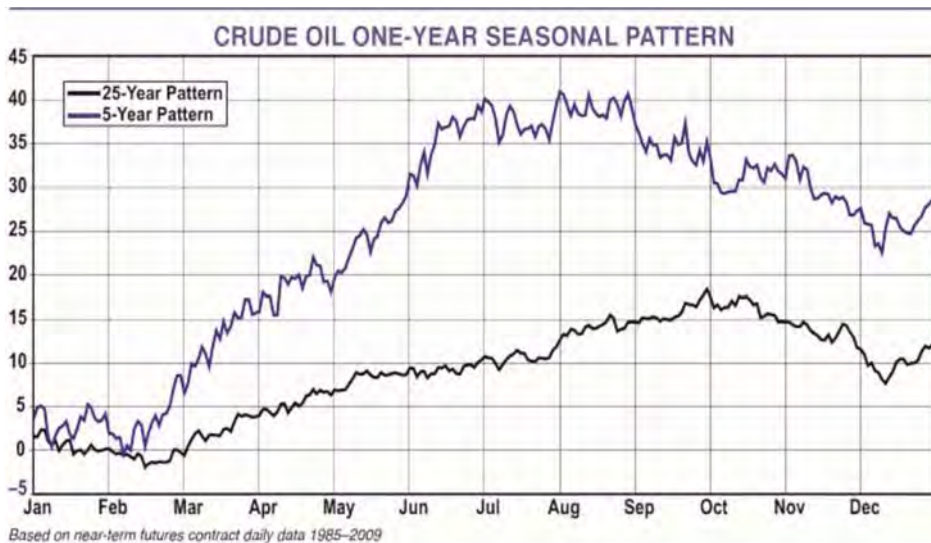
30-YEAR TREASURY BOND NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1978	-1.8	-1.3	-0.5	-0.5	-1.9	-0.7	0.6	1.8	-2.0	-2.3	1.6	-2.4	-9.2
1979	1.3	-2.0	0.6	-2.2	1.9	2.2	-1.4	-1.3	-1.7	-8.9	3.1	-0.3	-9.0
1980	-9.4	-7.4	-1.7	13.6	3.1	2.2	-7.2	-2.7	-3.5	-4.10	2.1	3.1	-13.2
1981	-2.9	-4.8	1.7	-7.7	6.4	-2.2	-5.2	-4.6	-3.9	4.8	11.8	-5.7	-13.3
1982	-1.9	1.2	0.8	2.0	-0.1	-3.8	3.5	6.1	6.6	7.7	-2.2	2.3	23.8
1983	-4.3	4.6	-0.9	3.9	-6.2	0.5	-6.0	-1.0	5.1	-2.8	0.5	-1.5	-8.6
1984	1.1	-3.7	-2.9	-2.3	-8.1	0.3	8.2	1.0	3.2	5.3	0.2	0.2	1.5
1985	3.0	-7.3	2.7	1.5	8.0	0.9	-2.4	1.1	-0.6	3.9	2.5	5.9	19.9
1986	-0.1	10.4	8.8	-1.5	-7.6	6.9	-1.8	4.0	-5.1	1.6	0.7	-0.6	15.2
1987	1.5	0.8	-2.0	-5.5	-2.1	0.5	-2.2	-3.3	-5.6	7.2	-0.9	1.4	-10.4
1988	6.7	-0.3	-3.8	-2.4	-3.4	4.5	-2.9	-0.8	3.8	3.0	-3.6	1.2	1.3
1989	1.9	-2.9	0.2	2.0	3.1	5.3	1.9	-3.5	-0.4	3.7	0.1	-0.8	10.7
1990	-4.5	-1.1	-1.4	-3.3	4.4	1.8	0.4	-6.2	0.6	1.9	3.8	1.2	-3.0
1991	0.6	-0.8	-0.1	1.0	-1.5	-1.4	1.3	2.5	2.8	-0.2	-1.0	6.0	9.4
1992	-3.6	-0.7	-1.6	-0.6	1.6	0.9	4.2	-0.8	1.3	-2.4	-0.8	2.6	-0.1
1993	2.4	2.3	-0.1	0.6	-0.9	4.4	1.4	2.5	0.1	0.2	-3.8	0.2	9.4
1994	2.3	-5.0	1.6	-1.6	-1.8	-1.4	3.5	-1.8	-0.6	-0.6	-0.3	1.1	-13.4
1995	2.3	1.9	0.5	1.4	6.9	0.8	-2.0	1.4	1.4	2.4	1.8	1.9	22.5
1996	-0.4	-5.5	-2.5	-2.1	-1.5	1.9	-0.4	-2.1	2.3	3.5	2.5	-2.8	-7.3
1997	-1.1	-0.9	-2.9	1.9	0.3	1.3	5.1	-3.4	2.2	2.8	0.5	1.2	7.0
1998	1.5	-1.5	-0.2	-0.03	1.1	1.7	-0.8	3.6	3.5	-1.9	0.5	-1.4	6.1
1999	0.2	-5.5	-0.3	-0.3	-2.3	-1.3	-0.8	-0.9	-0.03	-0.3	-18.1	-2.3	-28.8
2000	1.4	2.7	3.2	-1.2	-1.0	1.8	1.3	1.9	-1.8	1.2	2.8	1.9	15.1
2001	-0.5	1.2	-1.0	-3.6	-0.9	0.8	3.7	1.2	0.2	4.7	-6.1	-2.1	-3.0
2002	1.3	0.1	-4.6	4.2	-1.2	1.6	3.1	3.5	4.2	-3.1	-2.5	4.4	11.0
2003	-0.4	2.0	-1.5	1.1	4.5	-1.6	-10.0	0.4	5.8	-3.1	-0.8	1.4	-3.0
2004	1.9	1.0	1.4	-6.1	-1.8	1.1	1.7	2.9	0.8	1.4	-3.3	2.2	2.9
2005	2.1	-2.2	-0.9	3.1	2.3	1.1	-2.9	2.4	-3.1	-2.1	0.1	1.9	1.5
2006	-1.2	0.2	-3.5	-2.1	-0.6	0.4	1.5	2.6	1.2	0.2	1.5	-2.6	-2.4
2007	-1.2	2.6	-1.5	0.4	-2.3	-1.3	2.1	1.4	-0.2	1.1	4.1	-0.70	4.4
2008	2.5	-0.6	0.1	-1.6	-2.9	1.8	-0.1	1.6	-0.1	-3.5	12.7	8.3	18.6
2009	-8.2	-2.7	5.2	-5.5	-4.0	0.6	0.5	0.6	1.4	-1.0	2.1	-6.0	-16.4
2010	3.0	-0.9	-1.3	2.5									
TOTALS	-4.5	-26.1	-14.6	-10.9	-8.5	31.6	-2.1	10.1	14.6	20.3	11.6	19.2	
AVG	-0.1	-0.8	-0.4	-0.3	-0.3	1.0	-0.1	0.3	0.5	0.6	0.4	0.6	
	18	# 13	11p	14	12	24	17	19	18	18	20	19	
	15	# 20	Do	19	20	8	15	13	14	14	12	13	

CRUDE OIL CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Crude oil has shown strong seasonal bottoms in December and has a strong tendency to peak in September. One explanation for this is that refiners are building inventories ahead of the summer driving season and there is still a demand for heating oil as well as the competition from diesel and jet fuels. As the summer driving season ends, refiners focus more on increasing inventories for heating oil, and there is less demand for gasoline, so we have seen price weakness through the end of December into February.

One of the many aspects that resulted in the unprecedented price increase in crude oil in 2008 was the insatiable demand from China, India, and other developing nations. In addition, it is valued in terms of the U.S. dollar, so when we have periods of a weaker dollar against foreign currencies, this has helped support the value of crude oil prices, as occurred through late 2007 into mid-2008.



CRUDE OIL NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1984

YEAR	HIGH		LOW		YEAR	HIGH		LOW		YEAR	
YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE
1984	05/16	31.22	12/20	26.33	26.41	1998	01/29	17.82	12/10	10.72	12.05
1985	11/25	31.01	12/17	25.09	26.30	1999	11/22	27.07	02/16	11.48	25.60
1986	01/06	26.57	03/31	10.42	17.94	2000	10/12	35.72	04/11	23.39	26.80
1987	08/03	22.16	12/18	15.40	16.70	2001	02/08	31.59	11/15	17.84	19.84
1988	04/26	18.60	10/05	12.60	17.24	2002	12/27	32.72	01/17	18.63	31.20
1989	12/26	21.91	02/14	16.81	21.82	2003	03/07	37.78	04/29	25.24	32.52
1990	10/09	40.40	07/06	16.47	28.44	2004	10/22	55.17	02/06	32.48	43.45
1991	01/16	30.29	02/22	17.91	19.12	2005	08/30	69.81	01/03	42.12	61.04
1992	06/24	22.89	01/09	17.86	19.50	2006	07/14	78.71	11/02	57.88	61.05
1993	03/04	21.07	12/28	14.11	14.17	2007	11/23	98.18	01/18	51.81	95.98
1994	08/01	20.55	03/28	14.08	17.76	2008	07/14	145.78	12/24	37.45	39.00
1995	05/01	20.50	07/20	16.77	19.55	2009	10/21	81.37	02/18	37.41	79.36
1996	12/31	25.92	01/29	17.45	25.92	2010*	04/06	86.84	02/05	71.19	AT PRESS TIME
1997	01/08	26.62	12/30	17.60	17.64						

Through April 30, 2010

CRUDE OIL NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1984	29.98	30.55	30.85	30.26	30.83	29.75	27.60	29.23	29.66	28.46	27.31	26.41
1985	26.41	26.73	28.29	27.63	27.84	26.87	27.12	28.08	29.08	30.38	29.75	26.30
1986	18.83	13.26	10.42	13.34	14.30	12.78	11.15	15.90	14.77	15.27	15.00	17.94
1987	18.75	16.60	18.83	18.73	19.38	20.29	21.37	19.73	19.59	19.96	18.51	16.70
1988	16.94	16.01	17.08	17.99	17.51	15.16	16.31	15.18	13.37	13.58	15.32	17.24
1989	17.03	18.15	20.19	20.42	19.90	20.27	18.31	18.83	20.13	19.94	19.89	21.82
1990	22.68	21.54	20.28	18.54	17.40	17.07	20.69	27.32	39.51	35.23	28.85	28.44
1991	21.54	19.16	19.63	20.96	21.13	20.56	21.68	22.26	22.23	23.37	21.48	19.12
1992	18.90	18.68	19.44	20.85	22.11	21.60	21.87	21.48	21.71	20.62	19.89	19.50
1993	20.26	20.60	20.44	20.53	20.02	18.85	17.88	18.29	18.79	16.92	15.43	14.17
1994	15.19	14.48	14.79	16.90	18.31	19.37	20.30	17.56	18.39	18.19	18.05	17.76
1995	18.39	18.49	19.17	20.38	18.89	17.40	17.56	17.84	17.54	17.64	18.18	19.55
1996	17.74	19.54	21.47	21.20	19.76	20.92	20.42	22.25	24.38	23.35	23.75	25.92
1997	24.15	20.30	20.41	20.21	20.88	19.80	20.14	19.61	21.18	21.08	19.15	17.64
1998	17.21	15.44	15.61	15.39	15.20	14.18	14.21	13.34	16.14	14.42	11.22	12.05
1999	12.75	12.27	16.76	18.66	16.84	19.29	20.53	22.11	24.51	21.75	24.59	25.60
2000	27.64	30.43	26.90	25.74	29.01	32.50	27.43	33.12	30.84	32.70	33.82	26.80
2001	28.66	27.39	26.29	28.46	28.37	26.25	26.35	27.20	23.43	21.18	19.44	19.84
2002	19.48	21.74	26.31	27.29	25.31	26.86	27.02	28.98	30.45	27.22	26.89	31.20
2003	33.51	36.60	31.04	25.80	29.56	30.19	30.54	31.57	29.20	29.11	30.41	32.52
2004	33.05	36.16	35.76	37.38	39.88	37.05	43.80	42.12	49.64	51.76	49.13	43.45
2005	48.20	51.75	55.40	49.72	51.97	56.50	60.57	68.94	68.24	59.76	57.32	61.04
2006	67.92	61.41	66.63	71.88	71.29	73.93	74.40	70.26	62.91	58.73	63.13	61.05
2007	58.14	61.79	65.87	65.71	64.01	70.68	78.21	74.04	81.66	94.53	88.71	95.98
2008	91.75	101.84	101.58	113.46	127.35	140.00	124.08	115.46	100.64	67.81	54.43	39.00
2009	41.70	44.76	49.66	51.15	66.31	69.89	69.30	69.96	70.61	77.00	77.28	79.36
2010	72.89	79.66	83.76	86.15								

CRUDE OIL NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1984	1.3	1.9	1.0	-1.9	1.9	-3.5	-7.2	5.9	1.5	-4.0	-4.0	-3.3	-10.8
1985	N/C	1.2	5.8	-2.3	0.8	-3.5	0.9	3.5	3.6	4.5	-2.1	-11.6	-0.4
1986	-28.4	-29.6	-21.4	28.0	7.2	-10.6	-12.8	42.6	-7.1	3.4	-1.8	19.6	-31.8
1987	4.5	-11.5	13.4	-0.5	3.5	4.7	5.3	-7.7	-0.7	1.9	-7.3	-9.8	-6.9
1988	1.4	-5.5	6.7	5.3	-2.7	-13.4	7.6	-6.9	-11.9	1.6	12.8	12.5	3.2
1989	-1.2	6.6	11.2	1.1	-2.5	1.9	-9.7	2.8	6.9	-0.9	-0.3	9.7	26.6
1990	3.9	-5.0	-5.8	-8.6	-6.1	-1.9	21.2	32.0	44.6	-10.8	-18.1	-1.4	30.3
1991	-24.3	-11.0	2.5	6.8	0.8	-2.7	5.4	2.7	-0.1	5.1	-8.1	-11.0	-32.8
1992	-1.2	-1.2	4.1	7.3	6.0	-2.3	1.3	-1.8	1.1	-5.0	-3.5	-2.0	2.0
1993	3.9	1.7	-0.8	0.4	-2.5	-5.8	-5.1	2.3	2.7	-10.0	-8.8	-8.2	-27.3
1994	7.2	-4.7	2.1	14.3	8.3	5.8	4.8	-13.5	4.7	-1.1	-0.8	-1.6	25.3
1995	3.5	0.5	3.7	6.3	-7.3	-7.9	0.9	1.6	-1.7	0.6	3.1	7.5	10.1
1996	-9.3	10.1	9.9	-1.3	-6.8	5.9	-2.4	9.0	9.6	-4.2	1.7	9.1	32.6
1997	-6.8	-15.9	0.5	-1.0	3.3	-5.2	1.7	-2.6	8.0	-0.5	-9.2	-7.9	-31.9
1998	-2.4	-10.3	1.1	-1.4	-1.2	-6.7	0.2	-6.1	21.0	-10.7	-22.2	7.4	-31.7
1999	5.8	-3.8	36.6	11.3	-9.8	14.5	6.4	7.7	10.9	-11.3	13.1	4.1	112.4
2000	8.0	10.1	-11.6	-4.3	12.7	12.0	-15.6	20.7	-6.9	6.0	3.4	-20.8	4.7
2001	6.9	-4.4	-4.0	8.3	-0.3	-7.5	0.4	3.2	-13.9	-9.6	-8.2	2.1	-26.0
2002	-1.8	11.6	21.0	3.7	-7.3	6.1	0.6	7.3	5.1	-10.6	-1.2	16.0	57.3
2003	7.4	9.2	-15.2	-16.9	14.6	2.1	1.2	3.4	-7.5	-0.3	4.5	6.9	4.2
2004	1.6	9.4	-1.1	4.5	6.7	-7.1	18.2	-3.8	17.9	4.3	-5.1	-11.6	33.6
2005	10.9	7.4	7.1	-10.3	4.5	8.7	7.2	13.8	-3.9	-9.8	-4.1	6.5	40.5
2006	11.3	-9.6	8.5	7.9	-0.8	3.7	0.6	-5.6	-10.5	-6.6	7.5	-3.3	0.7
2007	-4.8	6.3	6.6	-0.2	-2.6	10.4	10.7	-5.3	10.3	15.8	-6.2	8.2	57.2
2008	-4.4	11.0	-0.3	11.7	12.2	9.9	-11.4	-6.9	-12.8	-32.6	-19.7	-28.3	-59.4
2009	6.9	7.3	10.9	3.0	29.6	5.4	-0.8	1.0	0.9	9.0	0.4	2.7	103.5
2010	-8.2	9.3	5.1	2.9									
TOTALS	-8.3	-8.9	97.6	74.1	62.2	13.0	29.6	99.3	71.8	-75.8	-84.2	-8.5	
AVG.	-0.3	-0.3	3.6	2.7	2.4	0.5	1.1	3.8	2.8	-2.9	-3.2	-0.3	
# Up	15	15	19	16	14	13	18	16	15	10	8	13	
# Down	11	12	8	11	12	13	8	10	11	16	18	13	

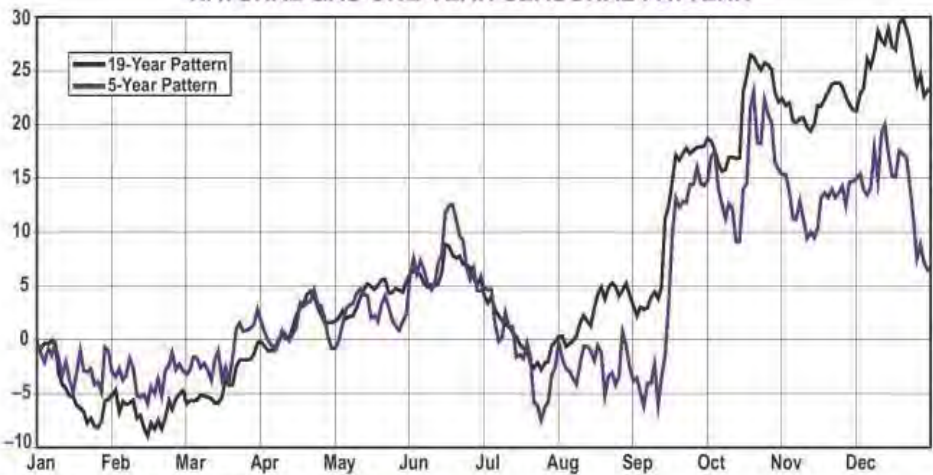
NATURAL GAS CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Natural gas is really a fascinating energy source. It accounts for almost a quarter of total U.S. energy consumption. Its market share is likely to expand because of the favorable competitive position of gas in relation to other fuels and the tightening environmental standards for fuel combustion. Industrial users and electric utilities together account for 59% of the market; commercial and residential users combined are 42%. It is primarily methane, the lightest hydrocarbon molecule. It is burned to drive turbines in electrical-power-generation plants as well as to heat homes and businesses across the nation, and is used as a feedstock to produce the agricultural fertilizer ammonia. It is one of the most important economic commodities in the U.S. today after crude oil.

This market has a strong seasonal tendency to bottom in July and then peak in December. The main reason for this can be explained by the fact that in cold weather it is used to heat homes, and business and production companies are building inventories ahead of this season.

Then, as production companies anticipate the needs for utility companies to produce more electricity to handle spikes in demand for air conditioning, we see prices rise in early summer and then continue to rise through year-end, when we begin the winter heating cycle.

NATURAL GAS ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1991–2009

NATURAL GAS NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1991

YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	CLOSE
1991	10/17	2.186	06/24	1.118	2001	01/09	9.819	10/01	2.208	2010*	01/06	6.009
1992	09/23	2.593	02/14	1.079	2002	12/16	5.297	01/28	1.984			
1993	04/23	2.514	01/19	1.508	2003	02/28	8.101	09/26	4.621			
1994	02/01	2.639	09/02	1.560	2004	10/26	9.363	09/10	4.570			
1995	12/27	2.868	01/13	1.323	2005	12/13	15.378	01/03	5.790			
1996	12/20	3.920	09/04	1.764	2006	01/03	10.626	09/14	4.892			
1997	10/27	3.836	03/03	1.803	2007	11/01	8.637	08/31	5.468			
1998	04/08	2.689	09/02	1.652	2008	07/03	13.577	12/22	5.330			
1999	10/27	3.223	02/26	1.628	2009	12/28	5.996	09/03	2.508			
2000	12/29	9.775	01/05	2.168								

*Through April 30, 2010

AT PRESS TIME

COPPER NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1973	54.50	64.20	67.35	67.50	71.45	78.30	87.60	81.40	80.90	92.50	86.70	84.80
1974	97.60	109.00	129.60	135.00	107.40	93.80	89.30	74.20	68.20	63.60	60.50	53.60
1975	52.40	59.50	62.90	56.70	54.70	56.50	57.90	60.00	56.50	56.90	54.30	55.30
1976	54.90	59.80	63.40	71.70	69.90	75.60	74.50	69.60	63.80	56.30	58.10	63.20
1977	64.70	88.90	70.60	64.10	60.40	60.80	56.30	55.40	56.40	55.00	57.90	60.30
1978	58.00	56.50	60.60	60.10	65.30	60.10	63.00	65.25	67.20	70.20	68.40	71.05
1979	78.90	92.70	94.60	93.60	79.50	81.30	81.30	92.10	107.00	90.90	102.70	105.20
1980	130.50	123.00	87.10	90.30	93.40	92.90	95.80	90.10	93.45	93.90	94.25	86.55
1981	84.20	82.55	86.40	83.55	81.45	77.85	83.75	81.30	76.70	77.05	75.65	75.70
1982	74.45	71.15	67.55	72.40	64.60	61.00	63.15	64.40	60.00	65.90	68.00	69.65
1983	75.25	75.20	75.15	78.75	78.35	76.30	76.95	73.85	66.95	62.95	67.80	67.00
1984	64.40	66.10	71.75	65.70	63.95	62.00	57.00	63.10	57.55	59.95	58.85	57.20
1985	62.60	59.60	62.60	61.90	60.65	59.55	61.10	61.85	59.35	60.25	61.85	64.15
1986	65.70	64.80	66.15	62.65	63.10	60.35	58.50	58.45	61.20	58.80	61.05	61.15
1987	60.40	63.40	62.45	62.15	65.90	71.45	78.15	75.10	79.75	82.15	102.20	127.40
1988	95.75	86.30	105.30	89.70	91.30	98.00	93.00	101.00	109.60	141.15	133.00	135.50
1989	142.90	131.20	132.60	138.70	114.35	103.90	111.50	128.95	122.90	114.00	109.15	106.40
1990	98.60	113.85	122.40	116.90	110.85	114.00	124.60	124.80	118.80	115.75	107.10	116.85
1991	106.40	111.50	106.20	105.10	96.85	101.00	101.30	103.15	104.80	106.60	101.00	97.55
1992	98.60	103.20	101.65	100.45	101.10	109.70	112.50	110.85	104.75	101.40	97.60	103.60
1993	98.95	95.95	96.20	84.50	79.85	86.50	88.30	86.00	74.90	73.15	75.00	83.30
1994	86.80	86.65	86.75	91.50	103.75	108.25	111.40	115.75	112.55	122.60	137.15	138.60
1995	136.30	130.10	136.70	127.10	131.00	136.70	135.30	131.95	131.65	124.75	132.25	120.55
1996	114.80	115.30	116.50	119.15	115.00	90.40	93.20	95.25	90.10	91.30	110.30	100.25
1997	103.75	110.90	113.00	111.35	119.10	112.15	108.90	99.30	97.00	90.75	84.05	78.10
1998	79.30	77.05	79.85	83.70	77.50	73.80	76.95	71.35	73.75	72.40	70.05	67.20
1999	64.50	63.25	62.75	72.75	62.80	76.65	76.25	79.20	82.65	80.55	81.80	86.30
2000	84.95	79.80	80.50	79.60	81.45	82.40	87.45	89.50	92.05	84.85	84.55	84.30
2001	84.55	81.60	76.40	77.70	75.75	71.35	68.25	68.70	65.20	62.50	73.20	65.90
2002	73.35	72.05	76.35	73.90	76.40	77.45	68.10	69.55	66.60	71.70	74.95	70.25
2003	79.45	78.10	71.45	73.10	78.25	75.30	82.05	81.05	81.85	93.85	91.40	104.55
2004	114.55	134.60	136.00	120.75	127.75	120.80	130.80	128.10	139.60	133.75	143.40	145.25
2005	143.50	149.85	150.25	146.40	145.65	151.00	164.45	161.95	172.75	181.10	192.60	204.20
2006	222.85	217.85	246.30	322.05	362.40	335.50	357.00	345.60	346.05	334.55	319.55	287.10
2007	259.45	275.20	314.60	355.65	339.55	345.05	364.85	339.70	364.00	347.30	318.45	304.10
2008	329.80	385.50	383.10	390.45	360.60	388.25	366.15	338.70	287.90	182.90	164.95	141.00
2009	146.85	153.85	184.45	204.75	219.75	227.20	262.35	282.65	281.90	295.55	317.70	334.65
2010	305.25	328.40	355.35	335.35								

COPPER NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1973	8.5	17.8	4.9	0.2	5.9	9.6	11.9	-7.1	-0.6	14.3	-6.3	-2.2	68.8
1974	15.1	11.7	18.9	4.2	-20.4	-12.7	-4.8	-16.9	-8.1	-6.7	-4.9	-11.4	-36.8
1975	-2.2	13.5	5.7	-9.9	-3.5	3.3	2.5	3.6	-5.8	0.7	-4.6	1.8	3.2
1976	-0.7	8.9	6.0	13.1	-2.5	8.2	-1.5	-6.6	-8.3	-11.8	3.2	8.8	14.3
1977	2.4	6.5	2.5	-9.2	-5.8	0.7	-7.4	-1.6	1.8	-2.5	5.3	4.1	-4.6
1978	-3.8	-2.6	7.3	-0.8	8.7	-8.0	4.8	3.6	3.0	4.5	-2.6	3.9	17.8
1979	11.0	17.5	2.0	-1.1	-15.1	2.3	NC	13.3	16.2	-15.0	13.0	2.4	48.1
1980	24.0	-5.7	-29.2	3.7	3.4	-0.5	3.1	-5.9	3.7	0.5	0.4	-8.2	-17.7
1981	-2.7	-2.0	4.7	-3.3	-2.5	-4.4	7.6	-2.9	-5.7	0.5	-1.8	0.1	-12.5
1982	-1.7	-4.4	-5.1	7.2	-10.8	-5.6	3.5	2.0	-6.8	9.8	3.2	2.4	-8.0
1983	8.0	-0.1	-0.1	4.8	-0.5	-2.6	0.9	-4.0	-9.3	-6.0	7.7	-1.2	-3.8
1984	-3.9	2.6	8.5	-8.4	-2.7	-3.0	-8.1	10.7	-8.8	4.2	-1.8	-2.6	-14.6
1985	9.4	-4.8	5.0	-1.1	-2.0	-1.8	2.6	1.2	-4.0	1.5	2.7	3.7	12.2
1986	2.4	-1.4	2.1	-5.3	0.7	-4.4	-3.1	-0.1	4.7	-3.9	3.8	0.2	-4.7
1987	-1.2	5.0	-1.5	-0.5	6.0	8.4	9.4	-3.9	6.2	3.0	24.4	24.7	108.3
1988	-24.8	-9.9	22.0	-14.8	1.8	7.3	-5.1	8.6	8.5	28.8	-5.8	1.9	6.4
1989	5.5	-8.2	1.1	4.6	-17.6	-9.1	7.3	15.7	-4.7	-7.2	-4.3	-2.5	-21.5
1990	-7.3	15.5	7.5	-4.5	-5.2	2.8	9.3	0.2	-4.8	-2.6	-7.5	9.1	9.8
1991	-8.9	4.8	-4.8	-1.0	-7.8	4.3	0.3	1.8	1.6	1.7	-5.3	-3.4	-16.5
1992	1.1	4.7	-1.5	-1.2	0.6	8.5	2.6	-1.5	-5.5	-3.2	-3.7	6.1	6.2
1993	-4.5	-3.0	0.3	-12.2	-5.5	8.3	2.1	-2.6	-12.9	-2.3	2.5	11.1	-19.6
1994	4.2	-0.2	0.1	5.5	13.4	4.3	2.9	3.9	-2.8	8.9	11.9	1.1	66.4
1995	-1.7	-4.5	5.1	-7.0	3.1	4.4	-1.0	-2.5	-0.2	-5.2	6.0	-8.8	-13.0
1996	-4.8	0.4	1.0	2.3	-3.5	-21.4	3.1	2.2	-5.4	1.3	20.8	-9.1	-16.8
1997	3.5	6.9	1.9	-1.5	7.0	-5.8	-2.9	-8.8	-2.3	-6.4	-7.4	-7.1	-22.1
1998	1.5	-2.8	3.6	4.8	-7.4	-4.8	4.3	-7.3	3.4	-1.8	-3.2	-4.1	-14.0
1999	-4.0	-1.9	-0.8	15.9	-13.7	22.1	-0.5	3.9	4.4	-2.5	1.6	5.5	28.4
2000	-1.6	-6.1	0.9	-1.1	2.3	1.2	6.1	2.3	2.8	-7.8	-0.4	-0.3	-2.3
2001	0.3	-3.5	-6.4	1.7	-2.5	-5.8	-4.3	0.7	-5.1	-4.1	17.1	-10.0	-21.8
2002	11.3	-1.8	6.0	-3.2	3.4	1.4	-12.1	2.1	-4.2	7.7	4.5	-6.3	6.6
2003	13.1	-1.7	-8.5	2.3	7.0	-3.8	9.0	-1.2	1.0	14.7	-2.6	14.4	48.8
2004	9.6	17.5	1.0	-11.2	5.8	-5.4	8.3	-2.1	9.0	-4.2	7.2	1.3	38.9
2005	-1.2	4.4	0.3	-2.6	-0.5	3.7	8.9	-1.5	6.7	4.8	6.4	6.0	40.6
2006	9.1	-2.2	13.1	30.8	12.5	-7.4	6.4	-3.2	0.1	-3.3	-4.5	-10.2	40.6
2007	-9.6	6.1	14.3	13.0	-4.5	1.6	5.7	-6.9	7.2	-4.6	-8.3	-4.5	5.9
2008	8.5	16.9	-0.6	1.9	-7.6	7.7	-5.7	-7.5	-15.0	-36.5	-9.8	-14.5	-53.6
2009	4.1	4.8	19.9	11.0	7.3	3.4	15.5	7.7	-0.3	4.8	7.5	5.3	137.3
2010	-8.8	7.6	8.2	-5.6									
TOTALS	59.2	106.3	115.4	21.5	-52.7	7.0	81.6	-10.6	-40.3	-25.9	64.4	7.3	
AVG.	1.6	2.8	3.0	0.6	-1.4	0.2	2.2	-0.3	-1.1	-0.7	1.7	0.2	
# Up	20	19	28	17	16	20	24	17	16	17	19	20	
# Down	18	19	10	21	21	17	12	20	21	20	18	17	

GOLD CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Gold has a seasonal tendency to peak in January after the holiday season, as jewelry demand starts to decline. Price increases can last into the first part of February, when inventories are being replenished by dealers preparing for retail sales for Valentine's Day gifts.

Gold tends to post seasonal bottoms in late July or early August, as demand increases when jewelers again stock up ahead of the wedding season in India and also, when investors return from summer vacations. Gold prices are also subject to spikes in demand from the investment community, which uses gold as a hedge or protection from concerns over inflation or times of economic instability and uncertainties. It is valued in terms of the U.S. dollar, so periods of dollar weakness helps support gold's value. Longer-term cyclical forces can dramatically impact the seasonal price moves of this market, like we saw in the first half of 2010, when European debt concerns triggered a global market correction that sent gold to new all-time highs.

GOLD ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

GOLD NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1975

HIGH			LOW			YEAR	HIGH			LOW			YEAR
YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	
1975	02/20	187.7	09/23	131.2	141.0	1993	07/30	411.3	03/10	326.9	391.9		
1976	01/02	141.2	08/30	102.8	135.7	1994	09/27	401.4	04/22	372.1	384.4		
1977	11/11	168.9	01/10	127.6	167.5	1995	04/18	397.8	01/06	372.2	388.1		
1978	10/30	247.0	01/04	168.0	229.0	1996	02/02	417.7	12/31	369.2	369.2		
1979	12/31	541.0	01/11	218.6	541.0	1997	01/02	366.6	12/12	284.8	289.9		
1980	01/21	834.0	03/17	480.0	599.5	1998	04/23	315.8	08/28	277.9	289.2		
1981	01/06	605.0	12/28	397.2	402.8	1999	10/05	326.0	07/19	253.9	289.6		
1982	09/08	497.0	06/22	301.5	453.0	2000	02/10	318.7	11/13	265.3	273.6		
1983	01/31	518.2	11/16	376.3	388.0	2001	09/26	294.8	04/02	256.6	279.0		
1984	03/05	407.3	12/27	309.2	309.7	2002	12/27	349.7	01/03	278.5	348.2		
1985	08/28	347.3	02/25	284.1	331.1	2003	12/30	417.2	04/07	322.2	416.1		
1986	09/22	445.2	01/02	328.9	406.9	2004	12/03	457.8	05/13	374.9	438.4		
1987	12/11	502.0	02/17	394.9	488.9	2005	12/12	531.5	02/08	414.3	518.9		
1988	01/14	488.2	09/30	399.2	412.3	2006	05/11	721.5	01/05	527.8	638.0		
1989	11/24	425.0	06/09	362.0	405.2	2007	12/28	842.7	01/05	606.9	838.0		
1990	02/05	427.5	06/14	349.8	396.2	2008	03/18	1004.3	11/13	705.0	884.3		
1991	01/16	404.5	09/12	348.2	355.2	2009	12/03	1218.3	01/15	807.3	1096.2		
1992	07/24	363.2	11/10	330.1	333.1	2010*	04/30	1180.7	02/05	1052.8	AT PRESS TIME		

*Through April 30, 2010

GOLD NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1975	178.0	183.0	179.5	166.8	169.0	167.8	173.4	162.8	142.2	142.8	138.8	141.0
1976	129.0	132.6	129.7	128.9	127.3	123.9	114.2	103.2	116.1	123.8	132.6	135.7
1977	134.0	144.6	151.0	148.0	144.3	143.6	147.1	148.1	156.4	162.7	162.3	167.5
1978	178.9	184.4	186.2	170.6	187.0	183.7	209.8	210.6	220.9	240.7	196.4	229.0
1979	236.6	252.9	243.8	249.2	281.1	283.8	297.3	326.7	404.5	385.7	430.5	541.0
1980	704.0	640.0	519.0	507.0	555.0	654.0	642.0	656.0	688.5	642.0	644.5	599.5
1981	512.5	486.5	525.5	489.0	492.5	428.5	423.2	443.5	443.0	431.2	413.3	402.8
1982	391.8	364.5	334.2	346.5	329.0	317.8	355.5	418.5	404.8	423.0	449.0	453.0
1983	518.2	423.7	422.0	433.5	418.5	418.5	427.4	424.8	407.8	378.8	409.0	388.0
1984	379.2	398.9	394.3	379.6	393.6	376.1	350.3	358.0	351.3	336.0	333.5	309.7
1985	307.4	288.7	334.1	316.5	319.5	317.7	335.2	339.8	327.1	326.7	327.3	331.1
1986	352.9	341.0	334.8	348.1	347.1	347.7	369.7	393.3	429.8	405.5	394.8	406.9
1987	408.9	407.4	422.7	456.5	456.0	452.2	475.1	458.7	458.8	471.2	497.2	488.9
1988	458.5	431.9	457.9	452.6	459.8	437.7	447.3	439.9	399.2	415.1	429.6	412.3
1989	395.8	390.4	390.0	380.5	366.5	377.3	378.7	365.4	372.0	377.6	417.5	405.2
1990	417.8	408.9	375.0	371.4	368.6	359.9	379.2	389.2	408.1	381.3	385.7	396.2
1991	368.5	369.0	359.4	357.7	364.8	370.0	370.8	352.9	357.3	359.5	371.1	355.2
1992	358.9	354.1	345.5	337.9	338.4	344.4	361.4	345.3	349.4	340.1	335.5	333.1
1993	330.7	329.1	339.3	357.2	380.3	379.2	411.3	375.7	357.1	369.6	371.9	391.9
1994	383.6	382.5	394.3	377.8	390.0	387.3	389.2	390.8	397.6	384.9	384.5	384.4
1995	377.7	378.3	394.3	388.5	387.6	385.6	388.4	386.9	386.5	384.3	388.6	388.1
1996	408.5	401.2	398.4	393.5	394.4	381.6	393.1	391.3	380.5	379.1	375.0	369.2
1997	346.0	365.1	354.0	341.2	347.5	335.3	328.6	327.4	336.9	312.1	298.6	289.9
1998	304.6	300.1	303.3	307.9	295.1	298.1	290.5	278.9	299.0	293.7	295.1	289.2
1999	288.2	288.3	281.9	287.8	272.0	263.6	258.8	257.3	299.5	300.3	293.0	289.6
2000	286.2	294.2	281.4	274.7	274.8	291.5	283.2	282.1	276.9	266.4	273.3	273.6
2001	268.0	267.8	259.2	264.4	266.9	271.3	269.2	276.5	294.0	280.5	274.9	279.0
2002	282.9	297.1	303.7	309.2	327.5	313.9	305.2	313.9	325.2	318.4	317.8	348.2
2003	369.1	350.3	336.9	339.4	365.6	346.3	355.8	376.8	386.1	384.6	398.0	416.1
2004	402.9	396.8	428.3	387.5	394.9	393.0	393.7	412.4	420.4	429.4	453.2	438.4
2005	424.1	437.6	431.1	436.1	418.9	437.1	435.8	438.1	472.3	466.9	498.7	518.9
2006	575.5	563.9	586.7	654.5	649.0	616.0	646.8	634.2	604.2	606.8	652.9	638.0
2007	657.9	672.5	669.0	683.5	668.7	650.9	679.3	681.9	750.0	795.3	789.1	838.0
2008	928.0	975.0	921.5	865.1	891.5	928.3	922.7	835.2	880.8	718.2	819.0	884.3
2009	928.4	942.5	925.0	891.2	978.9	927.4	955.8	953.5	1009.3	1040.4	1182.3	1096.2
2010	1083.8	1118.9	1114.5	1180.7								

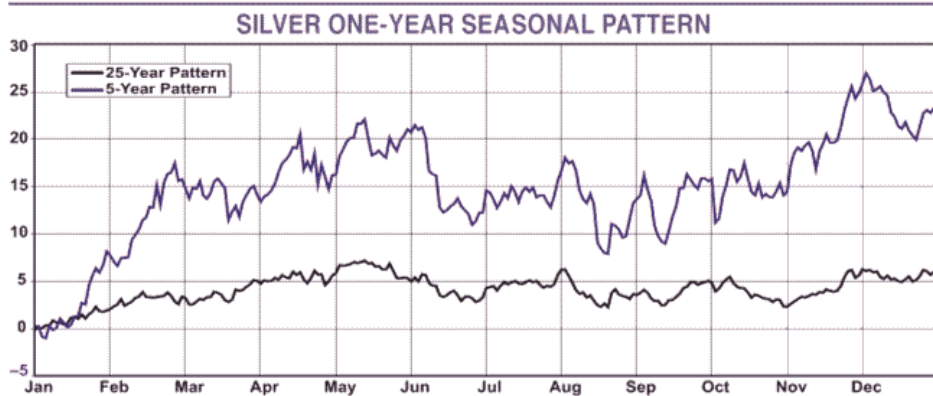
GOLD NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1975	-3.2	2.8	-1.9	-7.1	1.3	-0.7	3.3	-6.1	-12.7	0.4	-2.8	1.6	-23.3
1976	-8.5	2.8	-2.2	-0.6	-1.2	-2.7	-7.8	-9.6	12.5	6.6	7.1	2.3	-3.8
1977	-1.3	7.9	4.4	-2.0	-2.5	-0.5	2.4	0.7	5.6	4.0	-0.2	3.2	23.4
1978	6.8	3.1	1.0	-8.4	9.6	-1.8	14.2	0.4	4.9	9.0	-18.4	16.6	36.7
1979	3.3	6.9	-3.6	2.2	12.8	1.0	4.8	9.9	23.8	-4.6	11.6	25.7	136.2
1980	30.1	-9.1	-18.9	-2.3	9.5	17.8	-1.8	2.2	5.0	-6.8	0.4	-7.0	10.8
1981	-14.5	-5.1	8.0	-6.9	0.7	-13.0	-1.2	4.8	-0.1	-2.7	-4.2	-2.5	-32.8
1982	-2.7	-7.0	-8.3	3.7	-5.1	-3.4	11.9	17.7	-3.3	4.5	6.1	0.9	12.5
1983	14.4	-18.2	-0.4	2.7	-3.5	N/C	2.1	-0.6	-4.0	-7.1	8.0	-5.1	-14.3
1984	-2.3	5.2	-1.2	-3.7	3.7	-4.4	-6.9	2.2	-1.9	-4.4	-0.7	-7.1	-20.2
1985	-0.7	-6.1	15.7	-5.3	0.9	-0.6	5.5	1.4	-3.7	-0.1	0.2	1.2	6.9
1986	6.6	-3.4	-1.8	4.0	-0.3	0.2	6.3	6.4	9.3	-5.7	-2.6	3.1	22.9
1987	0.5	-0.4	3.8	8.0	-0.1	-0.8	5.1	-3.5	0.0	2.7	5.5	-1.7	20.2
1988	-6.2	-5.8	6.0	-1.2	1.6	-4.8	2.2	-1.7	-9.3	4.0	3.5	-4.0	-15.7
1989	-4.0	-1.4	-0.1	-2.4	-3.7	2.9	0.4	-3.5	1.8	1.5	10.6	-2.9	-1.7
1990	3.1	-2.1	-8.3	-1.0	-0.8	-2.4	5.4	2.6	4.9	-6.6	1.2	2.7	-2.2
1991	-7.0	0.1	-2.6	-0.5	2.0	1.4	0.2	-4.8	1.2	0.6	3.2	-4.3	-10.3
1992	1.0	-1.3	-2.4	-2.2	0.1	1.8	4.9	-4.5	1.2	-2.7	-1.4	-0.7	-6.2
1993	-0.7	-0.5	3.1	5.3	6.5	-0.3	8.5	-8.7	-5.0	3.5	0.6	5.4	17.7
1994	-2.1	-0.3	3.1	-4.2	3.2	-0.7	0.5	0.4	1.7	-3.2	-0.1	0.0	-1.9
1995	-1.7	0.2	4.2	-1.5	-0.2	-0.5	0.7	-0.4	-0.1	-0.6	1.1	-0.1	1.0
1996	5.3	-1.8	-0.7	-1.2	0.2	-3.2	3.0	-0.5	-2.8	-0.4	-1.1	-1.5	-4.9
1997	-6.3	5.5	-3.0	-3.6	1.8	-3.5	-2.0	-0.4	2.9	-7.4	-4.3	-2.9	-21.5
1998	5.1	-1.5	1.1	1.5	-4.2	1.0	-2.5	-4.0	7.2	-1.8	0.5	-2.0	-0.2
1999	-0.3	0.0	-2.2	2.1	-5.5	-3.1	-1.8	-0.6	16.4	0.3	-2.4	-1.2	0.1
2000	-1.2	2.8	-4.4	-2.4	0.0	6.1	-2.8	-0.4	-1.8	-3.8	2.6	0.1	-5.5
2001	-2.0	-0.1	-3.2	2.0	0.9	1.6	-0.8	2.7	6.3	-4.6	-2.0	1.5	2.0
2002	1.4	5.0	2.2	1.8	5.9	-4.2	-2.8	2.9	3.6	-2.1	-0.2	9.6	24.8
2003	6.0	-5.1	-3.8	0.7	7.7	-5.3	2.7	5.9	2.5	-0.4	3.5	4.5	19.5
2004	-3.2	-1.5	7.9	-9.5	1.9	-0.5	0.2	4.7	1.9	2.1	5.5	-3.3	5.4
2005	-3.3	3.2	-1.5	1.2	-3.9	4.3	-0.3	0.5	7.8	-1.1	6.8	4.1	18.4
2006	10.9	-2.0	4.0	11.6	-0.8	-5.1	5.0	-1.9	-4.7	0.4	7.6	-2.3	23.0
2007	3.1	2.2	-0.5	2.2	-2.5	-2.4	4.4	0.4	10.0	6.0	-0.8	6.2	31.3
2008	10.7	5.1	-5.5	-6.1	3.1	4.1	-0.6	-9.5	5.5	-18.5	14.0	8.0	5.5
2009	5.0	1.5	-1.9	-3.7	9.8	-5.3	3.1	-0.2	5.9	3.1	13.6	-7.3	24.0
2010	-1.1	3.2	-0.4	5.9									
TOTALS	41.0	-15.2	-14.3	-20.9	48.9	-27.0	65.5	4.9	92.5	-35.9	72.0	40.8	
AVG.	1.1	-0.4	-0.4	-0.6	1.4	-0.8	1.9	0.1	2.6	-1.0	2.1	1.2	
# Up	16	17	13	15	21	11	23	17	23	15	21	17	
# Down	20	19	23	21	14	23	12	18	12	20	14	17	

SILVER CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Silver has a tendency to make a major seasonal bottom in September, and then has a tendency to post major seasonal peaks in April. It tracks the price moves of gold, but from a traders or investors perspective, it is considered the poor man's gold. Due to technology and the age of digital imaging, silver has lost a major portion of its industrial demand element because there is no longer a tremendous demand from the photo industry. It is still needed, however, for film and x-ray processing.

Silver prices are also subject to spikes in demand from the investment community, which uses silver as a hedge or protection from concerns over inflation or times of economic instability and uncertainties. Dollar weakness helps support silver's value. Longer-term cyclical forces can dramatically impact the seasonal price moves of this market, like we saw in the June–August time period in 2007, just ahead of the credit bubble bursting and the onset of recession in December 2007.



SILVER NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1973

YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	LOW	YEAR		
		CLOSE		CLOSE			CLOSE		CLOSE			CLOSE			
1973	12/31	329.7	01/22	196.1	1992	01/16	433.8	11/10	364.5	1974	02/26	624.2	01/04	329.0	447.0
1975	08/07	528.5	01/21	398.5	423.6	1993	08/02	545.8	02/22	355.0	511.7				
1976	07/06	518.8	01/26	385.3	439.0	1994	03/25	580.0	12/05	464.5	491.7				
1977	03/21	500.8	08/15	432.6	484.9	1995	05/04	616.0	03/03	442.0	520.7				
1978	10/30	636.5	02/08	484.8	613.7	1996	02/02	584.0	11/06	471.3	479.0				
1979	12/31	2905.0	01/11	598.5	2905.0	1997	12/24	637.8	07/16	418.5	598.8				
1980	01/21	4150.0	05/21	1140.0	1612.0	1998	02/05	728.0	08/31	467.8	502.0				
1981	01/05	1670.0	11/19	816.0	829.0	1999	09/28	577.0	04/14	486.0	545.3				
1982	12/29	1138.0	06/21	499.0	1110.0	2000	02/04	557.2	11/21	463.0	463.5				
1983	02/16	1475.0	11/18	855.0	915.5	2001	01/18	482.5	11/21	403.5	458.8				
1984	03/05	1021.0	12/31	638.0	638.0	2002	06/04	512.5	01/31	422.3	481.2				
1985	04/08	673.5	03/11	558.5	590.5	2003	12/30	599.3	03/21	435.3	596.5				
1986	01/24	633.5	05/19	489.5	546.0	2004	04/06	822.0	05/11	552.3	683.7				
1987	05/15	950.0	02/17	540.5	677.0	2005	12/09	909.5	01/07	644.8	889.0				
1988	07/20	790.0	11/21	602.5	613.0	2006	05/11	1493.5	01/05	887.2	1293.5				
1989	01/23	625.5	10/10	510.0	527.3	2007	11/09	1554.5	08/16	1149.5	1492.0				
1990	01/12	538.8	12/14	400.5	424.7	2008	03/05	2078.5	10/28	879.0	1129.5				
1991	06/10	456.0	02/22	355.6	391.2	2009	12/02	1932.5	01/15	1044.0	1684.5				
						2010*	01/19	1880.0	02/05	1483.0	AT PRESS TIME				

*Through April 30, 2010

SILVER NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1973	204.7	255.0	220.4	217.5	259.7	272.1	290.1	269.0	282.2	288.1	301.7	329.7
1974	406.0	587.0	536.9	574.0	493.5	480.0	500.2	429.5	442.5	484.5	474.0	447.0
1975	410.5	451.5	427.5	436.5	452.0	467.5	505.5	467.5	452.5	419.2	418.6	423.6
1976	397.0	424.5	405.3	450.0	471.0	489.0	451.2	414.2	437.2	433.2	433.6	439.0
1977	449.5	477.5	483.2	480.7	456.5	451.7	452.1	453.7	468.7	489.2	485.4	484.9
1978	499.8	502.8	549.0	503.0	543.0	528.5	569.2	559.7	571.5	621.5	609.0	613.7
1979	675.5	783.0	751.1	809.0	876.6	878.0	906.5	1086.0	1680.0	1679.0	1927.0	2905.0
1980	3575.0	3634.0	1905.0	1300.0	1395.0	1690.0	1555.0	1684.0	2125.0	1910.0	1945.0	1612.0
1981	1345.0	1250.0	1203.0	1138.0	1088.0	880.0	864.0	972.0	938.0	925.0	844.0	829.0
1982	828.0	794.0	723.0	702.0	629.5	616.0	674.0	804.0	824.0	1009.0	1033.0	1110.0
1983	1421.0	1187.0	1075.0	1224.0	1310.0	1176.0	1191.0	1241.0	1107.0	863.0	985.0	915.5
1984	866.0	981.0	990.0	911.0	934.0	855.0	708.5	766.0	762.0	728.0	717.5	638.0
1985	639.0	570.0	672.5	624.0	619.0	619.0	633.0	637.0	609.5	612.5	621.0	590.5
1986	607.5	570.5	516.5	519.0	527.0	516.5	512.7	523.0	562.5	568.0	547.5	546.0
1987	552.5	549.3	622.0	808.0	767.0	741.0	835.0	753.0	761.0	699.0	719.0	677.0
1988	654.5	632.0	678.5	658.5	665.0	677.5	685.5	671.0	622.5	634.8	629.0	613.0
1989	583.5	593.5	582.3	570.5	520.5	524.3	531.3	516.5	531.0	521.8	579.5	527.3
1990	522.8	520.5	498.0	501.5	511.0	496.3	482.2	486.8	483.2	418.0	421.7	424.7
1991	385.1	377.3	386.8	401.5	411.7	447.5	407.8	387.0	417.3	410.8	411.3	391.2
1992	418.0	413.5	414.3	401.5	402.2	405.8	393.7	376.7	376.2	376.2	377.2	369.0
1993	366.0	359.7	389.2	441.7	462.2	458.7	540.8	488.5	408.2	436.7	446.5	511.7
1994	513.5	539.0	578.5	538.3	555.0	542.5	533.2	551.2	565.7	526.2	497.5	491.7
1995	466.3	456.5	531.0	578.3	531.0	506.5	505.2	539.0	548.5	536.0	526.7	520.7
1996	558.8	554.5	554.0	534.0	540.3	503.5	514.8	525.0	487.7	480.8	478.5	479.0
1997	492.0	536.0	507.5	469.3	467.5	464.8	449.0	468.5	523.2	473.7	529.8	598.8
1998	612.5	648.0	646.7	623.0	508.5	553.5	545.8	467.8	536.0	504.3	488.5	502.0
1999	523.5	563.0	497.0	543.0	489.5	528.7	546.5	522.0	561.5	518.0	524.0	545.3
2000	531.7	510.8	504.5	501.5	496.5	508.3	503.8	504.5	494.8	477.8	475.8	463.5
2001	481.5	451.5	429.5	435.8	441.0	432.7	422.8	421.0	467.5	422.5	415.7	458.8
2002	422.3	451.7	465.0	455.5	504.2	485.5	459.8	446.8	454.8	450.5	443.5	481.2
2003	486.0	460.0	446.5	465.2	453.3	456.8	512.0	513.2	514.2	506.5	538.2	596.5
2004	625.0	671.5	794.5	609.0	611.0	579.5	656.0	681.2	693.8	730.5	777.7	683.7
2005	674.7	739.5	718.0	694.0	745.2	707.5	726.2	685.5	751.2	758.0	838.5	889.0
2006	988.5	980.5	1152.0	1363.0	1245.5	1092.0	1137.0	1303.0	1154.0	1227.0	1411.5	1293.5
2007	1357.0	1423.5	1345.0	1357.5	1347.0	1247.3	1301.7	1223.0	1392.0	1443.8	1416.5	1492.0
2008	1699.5	1991.5	1731.0	1659.3	1686.5	1751.0	1779.0	1370.7	1227.5	973.0	1023.0	1129.5
2009	1256.5	1311.0	1298.5	1232.5	1561.0	1360.0	1394.0	1492.3	1665.8	1625.5	1852.5	1684.5
2010	1619.0	1652.1	1752.6	1863.9								

SILVER NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1973	N/C	24.6	-13.6	-1.3	19.4	4.8	6.6	-7.3	4.9	2.1	4.7	9.3	61.1
1974	23.1	44.6	-8.5	6.9	-14.0	-2.7	4.2	-14.1	3.0	9.5	-2.2	-5.7	35.6
1975	-8.2	10.0	-5.3	2.1	3.6	3.4	8.1	-7.5	-3.2	-7.4	-0.1	1.2	-5.2
1976	-6.3	6.9	-4.5	11.0	4.7	3.8	-7.7	-8.2	5.6	-0.9	0.1	1.2	3.6
1977	2.4	6.2	1.2	-0.5	-5.0	-1.1	0.1	0.4	3.3	4.4	-0.8	-0.1	10.5
1978	3.1	0.6	9.2	-8.4	8.0	-2.7	7.7	-1.7	2.1	8.7	-2.0	0.8	26.6
1979	10.1	15.9	-4.1	7.7	8.4	0.2	3.2	19.8	54.7	-0.1	14.8	50.8	373.4
1980	23.1	1.7	-47.6	-31.8	7.3	21.1	-8.0	8.3	26.2	-10.1	1.8	-17.1	-44.5
1981	-16.6	-7.1	-3.8	-5.4	-4.4	-19.1	-1.8	12.5	-3.5	-1.4	-8.8	-1.8	-48.6
1982	-0.1	-4.1	-8.9	-2.9	-10.3	-2.1	9.4	19.3	2.5	22.5	2.4	7.5	33.9
1983	28.0	-16.5	-9.4	13.9	7.0	-10.2	1.3	4.2	-10.8	-22.0	14.1	-7.1	-17.5
1984	-5.4	13.3	0.9	-8.0	2.5	-8.5	-17.1	8.1	-0.5	-4.5	-1.4	-11.1	-30.3
1985	0.2	-10.8	18.0	-7.2	-0.8	N/C	2.3	0.6	-4.3	0.5	1.4	-4.9	-7.4
1986	2.9	-6.1	-9.5	0.5	1.5	-2.0	-0.7	2.0	7.6	1.0	-3.6	-0.3	-7.5
1987	1.2	-0.6	13.2	29.9	-5.1	-3.4	12.7	-9.8	1.1	-8.1	2.9	-5.8	24.0
1988	-3.3	-3.4	7.4	-2.9	1.0	1.9	1.2	-2.1	-7.2	2.0	-0.9	-2.5	-9.5
1989	-4.8	1.7	-1.9	-2.0	-8.8	0.7	1.3	-2.8	2.8	-1.7	11.1	-9.0	-14.0
1990	-0.9	-0.4	-4.3	0.7	1.9	-2.9	-2.8	1.0	-0.7	-13.5	0.9	0.7	-19.5
1991	-9.3	-2.0	2.5	3.8	2.5	8.7	-8.9	-5.1	7.8	-1.6	0.1	-4.9	-7.9
1992	6.9	-1.1	0.2	-3.1	0.2	0.9	-3.0	-4.3	-0.1	N/C	0.3	-2.2	-5.7
1993	-0.8	-1.7	8.2	13.5	4.6	-0.8	17.9	-9.7	-16.4	7.0	2.2	14.6	38.7
1994	0.4	5.0	7.3	-6.9	3.1	-2.3	-1.7	3.4	2.6	-7.0	-5.5	-1.2	-3.9
1995	-5.2	-2.1	16.3	8.9	-8.2	-4.6	-0.3	6.7	1.8	-2.3	-1.7	-1.1	5.9
1996	7.3	-0.8	-0.1	-3.6	1.2	-6.8	2.2	2.0	-7.1	-1.4	-0.5	0.1	-8.0
1997	2.7	8.9	-5.3	-7.5	-0.4	-0.6	-3.4	4.3	11.7	-9.5	11.8	13.0	25.0
1998	2.3	5.8	-0.2	-3.7	-18.4	8.8	-1.4	-14.3	14.6	-5.9	-3.1	2.8	-16.2
1999	4.3	7.5	-11.7	9.3	-9.9	8.0	3.4	-4.5	7.6	-7.7	1.2	4.1	8.6
2000	-2.5	-3.9	-1.2	-0.6	-1.0	2.4	-0.9	0.1	-1.9	-3.4	-0.4	-2.6	-15.0
2001	3.9	-6.2	-4.9	1.5	1.2	-1.9	-2.3	-0.4	11.0	-9.6	-1.6	10.4	-1.0
2002	-8.0	7.0	2.9	-2.0	10.7	-3.7	-5.3	-2.8	1.8	-0.9	-1.6	8.5	4.9
2003	1.0	-5.3	-2.9	4.2	-2.6	0.8	12.1	0.2	0.2	-1.5	6.3	10.8	24.0
2004	4.8	7.4	18.3	-23.3	0.3	-5.2	13.2	3.8	1.8	5.3	6.5	-12.1	14.6
2005	-1.3	9.6	-2.9	-3.3	7.4	-5.1	2.6	-5.6	9.6	0.9	10.6	6.0	30.0
2006	11.2	-0.8	17.5	18.3	-8.6	-12.3	4.1	14.8	-11.4	6.3	15.0	-8.4	45.5
2007	4.9	4.9	-5.5	0.9	-0.8	-7.4	4.4	-6.0	13.8	3.7	-1.9	5.3	15.3
2008	13.9	17.2	-13.1	-4.1	1.6	3.8	1.6	-23.0	-10.4	-20.7	5.1	10.4	-24.3
2009	11.2	4.3	-1.0	-5.1	26.7	-12.9	2.5	7.1	11.6	-2.4	14.0	-9.1	49.1
2010	-3.9	2.0	6.1	6.4									
TOTALS	92.3	132.2	-41.0	5.9	26.5	-49.0	56.8	-10.8	132.2	-69.7	91.2	50.5	
AVG.	2.4	3.5	-1.1	0.2	0.7	-1.3	1.5	-0.3	3.6	-1.9	2.5	1.4	
# Up	22	21	15	17	22	14	22	19	24	13	21	18	
# Down	15	17	23	21	15	22	15	18	13	23	16	19	

CORN CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Maize or corn, as it is more commonly called in the United States, is the world's most widely grown grain, with around 800 million tonnes being produced worldwide in 2007, easily surpassing rice and wheat tonnage. The United States produces nearly half of the annual global harvest; China is a distant second, but rapidly gaining; and Brazil is third.

In the United States and many other parts of the world, one would find life without corn difficult, as it has an extremely diverse ranges of uses. Corn is used as a basic food staple, to manufacture plastic, and for nearly everything in between. Most recently, growing demand from ethanol production and animal feed has resulted in a tightening of supply and the growing concern of potential shortages.

Weather plays a significant role in corn production. Excess rain or cold weather can delay planting, and once the corn is in the ground, drought can be a threat to the harvest. The crop is most vulnerable to weather conditions in June and July in North America. Prices tend to make seasonal lows in the fall at harvest, when there is an abundance of supply, and then begin to rise steadily until spring planting begins.

CORN ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

CORN NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1970

YEAR	HIGH		LOW		YEAR	HIGH		LOW		YEAR				
	DATE	CLOSE	DATE	CLOSE		DATE	CLOSE	DATE	CLOSE					
1970	09/14	157 1/4	01/27	120 1/8	1970	09/14	157 1/4	01/27	120 1/8	1970	09/14	157 1/4	01/27	120 1/8
1971	06/16	160 3/8	09/30	112 7/8	1971	06/16	160 3/8	09/30	112 7/8	1971	06/16	160 3/8	09/30	112 7/8
1972	12/12	163 1/4	02/15	119 1/8	1972	12/12	163 1/4	02/15	119 1/8	1972	12/30	306	02/08	211 3/4
1973	08/14	347 3/4	02/07	150 7/8	1973	08/14	347 3/4	02/07	150 7/8	1973	01/13	310	10/10	213 3/4
1974	10/03	395	04/05	251 3/4	1974	10/03	395	04/05	251 3/4	1974	10/03	395	01/03	228 1/2
1975	01/06	350 3/4	06/30	249	1975	01/06	350 3/4	06/30	249	1975	05/17	504 1/2	12/30	258 1/4
1976	06/10	309	11/15	232	1976	06/10	309	11/15	232	1976	04/01	313	07/07	229 1/4
1977	02/24	265 1/4	08/19	183 1/4	1977	02/24	265 1/4	08/19	183 1/4	1977	03/11	282	08/31	199 1/2
1978	05/30	270	08/11	213 1/2	1978	05/30	270	08/11	213 1/2	1978	03/22	232 1/4	07/13	186
1979	06/22	320 1/2	01/05	228 1/4	1979	06/22	320 1/2	01/05	228 1/4	1979	05/03	250 3/4	08/11	174 3/4
1980	11/28	409	03/31	258 1/4	1980	11/28	409	03/31	258 1/4	1980	07/12	234 1/4	06/21	188 1/4
1981	01/02	381 3/4	12/15	263	1981	01/02	381 3/4	12/15	263	1981	09/11	292 1/2	04/15	196
1982	04/26	289	10/25	214	1982	04/26	289	10/25	214	1982	05/15	255 3/4	07/23	205 1/2
1983	08/23	371	01/04	242 3/4	1983	08/23	371	01/04	242 3/4	1983	04/02	330 1/2	11/11	197 1/4
1984	04/04	361 3/4	12/21	265 1/4	1984	04/04	361 3/4	12/21	265 1/4	1984	07/18	260	11/18	191 1/4
1985	04/19	285 1/2	09/09	215 1/4	1985	04/19	285 1/2	09/09	215 1/4	1985	11/30	390 1/2	01/19	205
1986	01/15	249 1/4	12/30	160	1986	01/15	249 1/4	12/30	160	1986	12/31	455 1/2	07/23	310
1987	06/16	202 1/4	02/13	142 3/4	1987	06/16	202 1/4	02/13	142 3/4	1987	06/26	768 1/4	12/05	309 1/4
1988	06/27	357 1/2	01/04	187 1/2	1988	06/27	357 1/2	01/04	187 1/2	1988	06/02	449 1/2	09/04	306 1/4
1989	01/10	289 1/2	08/03	217 1/4	1989	01/10	289 1/2	08/03	217 1/4	1989	01/08	423	04/01	344 1/2
1990	06/12	292 1/4	11/21	220 1/2	1990	06/12	292 1/4	11/21	220 1/2	1990	06/12	292 1/4	11/21	220 1/2

*Through April 30, 2010

CORN NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1970	120 3/8	123 1/8	122 7/8	129 1/4	129 3/8	137 5/8	130 7/8	154 1/2	149 1/2	145 7/8	152 1/4	155 1/2
1971	153 7/8	152 1/2	146 1/8	144 1/2	149 7/8	150 1/4	132 1/2	118 5/8	112 7/8	115 3/4	119 3/4	123 3/8
1972	120 3/4	121 1/4	124 1/4	126 7/8	125 3/8	124 1/8	127 5/8	134 1/4	140 1/8	136 3/4	143 7/8	154 3/4
1973	161 1/2	158 5/8	155 1/2	164 7/8	218 3/8	199 3/4	288	250 1/2	252 1/4	238 1/2	265	268 3/4
1974	301 3/4	322 3/4	278	277 3/4	266	269 1/4	379 1/2	342 1/4	387 1/2	380 3/4	375 1/4	341 3/4
1975	311 1/4	262 1/4	298 3/4	265 1/4	270 1/2	249	287	302 3/4	303 1/4	277 3/4	279	261 1/2
1976	265	278	265 1/2	273 3/4	290 3/4	285 1/2	280 1/4	279 3/4	266 3/4	252 1/4	248 3/4	256 1/2
1977	253 1/2	262	251 3/4	252 1/2	249 1/2	225 3/4	194 1/4	191 3/4	203	214	228 3/4	223 3/4
1978	226 1/4	228 1/2	256 1/4	246 3/4	269 1/2	251 1/2	228	222 1/4	226 1/4	234 1/4	238 1/4	231 3/4
1979	234 1/4	246 3/4	251 1/2	265 3/4	268	299 1/2	281 1/2	286 3/4	282 1/2	264 1/2	291 1/4	269 1/4
1980	274 3/4	276 1/4	258 1/4	278 1/2	276 3/4	290 3/4	335 1/4	357 1/2	348 3/4	373 1/2	409	378
1981	355 1/2	369 3/4	364 3/4	367 1/2	351 3/4	334 1/2	338 1/2	306 1/4	288	287 1/2	280 1/4	270 1/2
1982	274	270	274 1/4	286 1/4	275	265 1/4	245 3/4	229 1/2	222	215 1/4	241	244 3/4
1983	267 3/4	281 1/2	312 3/4	318 1/4	304 1/2	297 1/4	320 1/4	359 1/2	354 3/4	344 3/4	340 3/4	337 1/4
1984	329 1/4	332 1/4	353 1/4	342 1/4	350 1/2	328 1/2	294 1/4	283 1/2	278 1/2	274 1/2	278 1/4	269 1/4
1985	272 1/2	271 1/4	281 1/4	279 3/4	274 1/2	255 1/2	231	218 3/4	224 3/4	232 3/4	243 3/4	248 1/4
1986	244	227	234 3/4	232 3/4	237	184	165 1/4	165 1/4	176 3/4	173 1/4	177 3/4	160
1987	157	153 3/4	162 1/2	184 1/4	188 3/4	186 1/2	163 1/2	166 1/2	179 3/4	179 1/2	196 1/2	184 3/4
1988	196 3/4	209 1/4	209 3/4	211 1/4	224 1/4	337 3/4	275	296 1/2	285 3/4	282 1/4	270 1/2	284 1/2
1989	274 3/4	278 1/2	268 1/2	270 1/2	260 3/4	255 1/2	222 1/2	236 3/4	233	237 1/2	241 3/4	239 3/4
1990	238 1/4	253 1/4	261 1/4	283	278	289 1/2	260 1/4	233 1/4	228	229 1/4	237 3/4	231 3/4
1991	244 1/4	251	252 3/4	254	245 3/4	224	258	254 3/4	249 1/4	251	247 1/2	251 1/2
1992	264 1/4	273 1/2	264 1/4	249 1/2	259 1/2	253 1/4	220 1/4	217 1/4	215 1/4	207 1/4	221 1/2	216 1/2
1993	214 1/2	219 1/4	230 1/4	232 1/2	224 1/2	229	235 3/4	237 1/2	244 3/4	257 3/4	285 1/2	306
1994	290 1/4	293 3/4	274 3/4	272	278 3/4	244 1/2	218 3/4	222 3/4	215 3/4	215 3/4	223	231
1995	229 1/2	242	250	255 1/4	266	278	281 3/4	293 3/4	311 3/4	332 1/2	337 3/4	369 1/4
1996	369	389 1/4	409	452	477 1/4	397 3/4	354 1/4	343 3/4	296 3/4	266	271	258 1/4
1997	270 1/4	295 1/4	310	293 1/4	270 3/4	238	265 1/2	269 1/4	257 3/4	279 3/4	280 3/4	265
1998	273	270 1/4	259	252 1/4	238 1/2	253 1/4	217 1/2	199 1/2	209	219	230	213 1/2
1999	214 1/2	210 1/4	225 1/2	218 3/4	219 1/2	216 1/4	203 1/4	219 1/4	208 1/4	199 1/2	200 1/2	204 1/2
2000	220	224	236	232	225	195 3/4	180 1/4	196 1/2	197 3/4	206	220 1/2	231 3/4
2001	209	222 1/2	203 1/4	207 1/2	192 3/4	197 1/4	218 3/4	232 1/4	214 1/2	205 1/2	220 1/2	209
2002	206	207 1/2	202 1/2	200 1/2	214	233	247 1/4	268	251 1/2	247 1/2	241 1/2	235 3/4
2003	238 1/4	233 1/4	236 1/2	231 1/4	244 1/4	223 3/4	206	241 3/4	220 1/4	247 1/4	248 3/4	246
2004	276 1/4	303	320	321 1/2	304	262 1/2	217 1/4	237 3/4	205 1/2	202 1/2	203 3/4	204 3/4
2005	197	222 3/4	213	213 1/2	222	222 1/4	236 1/2	216 1/2	205 1/2	196 1/4	201 3/4	215 3/4
2006	216 3/4	238 3/4	236	249	251 1/4	246	239	248	262 1/2	320 3/4	390 1/2	390 1/4
2007	404	435 1/2	374 1/2	367 1/2	390 1/4	340	325 3/4	340	373	375 1/2	401 1/2	455 1/2
2008	501 1/4	556 1/2	567 1/4	612 1/4	599 1/4	737 3/4	587 1/2	585	487 1/2	401 1/2	365 3/4	407
2009	379	359	404 3/4	403 1/2	436 1/4	354 1/2	339 1/2	329 3/4	344	366	417 1/2	414 1/2
2010	356 1/2	389	345	375 1/4								

CORN NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1970	-0.6	2.3	-0.2	5.2	0.1	6.4	-4.9	18.0	-3.2	-2.4	4.4	2.1	28.4
1971	-1.0	-0.9	-4.2	-1.1	3.7	0.2	-11.8	-10.5	-4.8	2.5	3.5	3.0	-20.7
1972	-2.1	0.4	2.5	2.1	-1.2	-1.0	2.8	5.2	4.4	-2.4	5.2	7.6	25.4
1973	4.4	-1.8	-2.0	6.0	32.4	-8.5	44.2	-13.0	0.7	-5.5	11.1	1.4	73.7
1974	12.3	7.0	-13.9	-0.1	-4.2	8.7	31.2	-9.8	13.2	-1.7	-1.4	-8.9	27.2
1975	-8.9	-15.7	13.9	-4.5	-5.2	-7.9	15.3	5.5	0.2	-8.4	0.5	-6.3	-23.5
1976	1.3	4.9	-4.5	3.1	6.2	-1.8	-1.8	-0.2	-4.6	-5.4	-1.4	3.1	-1.9
1977	-1.2	3.4	-3.9	0.3	-1.2	-9.5	-14.0	-1.3	5.9	5.4	6.9	-2.2	-12.8
1978	1.1	1.0	12.1	-3.7	9.2	-6.7	-9.3	-2.5	1.8	3.5	1.7	-2.7	3.6
1979	1.1	5.3	1.9	5.7	0.8	11.8	-6.0	1.9	-1.5	-6.4	10.1	-0.7	24.8
1980	-5.0	0.5	-6.5	7.8	-0.6	5.1	15.3	6.6	-2.4	7.1	9.5	-7.6	30.7
1981	-6.0	4.0	-1.4	0.8	-4.3	-4.9	1.2	-9.5	-6.0	-0.2	-2.5	-3.5	-28.4
1982	1.3	-1.5	1.6	4.4	-3.9	-3.5	-7.4	-6.6	-3.3	-3.0	12.0	1.6	-9.5
1983	9.4	5.1	11.1	1.8	-4.3	-2.4	7.7	12.3	-1.3	-2.8	-1.2	-1.0	37.8
1984	-2.4	0.9	6.3	-3.1	2.4	-6.3	-10.4	-3.7	-1.8	-1.4	1.4	-3.2	-20.2
1985	1.2	-0.5	3.7	-0.5	-1.9	-6.9	-9.6	-5.3	2.7	3.6	4.7	1.8	-7.8
1986	-1.7	-7.0	3.4	-0.9	1.8	-22.4	-10.2	N/C	7.0	-2.0	2.6	-10.0	-35.5
1987	-1.9	-2.1	5.7	13.4	2.4	-1.2	-12.3	1.8	8.0	-0.1	9.5	-6.0	15.5
1988	6.5	6.4	0.2	0.7	6.2	50.6	-18.6	7.8	-3.6	-1.2	-4.2	5.2	54.0
1989	-3.4	1.4	-3.6	0.7	-3.6	-2.0	-12.9	6.4	-1.6	1.9	1.8	-0.8	-15.7
1990	-0.6	6.3	3.2	8.3	-1.8	4.1	-10.1	-10.4	-2.3	0.5	3.7	-2.5	-3.3
1991	5.4	2.8	0.7	0.5	-3.2	-8.9	15.2	-1.3	-2.2	0.7	-1.4	1.6	8.5
1992	5.1	3.5	-3.4	-5.6	4.0	-2.4	-13.0	-1.4	-0.9	-3.7	6.9	-2.3	-13.9
1993	-0.9	2.2	5.0	1.0	-3.4	2.0	2.9	0.7	3.1	5.3	10.8	7.2	41.3
1994	-5.1	1.2	-6.5	-1.0	2.5	-12.3	-10.5	1.8	-3.1	N/C	3.4	3.6	-24.5
1995	-0.6	5.4	3.3	2.1	4.2	4.5	1.3	4.3	6.1	6.7	1.6	9.3	59.8
1996	-0.1	5.5	5.1	10.5	5.6	-16.7	-10.9	-3.0	-13.7	-10.4	1.9	-4.7	-30.1
1997	4.6	9.3	5.0	-5.4	-7.7	-12.1	11.6	1.4	-4.3	8.5	0.4	-5.6	2.6
1998	3.0	-1.0	-4.2	-2.6	-5.5	6.2	-14.1	-8.3	4.8	4.8	5.0	-7.2	-19.4
1999	0.5	-2.0	7.3	-3.0	0.3	-1.5	-6.0	7.9	-5.0	-4.2	0.5	2.0	-4.2
2000	7.6	1.8	5.4	-1.7	-3.0	-13.0	-7.9	9.0	0.6	4.2	7.0	5.1	13.3
2001	-9.8	6.5	-8.7	2.1	-7.1	2.3	10.9	6.2	-7.6	-4.2	7.3	-5.2	-9.8
2002	-1.4	0.7	-2.4	-1.0	6.7	8.9	6.1	8.4	-6.2	-1.6	-2.4	-2.4	12.8
2003	1.1	-2.1	1.4	-2.2	5.6	-8.4	-7.9	17.4	-8.9	12.3	0.6	-1.1	4.3
2004	12.3	9.7	5.6	0.5	-5.4	-13.7	-17.2	9.4	-13.6	-1.5	0.6	0.5	-16.8
2005	-3.8	13.1	-4.4	0.2	4.0	0.1	6.4	-8.5	-5.1	-4.5	2.8	6.9	5.4
2006	1.4	9.1	-1.2	5.5	0.9	-2.1	-2.8	3.8	5.8	22.2	21.7	-0.1	80.9
2007	3.5	7.8	-14.0	-1.9	6.2	-12.9	-4.2	4.4	9.7	0.7	6.9	13.4	16.7
2008	10.0	11.0	1.9	7.9	-2.1	23.1	-20.4	-0.4	-16.7	-17.6	-8.9	11.3	-10.6
2009	-6.9	-5.3	12.7	-0.3	8.1	-18.7	-4.2	-2.9	4.3	6.4	14.1	-0.7	1.8
2010	-14.0	9.1	-11.3	8.8									
TOTALS	15.7	107.7	22.7	60.8	43.7	-73.7	-86.3	41.6	-45.4	5.7	156.7	2.0	
AVG.	0.4	2.6	0.6	1.5	1.1	-1.8	-2.2	1.0	-1.1	0.1	3.9	0.1	
# Up	20	30	23	24	21	14	14	21	16	17	32	18	
# Down	21	11	18	17	19	26	26	18	24	22	8	21	

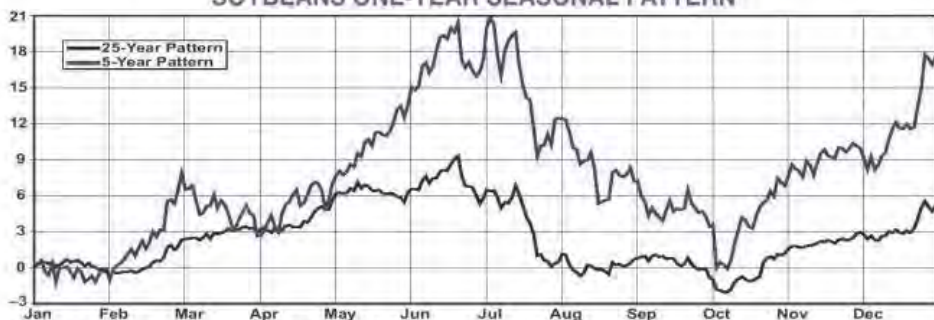
SOYBEANS CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

The United States is the leading producer of soybeans, followed by Brazil and China. For the most part, this crop is grown in the Corn Belt, which consists of Illinois, Iowa, Indiana, Ohio, Missouri, and Minnesota. Generally, it is planted in April through June, but it can be delayed, if necessary. For this reason, soybeans can be used as an alternative crop for corn and cotton when weather affects the planting of other crops. Harvesting is generally complete by October.

There are three soybean related futures contracts: soybeans, soybean meal, and bean oil. Soybeans are the cash crop and are grown to yield soybean meal and bean oil. Soybean meal is used to enrich the feed for hogs, cattle, and poultry. Bean oil is used in food-related products like shortening, salad dressings, and cooking oils. Of the two by-products, soybean meal is more valuable because there is little in the form of a competing product except for animal bone meal and fish meal, which are used as an animal feed.

Unfortunately, soybeans cannot be stored for extended periods, making their price more volatile. The seasonal price pattern shows a peak in May or June, as the U.S. crop is now in the ground and developing and the Southern Hemisphere crop is being marketed. Under normal growing conditions, with the exception of droughts, the July–August period is usually a bearish time for soybeans. The seasonal lows occur, in general, in the fall due to the harvest, which makes fresh supplies available. This also puts pressure on bean meal and bean oil.

SOYBEANS ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

SOYBEANS NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1969

HIGH			LOW			YEAR	HIGH			LOW			YEAR
YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	
1969	05/13	271 3/8	09/02	234 7/8	251 7/8	1990	07/03	663 3/4	01/25	558 1/4	574 3/4		
1970	10/27	312	01/05	251 1/4	297 7/8	1991	08/02	642 3/4	07/08	515 3/4	557		
1971	07/16	347 1/2	04/08	289 3/4	317	1992	06/02	630	10/02	527 1/4	574 1/4		
1972	12/12	435 1/2	01/14	307	426 1/2	1993	07/19	737	02/08	564 3/4	712 1/2		
1973	06/04	1211	01/08	422	586 1/4	1994	05/23	732 1/4	10/07	527 1/4	561 1/2		
1974	10/04	949	05/06	523	715	1995	12/29	744 3/4	02/01	546 1/2	744 3/4		
1975	01/02	723 1/2	12/15	445 1/4	459	1996	04/25	831	11/01	666 1/2	687 3/4		
1976	07/09	750 1/4	01/26	456 3/4	711 1/4	1997	05/06	892	07/02	607 1/2	676 1/4		
1977	04/21	1046 1/2	09/14	505 1/4	803 3/4	1998	02/10	893	08/31	511 1/2	541 1/4		
1978	05/30	745 1/4	02/09	558 1/2	690 1/2	1999	01/08	555	07/08	410	469 3/4		
1979	06/22	838 1/2	10/26	655 1/2	664 3/4	2000	05/04	572 1/4	08/07	446 3/4	509 3/4		
1980	11/05	954 1/2	04/01	579 1/2	818 1/2	2001	07/17	528	12/31	422 1/4	422 1/4		
1981	01/06	842 3/4	12/21	806 3/4	626 1/4	2002	09/11	588 3/4	01/02	418 1/4	565		
1982	04/23	676	10/04	518 1/4	573 1/4	2003	10/29	803 1/2	07/31	509	794		
1983	09/09	948	01/04	571 1/2	832 3/4	2004	03/22	1055 3/4	11/05	505 1/4	547 1/4		
1984	05/21	893 1/4	12/12	584 3/4	585 1/4	2005	06/24	748 1/4	02/04	499 1/2	613 1/2		
1985	03/19	609	11/25	484 3/4	542 3/4	2006	12/29	697 1/4	09/12	538 1/2	697 1/4		
1986	01/08	554 1/2	08/25	468 1/4	494 3/4	2007	12/26	1239 1/2	01/09	664 1/2	1214 1/4		
1987	12/23	618 1/2	02/26	480 1/2	614 3/4	2008	07/03	1649	12/05	783 1/2	980		
1988	06/21	1046 1/2	02/02	597	819 1/4	2009	06/11	1267	03/02	844	1048 1/2		
1989	01/06	829 1/2	10/13	544 1/4	582 1/4	2010*	01/05	1061	02/03	908	AT PRESS TIME		

*Through April 30, 2010

SOYBEANS NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1969	264 1/2	266 3/8	262 1/2	270	267 1/8	263 1/4	246 1/2	236 1/2	236 3/8	249 5/8	243 7/8	251 7/8
1970	254 1/8	261	259 1/4	268 5/8	271	290	283 3/4	279 1/4	286	308	299	297 7/8
1971	307 3/8	307 3/4	300 1/2	295 7/8	311	323	330 1/8	315	309 3/4	323 1/4	310 1/2	317
1972	314 3/8	335 1/8	343 1/2	350 1/2	350	338 3/4	334 1/2	336 5/8	347 5/8	354 7/8	379 1/2	426 1/2
1973	490 3/8	609 1/4	538 3/4	678 1/4	1058	860	910	701	645	540 1/2	602 1/2	586 1/4
1974	644	627 1/4	616 1/4	548 1/4	547	570 1/2	895	732 1/2	878	823 3/4	782 1/2	715
1975	602 3/4	507 1/4	610	533	502 3/4	496 3/4	582 1/2	569 1/2	568 3/4	503 1/2	485 1/2	459
1976	467 1/2	486 1/2	469 3/4	487 1/4	579	677 1/2	608 1/2	673	632	684	674 1/2	711 1/4
1977	723 1/2	782 1/4	893 1/2	983	960	713 1/2	566 1/2	516	534 1/4	559	585 3/4	603 3/4
1978	564 3/4	590 1/2	689 1/2	702 1/2	737	652 1/4	621 3/4	640 1/2	651	718	678	690 1/2
1979	706	766	771 1/4	735	739	741 1/2	715 1/2	721 3/4	712 1/4	667 3/4	681 3/4	664 3/4
1980	673	657 1/2	583	615 1/2	623 3/4	688	783 3/4	817	811	923	933	818 1/2
1981	725 1/2	761	783 1/2	801 1/4	764 3/4	710	739 1/4	671 1/2	648	671 1/2	646 1/2	626 1/4
1982	656 3/4	632 3/4	640	665 3/4	635 3/4	618	600 3/4	559 1/2	534 1/4	547	573 1/2	573 1/4
1983	604 1/2	575 1/2	637	657 1/4	607 1/2	619	708 1/2	911 1/2	886	830 1/2	796 1/2	832 3/4
1984	730 3/4	765	789	782 1/2	847	738 1/4	612 1/2	636 1/2	591 3/4	631	609	585 1/4
1985	601 1/4	573	605 1/2	594 1/2	567 1/2	551 3/4	521 3/4	511 3/4	512 3/4	527 1/2	499	542 3/4
1986	533	529 3/4	541 1/2	551	525 1/4	488 3/4	500 1/4	479 1/2	486 1/2	500	503 1/2	494 3/4
1987	500 1/4	483	496 1/2	537	548 3/4	543 1/2	524 1/2	504 1/4	532	541 1/2	605 1/4	614 3/4
1988	609 1/2	642 1/2	653 1/2	698 1/2	798	986	778 1/2	867 1/2	813	789 1/4	763 3/4	819 1/4
1989	772 3/4	773 1/2	738 1/4	729 1/2	714	670	588	587 1/2	568	572 1/4	582 3/4	582 1/4
1990	561	580 3/4	595	648 1/2	607 1/4	638 3/4	599 1/4	613 3/4	617 1/2	609 1/4	589 1/2	574 3/4
1991	566 3/4	588	574 3/4	589 1/2	581 3/4	531	590	590 1/2	587	567	557	557
1992	572	589 1/4	588 1/4	580 1/4	614	611	555 1/2	541	540 3/4	552 3/4	563 3/4	574 1/4
1993	574	580	588 1/4	591 1/4	608 1/2	656 1/4	686 1/2	663 1/2	629 3/4	629 1/2	671 1/2	712 1/2
1994	686 3/4	683 3/4	681 3/4	676 1/2	701	640 1/2	575 1/4	573 3/4	536	554	563 1/2	561 1/2
1995	547 1/2	564 3/4	574	580	580 3/4	588 1/4	606	623	646	684 1/2	686 1/4	744 3/4
1996	738 3/4	745	751	795	788 1/4	757 1/2	747	794 1/2	758	669	712 3/4	687 3/4
1997	738 1/4	793 1/4	855 3/4	887	880 1/2	644	685	625 1/2	621 1/2	696 1/4	718 1/4	676 1/4
1998	672 3/4	658 1/4	645	638 1/2	618 1/2	632	560 3/4	511 1/2	520 3/4	568 1/4	593 1/2	541 1/4
1999	506 3/4	458	483 3/4	486 1/2	461 3/4	450 1/2	433 1/4	483	491 1/4	482 3/4	476 1/4	469 3/4
2000	508	511	545 1/2	539 1/4	517 1/2	482 3/4	454	505	490 1/2	470 1/4	506	509 3/4
2001	459 1/2	455 3/4	428 1/2	438	451	474 1/4	512 1/2	486	451 1/4	436 3/4	444 1/2	422 1/4
2002	430 1/4	440 1/4	476 1/4	466 3/4	508 3/4	528 3/4	536 1/2	544 3/4	545 3/4	566 1/2	578 3/4	565
2003	564	575	574 1/2	627 1/4	624 1/2	614 1/4	509	589	677 1/4	797 3/4	756 1/4	794
2004	819 1/2	937 1/2	995	1013	814	782 1/2	569	627 1/4	527	533 1/2	534 3/4	547 1/4
2005	514 3/4	622	627 1/2	626 1/4	680 1/4	656	686 3/4	598 3/4	573 1/4	576	558	613 1/2
2006	594 1/4	594	571 1/2	601	579 1/2	600 1/2	599 3/4	555 3/4	547 1/2	644 1/4	685 1/2	697 1/4
2007	719 1/2	787 1/2	761 1/4	743	806 1/4	855 3/4	857 1/2	882 1/2	991 1/4	1025 3/4	1080	1214 1/4
2008	1274 1/2	1536 1/2	1197 1/4	1314	1363 1/2	1598	1404	1324	1045	933	863	980
2009	980	872	952	1055	1184	1119 1/4	982	979 1/2	927	976 1/2	1060 1/2	1048 1/2
2010	914	961	941	999								

SOYBEANS NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

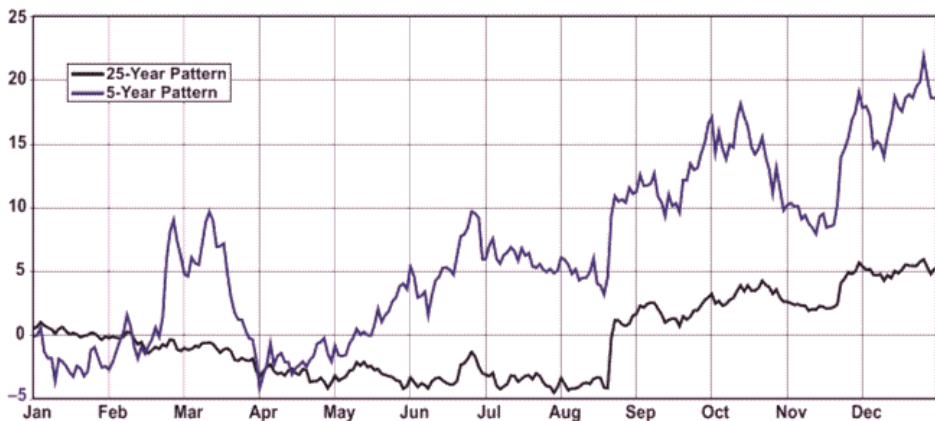
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1969	0.2	0.7	-1.5	2.9	-1.1	-1.5	-6.4	-4.1	-0.1	5.6	-2.3	3.3	-4.5
1970	0.9	2.7	-0.7	3.6	0.9	7.0	-2.2	-1.6	2.4	7.7	-2.9	-0.4	18.3
1971	3.2	0.1	-2.4	-1.5	5.1	3.9	2.2	-4.6	-1.7	4.4	-3.9	2.1	6.4
1972	-0.8	6.6	2.5	2.0	-0.1	-3.2	-1.3	0.6	3.3	2.1	6.9	12.4	34.5
1973	15.0	24.2	-11.6	25.9	56.0	-18.7	5.8	-23.0	-8.0	-16.2	11.5	-2.7	37.5
1974	9.9	-2.6	-1.8	-11.0	-0.2	4.3	56.9	-18.2	19.9	-6.2	-5.0	-8.6	22.0
1975	-15.7	-15.8	20.3	-12.6	-5.7	-1.2	17.3	-2.2	-0.1	-11.5	-3.6	-5.5	-35.8
1976	1.9	4.1	-3.4	3.7	18.8	17.0	-10.2	10.6	-6.1	8.2	-1.4	5.4	55.0
1977	1.7	8.1	14.2	10.0	-2.3	-25.7	-20.6	-8.9	3.5	4.6	4.8	3.1	-15.1
1978	-6.5	4.6	16.8	1.9	4.9	-11.5	-4.7	3.0	1.6	10.3	-5.6	1.8	14.4
1979	2.2	8.5	0.7	-4.7	0.5	0.3	-3.5	0.9	-1.3	-6.2	2.1	-2.5	-3.7
1980	1.2	-2.3	-11.3	5.6	1.3	10.3	13.9	4.2	-0.7	13.8	1.1	-12.3	23.1
1981	-11.4	4.9	3.0	2.3	-4.6	-7.2	4.1	-9.2	-3.5	3.6	-3.7	-3.1	-23.5
1982	4.9	-3.7	1.1	4.0	-4.5	-2.8	-2.8	-6.9	-4.5	2.4	4.8	-0.04	-8.5
1983	5.5	-4.8	10.7	3.2	-7.6	1.9	14.5	28.7	-5.0	-4.1	-4.1	4.6	45.3
1984	-12.2	4.7	3.1	-0.8	8.2	-12.8	-17.0	3.9	-7.0	6.6	-3.5	-3.9	-29.7
1985	2.7	-4.7	5.7	-1.8	-4.5	-2.8	-5.4	-1.9	0.2	2.9	-5.4	8.8	-7.3
1986	-1.8	-0.6	2.2	1.8	-4.7	-6.9	2.4	-4.1	1.5	2.8	0.7	-1.7	-8.8
1987	1.1	-3.4	2.8	8.2	2.2	-1.0	-3.5	-3.9	5.5	1.8	11.8	1.6	24.3
1988	-0.9	5.4	1.7	6.9	14.2	23.6	-21.0	11.4	-6.3	-2.9	-3.2	7.3	33.3
1989	-5.7	0.1	-4.6	-1.2	-2.1	-6.2	-12.2	-0.1	-3.3	0.7	1.8	-0.1	-28.9
1990	-3.6	3.5	2.5	9.0	-6.4	5.2	-6.2	2.4	0.6	-1.3	-3.2	-2.5	-1.3
1991	-1.4	3.7	-2.3	2.6	-1.3	-8.7	11.1	0.1	-0.6	-3.4	-1.8	N/C	-3.1
1992	2.7	3.0	-0.2	-1.4	5.8	-0.5	-9.1	-2.6	-0.1	2.2	2.0	1.9	3.1
1993	-0.04	1.0	1.4	0.5	2.9	7.8	4.6	-3.4	-5.1	-0.04	6.7	6.1	24.1
1994	-3.6	-0.4	-0.3	-0.8	3.6	-8.6	-10.2	-0.3	-6.6	3.4	1.7	-0.4	-21.2
1995	-2.5	3.2	1.6	1.0	0.1	1.3	3.0	2.8	3.7	6.0	0.3	8.5	32.6
1996	-0.8	0.8	0.8	5.9	-0.8	-3.9	-1.4	6.4	-4.6	-11.7	6.5	-3.5	-7.7
1997	7.3	7.5	7.9	3.7	-0.7	-26.9	6.4	-8.7	-0.6	12.0	3.2	-5.8	-1.7
1998	-0.5	-2.2	-2.0	-1.0	-3.1	2.2	-11.3	-8.8	1.8	9.1	4.4	-8.8	-20.0
1999	-6.4	-9.6	5.6	0.6	-5.1	-2.4	-3.8	11.5	1.7	-1.7	-1.3	-1.4	-13.2
2000	8.1	0.6	6.8	-1.1	-4.0	-6.7	-6.0	11.2	-2.9	-4.1	7.6	0.7	8.5
2001	-9.9	-0.8	-6.0	2.2	3.0	5.2	8.1	-5.2	-7.2	-3.2	1.8	-5.0	-17.2
2002	1.9	2.3	8.2	-2.0	9.0	3.9	1.5	1.5	0.2	3.8	2.2	-2.4	33.8
2003	-0.2	2.0	-0.1	9.2	-0.4	-1.6	-17.1	15.7	15.0	17.8	-5.2	5.0	40.5
2004	3.2	14.4	6.1	1.8	-19.6	-3.9	-27.3	10.2	-16.0	1.2	0.2	2.3	-31.1
2005	-5.9	20.8	0.9	-0.2	8.6	-3.6	4.7	-12.8	-4.3	0.5	-3.1	9.9	12.1
2006	-3.1	-0.04	-3.8	5.2	-3.6	3.6	-0.1	-7.3	-1.5	17.7	6.4	1.7	13.7
2007	3.2	9.5	-3.3	-2.4	8.5	6.1	0.2	2.9	12.3	3.5	5.3	12.4	74.1
2008	5.0	20.6	-22.1	9.8	3.8	17.2	-12.1	-5.7	-21.1	-10.7	-5.4	11.0	-19.3
2009	N/C	-11.0	9.2	10.8	12.2	-5.5	-12.3	-0.3	-5.4	5.3	8.6	-1.1	7.0
2010	-12.8	5.1	-2.1	6.2									
TOTALS	-23.9	110.8	56.3	108.0	87.2	-53.0	-71.0	-15.8	-50.4	76.8	37.8	38.2	
AVG.	-0.6	2.6	1.3	2.6	2.1	-1.3	-1.7	-0.4	-1.2	1.9	0.9	0.9	
# Up	20	28	24	28	20	17	16	18	15	27	23	20	
# Down	21	14	18	14	21	24	25	23	26	14	18	20	

CBOT WHEAT CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

This grade of wheat is called winter wheat, since it is planted in the fall and harvested in midsummer. CBOT wheat is a lower-end soft red wheat that is primarily used in pastries, cakes and cookies, and other related products.

Since harvest is typically around the June–July time period, this is when supplies are most abundant, even in years when crop yields are less than average. This is what we call the harvest lows, as we now begin to sell and export our inventories. After the new year, prices tend to continue to decline, as Southern Hemisphere supplies enter the world market. This may explain a well-known phenomenon called the “February Break”, whereby wheat prices usually show some degree of decline during the month of February.

CBOT WHEAT ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

CBOT WHEAT NEAR-TERM FUTURE CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1969

YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	LOW	YEAR	DATE	CLOSE
1969	12/24	148	07/28	121 1/4	1969	01/03	410	11/20	245 1/4	260 1/2					
1970	11/05	179	05/28	134 1/2	1970	12/26	405 3/4	01/15	246 1/4	404 3/4					
1971	01/15	172 1/2	08/11	141 1/2	1971	02/10	459 1/2	08/13	305 3/4	353 3/4					
1972	12/14	269 1/2	06/23	141 1/8	1972	01/19	392 1/2	06/17	277 1/2	378 1/4					
1973	12/31	545	03/21	214 3/4	1973	10/11	416 1/4	07/06	313 1/2	401 1/2					
1974	02/15	631 1/2	05/09	336	1974	12/29	512 1/4	03/10	341 1/2	512 1/4					
1975	08/22	463	06/02	295 3/4	1975	04/25	628 1/2	11/05	368 3/4	381 1/4					
1976	02/27	401 3/4	11/11	255 3/4	1976	04/22	447	07/07	321 3/4	325 3/4					
1977	02/24	293 3/4	08/19	217 1/4	1977	03/11	348	08/05	246 3/4	276 1/4					
1978	11/30	369	02/28	260 3/4	1978	03/29	294 1/4	12/13	237 3/4	248 1/2					
1979	06/22	489 1/2	04/23	326 1/2	1979	06/22	289 3/4	08/07	233 1/2	279 1/2					
1980	10/28	541 1/2	04/18	380 1/2	1980	11/23	296 1/4	06/28	254 1/2	289					
1981	01/02	508 1/2	12/23	376 1/4	1981	09/09	422	04/29	265	325					
1982	01/08	402	10/21	301 3/4	1982	12/03	414 3/4	03/28	279 1/4	377					
1983	08/22	423 1/4	02/28	321 1/2	1983	03/22	422 3/4	12/02	296 1/4	307 1/2					
1984	04/04	377 1/4	02/13	321 3/4	1984	03/15	368	02/04	287 3/4	339 1/4					
1985	04/08	370 3/4	08/20	280 1/4	1985	10/16	542 1/2	01/18	322 1/2	501					
1986	01/02	339 1/2	07/01	240 1/2	1986	12/14	979 1/2	04/03	419	885					
1987	12/18	321	07/21	256 3/4	1987	03/12	1282 1/2	12/05	475 1/2	610 3/4					
1988	12/23	440 1/2	03/10	297 3/4	1988	06/01	674 1/2	10/02	441 1/4	541 1/2					
1989	01/06	448 3/4	06/08	381 3/4	1989	01/11	572 1/2	03/31	450 1/2	AT PRESS TIME					

*Through April 30, 2010

CBOT WHEAT NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1969	134 3/8	131 5/8	125 7/8	130 1/8	128 1/8	127 3/4	123 3/4	133 5/8	134 7/8	135 1/4	143 5/8	147 3/8
1970	143 3/4	147 1/4	144 1/4	142 1/4	134 1/2	142	147 1/8	164 1/4	168 3/8	174 1/2	172 1/4	168 1/2
1971	166 1/2	162	158 1/8	151 3/4	157 1/2	156 1/2	147 5/8	149 3/4	146 7/8	161 3/8	155 1/2	163 1/8
1972	164 5/8	155	157 3/4	147 1/8	145 1/2	146	157 3/8	193 1/4	215 3/4	220 1/2	245 1/2	264
1973	247	235 3/4	222 3/4	233 3/8	281 1/4	268	364	497 1/2	491 1/2	430 1/2	472	545
1974	564 1/2	572	431 1/2	377	352 1/2	414	472	443 1/2	493	520 3/4	508 1/2	458 1/2
1975	379 1/2	349	387 1/4	328 3/4	305 1/2	307 1/2	366 3/4	425 1/2	429 1/2	386 1/4	355 1/2	335 3/4
1976	349 3/4	401 3/4	343 1/2	337 1/2	356 1/2	373 1/4	341	323 1/2	288 1/2	275	265 3/4	277 1/2
1977	274 1/4	275	272 3/4	265 1/2	246 1/4	251 1/2	225 1/2	230	252 1/4	259	275	279 1/4
1978	266 3/4	260 3/4	313 1/2	312	332	317 1/4	315 3/4	330 1/2	342 1/2	361 1/2	369	343 1/4
1979	351 1/2	353 1/4	339 3/4	347 1/2	366 3/4	433 1/2	410 1/2	456 1/4	450 3/4	421 1/4	456	454 1/4
1980	467 3/4	447 1/4	383 1/2	399 1/4	402 3/4	433 1/2	465	477	503 1/2	528 3/4	540 3/4	501
1981	465 3/4	457 1/2	433 3/4	443	412 1/4	389 3/4	407 1/2	417	424 3/4	439 1/4	439 1/2	391 1/2
1982	377	366 3/4	370 1/4	374 3/4	351 1/2	355 3/4	342 3/4	356 1/4	319 3/4	317 1/2	346	330 3/4
1983	343 1/2	321 1/2	360 1/4	361 1/2	343 1/4	356 3/4	372 3/4	410 1/4	370 3/4	354 1/2	355 3/4	363 1/2
1984	328 3/4	331 1/4	374	341 3/4	356	359 1/4	349 1/4	352	347	362 1/2	353 3/4	347 3/4
1985	350 3/4	336 1/4	356 1/2	327	315	321 1/4	295 1/4	287 3/4	297	323 3/4	334 3/4	343 1/4
1986	327 1/4	286 1/4	304 1/4	293 1/2	248 1/2	246	257 1/2	261 1/4	265 1/4	287	286 1/4	274 1/2
1987	288 1/4	280	284 1/2	274	274 1/4	263 1/4	261 1/4	286 3/4	289 1/4	296 1/2	318 1/4	310 3/4
1988	326	323 1/2	299 1/4	315 1/2	351 1/2	395 1/2	368 1/4	415 3/4	414 3/4	415 3/4	427 1/2	440
1989	440 1/2	434 3/4	403 3/4	405	387 1/2	404 3/4	384 1/2	399 1/4	407 1/4	394 1/2	407 3/4	409 1/4
1990	375 3/4	362 1/4	351 3/4	345 3/4	333 3/4	331	288 1/4	277 1/2	277 3/4	262	261 3/4	260 1/2
1991	263	269 1/2	286 3/4	283 1/4	287	275	294	321	332 1/2	363 1/2	366	404 3/4
1992	440 1/4	400	379	353 1/2	349 1/2	352 1/2	317 1/4	333	350 1/4	354 1/2	371	353 3/4
1993	380	333 1/4	347 1/4	301 1/4	288 1/4	287 1/4	304	315 1/2	318 3/4	335 1/2	350 1/2	378 1/4
1994	371 3/4	345 1/4	329 3/4	330 3/4	327 1/2	322 1/4	330 1/2	379 1/4	403 1/2	384 1/2	384 1/2	401 1/2
1995	373 1/2	347 1/4	343 1/4	351	373 1/4	446	464 1/4	462 3/4	492 1/4	497 3/4	495	512 1/4
1996	519 1/2	501 1/2	499 1/4	567	528 3/4	482 1/2	440	453 1/4	436	371 1/4	377 1/2	381 1/4
1997	359 3/4	375 1/4	397 1/2	433 1/2	380 1/2	332 1/4	362	394	354 1/4	360 1/2	357 3/4	325 3/4
1998	337 1/4	338 1/4	320 1/4	301 1/4	284 1/4	287 1/2	252 1/2	254	269 1/4	294 1/4	294 1/4	276 1/4
1999	275 1/2	248 1/2	280 1/4	268	252 1/4	264 1/4	263 3/4	282 1/4	275 3/4	255 3/4	249 1/2	248 1/2
2000	256 1/4	259	262 1/4	254 3/4	274 3/4	271 1/4	246 1/4	268 1/4	265	254 3/4	273 3/4	279 1/2
2001	273	276 3/4	255	283 1/4	267	258	278 1/2	289	270 3/4	293 1/4	289 1/2	289
2002	286	276	285	268 3/4	282 1/4	313	334	370	396 1/2	402 1/4	379 3/4	325
2003	320 1/2	310 1/4	286 3/4	282 3/4	324 1/4	310 1/2	348 1/2	381	360 1/4	369 1/2	406 3/4	377
2004	389	390 3/4	408	390	362	345 1/2	312 1/4	322 3/4	306 3/4	316 1/2	301 1/4	307 1/2
2005	291	345 1/4	331	326	331 3/4	331 1/2	327 3/4	317 1/2	346 1/4	317	320 3/4	339 1/4
2006	343 1/4	381	347 3/4	358 1/2	393 1/2	396	397 1/2	422 1/4	443	483	521 1/2	501
2007	467 1/2	488	438	495 1/2	517	597	630	775 1/2	939	808	885 1/2	885
2008	929 1/2	1086	929	801	761 1/2	858 3/4	783 3/4	801 1/4	680	536 1/4	561 1/4	610 3/4
2009	568	521 1/2	532 3/4	536 1/2	637 1/4	540 3/4	528 1/4	498 3/4	457 1/2	494 1/4	588 3/4	541 1/2
2010	474	519 1/4	450 1/2	503								

CBOT WHEAT NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

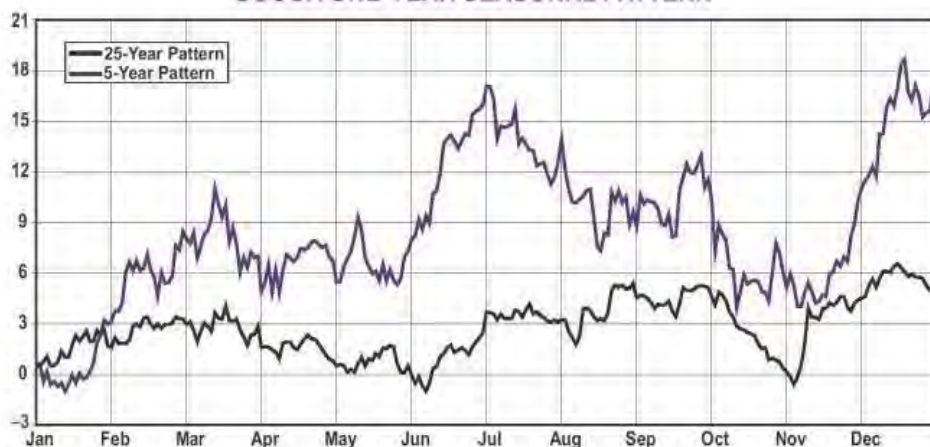
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1969	-0.8	-2.0	-4.4	3.4	-1.5	-0.3	-3.1	8.0	0.9	0.3	6.2	2.6	8.8
1970	-2.5	2.4	-2.0	-1.4	-5.4	5.6	3.6	11.6	2.5	3.6	-1.3	-2.2	14.3
1971	-1.2	-2.7	-2.4	-4.0	3.8	-0.6	-5.7	1.4	-1.9	9.9	-3.6	4.9	-3.2
1972	0.9	-5.8	1.8	-6.7	-1.1	0.3	7.8	22.8	11.6	2.2	11.3	7.5	61.8
1973	-6.4	-4.6	-5.5	4.8	20.5	-4.7	35.8	36.7	-1.2	-12.4	9.6	15.5	106.4
1974	3.6	1.3	-24.6	-12.6	-6.5	17.4	14.0	-6.0	11.2	5.6	-2.4	-9.8	-15.9
1975	-17.2	-8.0	11.0	-15.1	-7.1	0.7	19.3	16.0	0.9	-10.1	-8.0	-5.6	-26.8
1976	4.2	14.9	-14.5	-1.7	5.6	4.7	-8.6	-5.1	-10.8	-4.7	-3.4	4.4	-17.3
1977	-1.2	0.3	-0.8	-2.7	-7.3	2.1	-10.3	2.0	9.7	2.7	6.2	1.5	0.6
1978	-4.5	-2.2	20.2	-0.5	6.4	-4.4	-0.5	4.7	3.6	5.5	2.1	-7.0	22.9
1979	2.4	0.5	-3.8	2.3	5.5	18.2	-5.3	11.1	-1.2	-6.5	8.2	-0.4	32.3
1980	3.0	-4.4	-14.3	4.1	0.9	7.6	7.3	2.6	5.6	5.0	2.3	-7.4	10.3
1981	-7.0	-1.8	-5.2	2.1	-6.9	-5.5	4.6	2.3	1.9	3.4	0.1	-10.9	-21.9
1982	-3.7	-2.7	1.0	1.2	-6.2	1.2	-3.7	3.9	-10.2	-0.7	9.0	-4.4	-15.5
1983	3.9	-6.4	12.1	0.3	-5.0	3.9	4.5	10.1	-9.6	-4.4	0.4	2.2	9.9
1984	-9.6	0.8	12.9	-8.6	4.2	0.9	-2.8	0.8	-1.4	4.5	-2.4	-1.7	-4.3
1985	0.9	-4.1	6.0	-8.3	-3.7	2.0	-8.1	-2.5	3.2	9.0	3.4	2.5	-1.3
1986	-4.7	-12.5	6.3	-3.5	-15.3	-1.0	4.7	1.5	1.5	8.2	-0.3	-4.1	-20.0
1987	5.0	-2.9	1.6	-3.7	0.1	-4.0	-0.8	9.8	0.9	2.5	7.3	-2.4	13.2
1988	4.9	-0.8	-7.5	5.4	11.4	12.5	-6.9	12.9	-0.2	0.2	2.8	2.9	41.6
1989	0.1	-1.3	-7.1	0.3	-4.3	4.5	-5.0	3.8	2.0	-3.1	3.4	0.4	-7.0
1990	-8.2	-3.6	-2.9	-1.7	-3.5	-0.8	-12.9	-3.7	0.1	-5.7	-0.1	-0.5	-36.3
1991	1.0	2.5	6.4	-1.2	1.3	-4.2	6.9	9.2	3.6	9.3	0.7	10.6	55.4
1992	8.8	-9.1	-5.2	-6.7	-1.1	0.9	-10.0	5.0	5.2	1.2	4.7	-4.6	-12.6
1993	7.4	-12.3	4.2	-13.2	-4.3	-0.3	5.8	3.8	1.0	5.3	4.5	7.9	6.9
1994	-1.7	-7.1	-4.5	0.3	-1.0	-1.6	2.6	14.8	6.4	-4.7	N/C	4.4	6.1
1995	-7.0	-7.0	-1.2	2.3	6.3	19.5	4.1	-0.3	6.4	1.1	-0.6	3.5	27.6
1996	1.4	-3.5	-0.4	13.6	-6.7	-8.7	-8.8	3.0	-3.8	-14.9	1.7	1.0	-25.6
1997	-5.6	4.3	5.9	9.1	-16.8	-7.8	9.0	8.8	-10.1	1.8	-0.8	-8.9	-14.6
1998	3.5	0.3	-5.3	-5.9	-5.6	1.1	-12.2	0.6	6.0	9.3	N/C	-6.1	-15.2
1999	-0.3	-9.8	12.8	-4.4	-5.9	4.8	-0.2	7.0	-2.3	-7.3	-2.4	-0.4	-10.0
2000	3.1	1.1	1.3	-2.9	7.9	-1.3	-9.2	8.9	-1.2	-3.9	7.5	2.1	12.5
2001	-2.3	1.4	-7.9	11.1	-5.7	-3.4	7.9	3.8	-6.3	8.3	-1.3	-0.2	3.4
2002	-1.0	-3.5	3.3	-5.7	5.0	10.9	6.7	10.8	7.2	1.5	-5.6	-14.4	12.5
2003	-1.4	-3.2	-7.6	-1.4	14.7	-4.2	12.2	9.3	-5.4	2.6	10.1	-7.3	16.0
2004	3.2	0.4	4.4	-4.4	-7.2	-4.6	-9.6	3.4	-5.0	3.2	-4.8	2.1	-18.4
2005	-5.4	18.6	-4.1	-1.5	1.8	-0.1	-1.1	-3.1	9.1	-8.4	1.2	5.8	10.3
2006	1.2	11.0	-8.7	3.1	9.8	0.6	0.4	6.2	4.9	9.0	8.0	-3.9	47.7
2007	-6.7	4.4	-10.2	13.1	4.3	15.5	5.5	23.1	21.1	-14.0	9.6	-0.1	76.6
2008	5.0	16.8	-14.5	-13.8	-4.9	12.8	-8.7	2.2	-15.1	-21.1	4.7	8.8	-31.0
2009	-7.0	-8.2	2.2	0.7	18.8	-15.1	-2.3	-5.6	-8.3	8.0	19.1	-8.0	-11.3
2010	-12.5	9.5	-13.2	11.7									
TOTALS	-54.4	-39.0	-64.4	-42.7	-4.7	75.1	26.9	255.6	32.5	1.3	107.1	-19.7	
AVG.	-1.3	-0.9	-1.5	-1.0	-0.1	1.8	0.7	6.2	0.8	0.03	2.6	-0.5	
# Up	19	17	17	18	18	22	19	34	24	26	25	19	
# Down	23	25	25	24	23	19	22	7	17	15	14	22	

COCOA CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

The cocoa bean grows on a tropical plant, thriving only in hot, rainy climates with cultivation generally confined to areas not more than 20 degrees north or south of the equator. The tree takes four or five years after planting to yield cocoa beans and then takes anywhere from eight to ten years to achieve maximum production. That is why it is susceptible to frost scares. The fruit of the cocoa tree appears as pods, primarily on the trees trunk and lower main branches. When ripe, these pods are cut down and opened; and the beans are removed, fermented, and dried. The cocoa butter extracted from the bean is used in a number of products, ranging from cosmetics to pharmaceuticals, but its main use is in the manufacture of chocolate candy.

Currently, the Ivory Coast is the world's leading cocoa producing nation. Ghana and Indonesia rank next among major world producers, followed by Brazil, Nigeria, and Malaysia. The leading cocoa bean importing nations are the Netherlands, United States, and Germany. These countries accounted for about 54% of world imports. The U.S. is the leading importer of cocoa products such as cocoa butter, liquor, and powder—accounting for 12% of world imports. This market has two crop seasons due to the production areas of Ghana and South America. Cocoa has a strong seasonal tendency to bottom in June, due to the new crop harvest, and then peaks in March, when supplies have declined and confectioners and processors have accumulated inventories ahead of the high-consumption periods around Valentine's Day and Easter.

COCOA ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

COCOA NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1981

YEAR	HIGH		LOW		YEAR	HIGH		LOW		YEAR	
	DATE	CLOSE	DATE	CLOSE		DATE	CLOSE	DATE	CLOSE		
1981	09/02	2272	06/05	1403	2054	1996	06/12	1458	03/13	1211	1374
1982	01/05	2159	07/19	1344	1603	1997	12/15	1762	01/23	1260	1630
1983	12/30	2755	01/04	1590	2755	1998	05/14	1748	12/30	1376	1379
1984	05/22	2730	08/01	1963	2052	1999	01/12	1392	11/08	806	836
1985	03/29	2469	06/24	1968	2298	2000	03/16	935	11/27	714	758
1986	01/02	2307	06/02	1722	1935	2001	11/29	1349	01/03	753	1310
1987	07/15	2125	12/08	1743	1814	2002	10/10	2374	01/18	1286	2021
1988	01/21	1942	09/29	1116	1500	2003	01/31	2409	10/17	1367	1515
1989	02/15	1566	12/14	898	925	2004	11/08	1792	05/17	1314	1547
1990	05/24	1493	01/03	912	1150	2005	03/18	1844	11/07	1322	1504
1991	12/16	1333	07/09	904	1245	2006	07/10	1734	10/16	1406	1635
1992	01/02	1253	06/24	831	936	2007	12/19	2132	01/26	1578	2035
1993	12/03	1316	06/07	849	1144	2008	07/01	3275	11/06	1913	2665
1994	07/15	1522	02/02	1051	1280	2009	12/16	3498	03/02	2213	3289
1995	02/24	1461	07/10	1216	1258	2010	01/19	3461	03/09	2802	AT PRESS TIME

*Through April 30, 2010

COCOA NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1981	1944	1992	2027	1944	1681	1554	2047	2178	2215	1931	1911	2054
1982	1942	1940	1638	1660	1488	1477	1395	1475	1529	1372	1465	1603
1983	1826	1740	1704	1935	2072	2143	2337	2093	2072	1963	2224	2755
1984	2521	2377	2562	2545	2616	2347	1981	2326	2174	2277	2117	2052
1985	2271	2163	2469	2093	2075	2031	2087	2222	2273	2103	2214	2298
1986	2146	2040	1862	1798	1759	1800	1942	2129	2011	1876	1886	1935
1987	1820	1888	1928	1977	1881	1997	1962	1988	1823	1807	1866	1814
1988	1760	1621	1570	1622	1619	1580	1468	1256	1132	1309	1476	1500
1989	1446	1485	1431	1211	1128	1229	1267	1149	1040	977	939	925
1990	962	1055	1183	1297	1415	1246	1248	1319	1281	1153	1283	1150
1991	1128	1138	1105	1035	1030	908	1036	1091	1220	1208	1231	1245
1992	1177	1116	986	933	864	954	1013	1092	1009	932	1008	936
1993	912	936	919	936	894	903	939	1079	1151	1120	1263	1144
1994	1088	1139	1148	1128	1388	1305	1490	1357	1320	1327	1228	1280
1995	1363	1427	1308	1408	1362	1289	1236	1336	1293	1311	1308	1258
1996	1242	1268	1306	1368	1376	1384	1333	1352	1377	1353	1416	1374
1997	1314	1286	1453	1400	1469	1713	1513	1717	1679	1603	1582	1630
1998	1556	1614	1652	1686	1673	1575	1552	1614	1512	1506	1441	1379
1999	1331	1278	1192	1019	874	1039	1001	951	1029	874	899	836
2000	795	778	800	774	842	835	825	795	797	755	729	758
2001	1020	1137	1073	987	936	964	957	949	1077	1017	1339	1310
2002	1344	1450	1494	1510	1598	1647	1787	2002	2191	1927	1703	2021
2003	2409	2034	1960	1991	1493	1651	1465	1761	1626	1440	1438	1515
2004	1520	1570	1549	1413	1465	1341	1645	1686	1453	1469	1651	1547
2005	1525	1730	1613	1492	1422	1452	1479	1404	1413	1351	1415	1504
2006	1484	1461	1489	1521	1473	1639	1486	1485	1472	1484	1557	1635
2007	1617	1732	1953	1798	1883	2062	1942	1824	2036	1945	1983	2035
2008	2326	2777	2321	2776	2723	3181	2858	2884	2558	2053	2294	2665
2009	2771	2413	2605	2375	2588	2510	2892	2794	3140	3297	3259	3289
2010	3184	2917	2969	3239								

COCOA NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

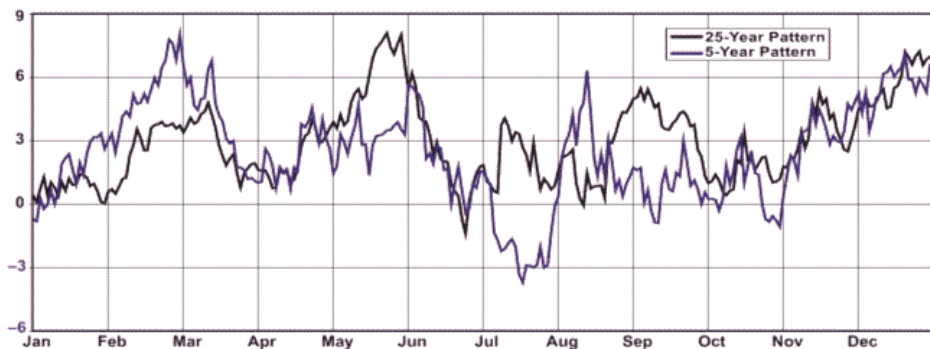
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1981	-5.2	2.5	1.8	-4.1	-13.5	-7.6	31.7	6.4	1.7	-12.8	-1.0	7.5	0.2
1982	-5.5	-0.1	-15.6	1.3	-10.4	-0.7	-5.6	5.7	3.7	-10.3	6.8	9.4	-22.0
1983	13.9	-4.7	-2.1	13.6	7.1	3.4	9.1	-10.4	-1.0	-5.3	13.3	23.9	71.9
1984	-8.5	-5.7	7.8	-0.7	2.8	-10.3	-15.6	17.4	-6.5	4.7	-7.0	-3.1	-25.5
1985	10.7	-4.8	14.1	-15.2	-0.9	-2.1	2.8	6.5	2.3	-7.5	5.3	3.8	12.0
1986	-6.6	-4.9	-8.7	-3.4	-2.2	2.3	7.9	9.6	-5.5	-6.7	0.5	2.6	-15.8
1987	-5.9	3.7	2.1	2.5	-4.9	6.2	-1.8	1.3	-8.3	-0.9	3.3	-2.8	-6.3
1988	-3.0	-7.9	-3.1	3.3	-0.2	-2.4	-7.1	-14.4	-9.9	15.6	12.8	1.6	-17.3
1989	-3.6	2.7	-3.6	-15.4	-6.9	9.0	3.1	-9.3	-9.5	-6.1	-3.9	-1.5	-38.3
1990	4.0	9.7	12.1	9.6	9.1	-11.9	0.2	5.7	-2.9	-10.0	11.3	-10.4	24.3
1991	-1.9	0.9	-2.9	-6.3	-0.5	-11.8	14.1	5.3	11.8	-1.0	1.9	1.1	8.3
1992	-5.5	-5.2	-11.6	-5.4	-7.4	10.4	6.2	7.8	-7.6	-7.6	8.2	-7.1	-24.8
1993	-2.6	2.6	-1.8	1.8	-4.5	1.0	4.0	14.9	6.7	-2.7	12.8	-9.4	22.2
1994	-4.9	4.7	0.8	-1.7	23.0	-6.0	14.2	-8.9	-2.7	0.5	-7.5	4.2	11.9
1995	6.5	4.7	-8.3	7.6	-3.3	-5.4	-4.1	8.1	-3.2	1.4	-0.2	-3.8	-1.7
1996	-1.3	2.1	3.0	4.7	0.6	0.6	-3.7	1.4	1.8	-1.7	4.7	-3.0	9.2
1997	-4.4	-2.1	13.0	-3.6	4.9	16.6	-11.7	13.5	-2.2	-4.5	-1.3	3.0	18.6
1998	-4.5	3.7	2.4	2.1	-0.8	-5.9	-1.5	4.0	-6.3	-0.4	-4.3	-4.3	-15.4
1999	-3.5	-4.0	-6.7	-14.5	-14.2	18.9	-3.7	-5.0	8.2	-15.1	2.9	-7.0	-39.4
2000	-4.9	-2.1	2.8	-3.2	8.8	-0.8	-1.2	-3.6	0.3	-5.3	-3.4	4.0	-9.3
2001	34.6	11.5	-5.6	-8.0	-5.2	3.0	-0.7	-0.8	13.5	-5.6	31.7	-2.2	72.8
2002	2.6	7.9	3.0	1.1	5.8	3.1	8.5	12.0	9.4	-12.0	-11.6	18.7	54.3
2003	19.2	-15.6	-3.6	1.6	-25.0	10.6	-11.3	20.2	-7.7	-11.4	-0.1	5.4	-25.0
2004	0.3	3.3	-1.3	-8.8	3.7	-8.5	22.7	2.5	-13.8	1.1	12.4	-6.3	2.1
2005	-1.4	13.4	-6.8	-7.5	-4.7	2.1	1.9	-5.1	0.6	-4.4	4.7	6.3	-2.8
2006	-1.3	-1.5	1.9	2.1	-3.2	11.3	-9.3	-0.1	-0.9	0.8	4.9	5.0	8.7
2007	-1.1	7.1	12.8	-7.9	4.7	9.5	-5.8	-6.1	11.6	-4.5	2.0	2.6	24.5
2008	14.3	19.4	-16.4	19.6	-1.9	16.8	-10.2	0.9	-11.3	-19.7	11.7	16.2	31.0
2009	4.0	-12.9	8.0	-8.8	9.0	-3.0	15.2	-3.4	12.4	5.0	-1.2	0.9	23.4
2010	-3.2	-8.4	1.8	9.1									
TOTALS	31.3	20.0	-10.7	-34.5	-30.2	48.4	48.3	76.1	-15.3	-126.4	109.7	55.3	
AVG.	1.0	0.7	-0.4	-1.2	-1.0	1.7	1.7	2.6	-0.5	-4.4	3.8	1.9	
# Up	10	16	15	14	11	16	14	18	13	7	18	17	
# Down	20	14	15	16	18	13	15	11	16	22	11	12	

COFFEE CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Coffee is produced from trees or bushes that grow primarily in subtropical climates. Coffee beans are the seeds of cherry-sized berries, the fruit of the coffee tree. Coffee is primarily classified in two types—Arabica and Robusta. Arabian coffees, which make up the bulk of world production, are grown mainly in the tropical highlands of the Western Hemisphere. Robusta coffees are produced largely in the low, hot areas of Africa and Asia. Their flavors are less mild than the Arabica coffees. South and Central America produce the majority of the coffee trade in world commerce. Brazil and Colombia, the largest growers of Arabica coffees, accounted for about 41% of world green coffee production on average.

The demand for coffee is price inelastic. This means that when coffee prices rise, people do not reduce their coffee consumption proportionally; and when coffee prices fall, consumer demand for coffee does not proportionally increase to any great extent, unless it is met by a substantial price increase due to crop devastation from frost damage as occurred in the late 1970s. Coffee also has a strong seasonal tendency to peak in May, right before the Brazil harvest, as the market builds a price premium as a hedge against a potential frost scare. Then prices tend to decline through the summer months and bottom in August, as roasters build inventories ahead of the highest-consumption months in fall and winter.

COFFEE ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

COFFEE NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1974

HIGH			LOW			YEAR			HIGH			LOW			YEAR		
YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE
1974	02/11	81.95	09/16	50.17	59.62	1993	09/10	83.15	04/08	53.50	71.55						
1975	08/04	87.90	04/10	47.00	87.25	1994	07/12	246.80	01/05	71.55	168.85						
1976	12/30	224.45	01/06	86.90	224.45	1995	03/10	187.75	12/28	93.90	94.90						
1977	04/14	339.86	10/21	149.06	192.03	1996	04/22	130.95	01/02	91.25	116.90						
1978	01/16	201.25	07/25	109.00	132.88	1997	05/29	314.80	01/06	114.05	162.45						
1979	06/29	221.53	02/16	122.91	181.56	1998	02/05	181.95	09/18	101.10	117.75						
1980	05/15	203.07	11/10	108.03	126.80	1999	12/03	144.05	10/01	81.35	125.90						
1981	11/04	149.71	06/26	85.44	139.71	2000	07/18	119.05	12/19	65.05	65.55						
1982	02/10	157.75	04/19	118.07	129.83	2001	01/22	71.25	10/22	42.50	46.20						
1983	12/13	149.58	02/16	119.44	138.79	2002	12/02	72.85	02/08	44.55	60.20						
1984	05/21	156.45	10/01	133.57	142.25	2003	09/11	72.05	03/27	57.15	64.95						
1985	12/23	246.66	07/23	131.32	241.29	2004	12/29	107.95	08/05	65.90	103.75						
1986	01/07	273.45	12/30	132.59	136.83	2005	03/10	138.10	09/19	86.45	107.10						
1987	01/08	134.02	04/01	99.28	125.96	2006	12/14	128.90	07/24	94.05	126.20						
1988	12/30	159.34	08/02	108.83	159.34	2007	10/12	139.30	05/03	104.35	136.20						
1989	01/03	165.90	10/09	68.72	79.57	2008	02/28	167.50	12/05	103.20	112.05						
1990	03/05	104.24	01/16	77.55	88.65	2009	12/16	148.30	03/02	105.70	135.95						
1991	03/06	95.85	11/06	76.50	77.70	2010*	01/08	145.35	02/05	128.80	AT PRESS TIME						
1992	12/21	81.90	09/09	50.90	77.55												

*Through April 30, 2010

COFFEE NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1974	72.65	74.50	74.90	73.15	73.13	70.90	69.25	59.35	54.20	57.60	61.63	59.62
1975	54.75	51.75	51.90	48.95	54.11	55.25	84.05	83.70	80.93	80.10	79.90	87.25
1976	95.00	96.52	108.70	125.50	141.05	152.85	141.75	147.90	166.25	178.50	186.98	224.45
1977	222.93	267.49	308.75	301.99	273.12	235.92	222.00	180.50	165.50	184.50	170.33	192.03
1978	190.00	159.46	168.65	154.13	171.00	146.18	128.46	151.30	149.65	153.06	133.98	132.88
1979	127.76	127.47	137.49	156.04	155.82	221.53	198.00	207.46	213.81	212.30	205.85	181.56
1980	166.39	183.26	182.25	184.65	194.05	177.92	143.06	134.92	126.66	125.14	121.38	126.80
1981	122.36	123.09	128.66	126.84	113.78	92.02	123.13	98.08	129.15	141.12	129.68	139.71
1982	149.14	141.26	128.56	129.31	138.23	133.46	126.81	126.83	144.87	139.41	136.08	129.83
1983	122.81	120.12	123.23	124.35	131.75	125.19	126.07	129.90	136.48	141.54	144.01	138.79
1984	142.44	144.84	151.37	147.17	144.35	142.65	139.01	146.85	135.95	138.66	136.76	142.25
1985	150.05	139.96	144.43	145.67	144.10	143.56	133.49	138.63	138.00	161.55	168.56	241.29
1986	214.43	246.96	246.41	233.27	187.98	169.28	169.47	204.36	201.36	173.71	150.85	136.83
1987	123.98	129.31	100.04	120.56	119.46	105.75	101.54	118.52	112.77	122.52	129.70	125.96
1988	131.55	135.31	134.51	132.60	133.77	131.43	124.72	123.83	131.93	123.61	123.77	159.34
1989	132.64	127.32	128.13	127.45	130.68	108.06	78.99	85.76	80.60	74.85	77.70	79.57
1990	79.99	93.79	92.14	93.73	94.05	85.60	93.80	102.85	93.00	90.50	86.90	88.65
1991	83.00	92.75	94.70	89.35	86.70	85.90	81.40	89.00	82.90	80.55	83.80	77.70
1992	72.15	70.90	68.50	62.90	63.30	58.10	56.25	54.20	55.70	68.45	73.00	77.55
1993	58.30	64.85	58.60	64.20	63.55	61.35	76.55	77.90	74.50	79.30	77.60	71.55
1994	72.35	76.40	82.20	89.50	126.00	191.60	202.75	210.90	208.85	187.40	160.80	168.85
1995	155.50	181.25	166.30	174.15	153.85	130.30	145.70	147.50	117.25	121.55	104.85	94.90
1996	128.60	115.90	115.45	124.45	116.10	121.45	106.40	118.25	102.95	117.20	107.75	116.90
1997	139.40	176.85	191.15	210.40	276.40	172.40	184.50	179.90	162.50	148.65	155.05	162.45
1998	174.70	162.15	146.25	131.45	132.50	110.20	129.20	116.35	105.15	110.00	110.10	117.75
1999	103.90	102.90	109.70	104.00	121.60	101.40	91.10	89.85	82.45	100.20	134.60	125.90
2000	111.10	100.40	103.70	98.00	93.00	87.45	86.45	79.70	83.00	74.40	71.70	65.55
2001	63.75	65.90	60.30	64.45	57.15	58.50	51.95	54.35	48.30	43.90	46.20	46.20
2002	45.10	46.30	57.20	52.85	51.90	48.85	46.80	53.20	54.50	65.95	70.60	60.20
2003	65.30	59.15	58.65	69.25	58.35	61.10	63.45	63.40	62.90	58.65	60.65	64.95
2004	75.50	76.75	73.75	69.10	85.55	75.30	66.45	72.60	82.35	74.40	97.45	103.75
2005	105.35	121.55	126.40	127.95	118.35	108.05	103.15	101.05	93.45	96.65	97.00	107.10
2006	118.20	113.70	107.00	109.70	98.95	101.10	99.35	108.00	107.65	108.25	124.30	126.20
2007	117.65	118.50	109.25	106.15	111.90	112.80	114.30	115.85	128.65	121.35	129.20	136.20
2008	138.15	166.80	127.40	135.45	133.90	153.20	139.35	145.75	130.45	113.00	116.10	112.05
2009	118.90	111.90	115.75	115.90	137.40	119.90	127.85	122.30	127.80	135.50	142.00	135.95
2010	131.70	131.20	136.15	135.30								

COFFEE NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1974	7.8	2.5	0.5	-2.3	-0.0	-3.0	-2.3	-14.3	-8.7	6.3	7.0	-3.3	-11.5
1975	-8.2	-5.5	0.3	-5.7	10.5	2.1	52.1	-0.4	-3.3	-1.0	-0.2	9.2	46.3
1976	8.9	1.6	12.6	15.5	12.4	8.4	-7.3	4.3	12.4	7.4	4.8	20.0	157.2
1977	-0.7	20.0	15.4	-2.2	-9.6	-13.6	-5.9	-18.7	-8.3	11.5	-7.7	12.7	-14.4
1978	-1.1	-16.1	5.8	-8.6	10.9	-14.5	-12.1	17.8	-1.1	2.3	-12.5	-0.8	-30.8
1979	-3.9	-0.2	7.9	13.5	-0.1	42.2	-10.6	4.8	3.1	-0.7	-3.0	-11.8	36.6
1980	-8.4	10.1	-0.6	1.3	5.1	-8.3	-19.6	-5.7	-6.1	-1.2	-3.0	4.5	-30.2
1981	-3.5	0.6	4.5	-1.4	-10.3	-19.1	33.8	-20.3	31.7	9.3	-8.1	7.7	10.2
1982	6.7	-5.3	-9.0	0.6	6.9	-3.5	-5.0	0.0	14.2	-3.8	-2.4	-4.6	-7.1
1983	-5.4	-2.2	2.6	0.9	6.0	-5.0	0.7	3.0	5.1	3.7	1.7	-3.6	6.9
1984	2.6	1.7	4.5	-2.8	-1.9	-1.2	-2.6	5.6	-7.4	2.0	-1.4	4.0	2.5
1985	5.5	-6.7	3.2	0.9	-1.1	-0.4	-7.0	3.9	-0.5	17.1	4.3	43.1	69.6
1986	-11.1	15.2	-0.2	-5.3	-19.4	-9.9	0.1	20.6	-1.5	-19.7	-13.2	-9.3	-43.3
1987	-9.4	4.3	-22.6	20.5	-0.9	-11.5	-4.0	16.7	-4.9	8.6	5.9	-2.9	-7.9
1988	4.4	2.9	-0.6	-1.4	0.9	-1.7	-5.1	-0.7	6.5	-6.3	0.1	28.7	26.5
1989	-16.8	-4.0	0.6	-0.5	2.5	-17.3	-26.9	8.6	-6.0	-7.1	3.8	2.4	-50.1
1990	0.5	17.3	-1.8	1.7	0.3	-9.0	9.6	9.6	-9.6	-2.7	-4.0	2.0	11.4
1991	-6.4	11.7	2.1	-5.6	-3.0	-0.9	-5.2	9.3	-6.9	-2.8	4.0	-7.3	-12.4
1992	-7.1	-1.7	-3.4	-8.2	0.6	-8.2	-3.2	-3.6	2.8	22.9	6.6	6.2	-0.2
1993	-24.8	11.2	-9.6	9.6	-1.0	-3.5	24.8	1.8	-4.4	6.4	-2.1	-7.8	-7.7
1994	1.1	5.6	7.6	8.9	40.8	52.1	5.8	4.0	-1.0	-10.3	-14.2	5.0	136.0
1995	-7.9	16.6	-8.2	4.7	-11.7	-15.3	11.8	1.2	-20.5	3.7	-13.7	-9.5	-43.8
1996	35.5	-9.9	-0.4	7.8	-6.7	4.6	-12.4	11.1	-12.9	13.8	-8.1	8.5	23.2
1997	19.2	26.9	8.1	10.1	31.4	-37.6	7.0	-2.5	-9.7	-8.5	4.3	4.8	39.0
1998	7.5	-7.2	-9.8	-10.1	0.8	-16.8	17.2	-9.9	-9.6	4.6	0.1	6.9	-27.5
1999	-11.8	-1.0	6.6	-5.2	16.9	-16.6	-10.2	-1.4	-8.2	21.5	34.3	-6.5	6.9
2000	-11.8	-9.6	3.3	-5.5	-5.1	-6.0	-1.1	-7.8	4.1	-10.4	-3.6	-8.6	-47.9
2001	-2.7	3.4	-8.5	6.9	-11.3	2.4	-11.2	4.6	-11.1	-9.1	5.2	N/C	-29.5
2002	-2.4	2.7	23.5	-7.6	-1.8	-5.9	-4.2	13.7	2.4	21.0	7.1	-14.7	30.3
2003	8.5	-9.4	-0.8	18.1	-15.7	4.7	3.8	-0.1	-0.8	-6.8	3.4	7.1	7.9
2004	16.2	1.7	-3.9	-6.3	23.8	-12.0	-11.8	9.3	13.4	-9.7	31.0	6.5	59.7
2005	1.5	15.4	4.0	1.2	-7.5	-8.7	-4.5	-2.0	-7.5	3.4	0.4	10.4	3.2
2006	10.4	-3.8	-5.9	2.5	-9.8	2.2	-1.7	8.7	-0.3	0.6	14.8	1.5	17.8
2007	-6.8	0.7	-7.8	-2.8	5.4	0.8	1.3	1.4	11.0	-5.7	6.5	5.4	7.9
2008	1.4	20.7	-23.6	6.3	-1.1	14.4	-9.0	4.6	-10.5	-13.4	2.7	-3.5	-17.7
2009	6.1	-5.9	3.4	0.1	18.6	-12.7	6.6	-4.3	4.5	6.0	4.8	-4.3	21.3
2010	-3.1	-0.4	3.8	-0.6									
TOTALS	-9.5	103.9	3.6	49.0	75.8	-128.3	-8.3	72.9	-49.6	58.9	55.6	98.1	
AVG.	-0.3	2.8	0.1	1.3	2.1	-3.6	-0.2	2.0	-1.4	1.6	1.5	2.7	
# Up	17	21	20	19	17	10	13	22	12	19	21	20	
# Down	20	16	17	18	19	26	23	14	24	17	15	15	

SUGAR CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Sugar prices are not only affected by beet and cane supply, but also by domestic and international demand for its by-products, like molasses, methanol, and ethanol. It is a highly regulated industry; thus, many countries, such as the United States, that impose trade barriers, including production quotas, guaranteed prices, and import tariffs, impart a significant degree of distortion to international prices. The relatively longer plantation cycle, combined with restrictive trade practices, has in the past been the catalyst for the volatility in sugar prices.

In India, sugar production follows a three- to five-year cycle. Higher production leads to increased availability of sugar, thereby reducing the sugar prices. This leads to lower profitability for the companies and delayed payment to the farmers. As a result of higher sugarcane arrears, the farmers switch to other crops, thereby leading to a fall in the area under cultivation for sugar. This then leads to lower production and lower sugar availability, followed by higher sugar prices, higher profitability, and lower arrears; and, thus, the cycle continues. Because of the many areas around the globe that produce sugar, it does have many seasonal price swings. Overall, it tends to bottom in June and peak in November prior to the Northern Hemisphere harvest of both cane and sugar beet production.

SUGAR ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

SUGAR NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1975

HIGH			LOW			YEAR	HIGH			LOW			YEAR
YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	
1975	01/03	45.60	06/25	11.54	14.40	1993	05/14	13.19	02/02	8.04	10.77		
1976	05/07	15.74	12/27	7.65	8.04	1994	12/30	15.17	01/19	10.28	15.17		
1977	04/22	10.95	07/12	7.12	9.40	1995	01/06	15.74	07/14	9.69	11.60		
1978	10/30	9.75	07/25	6.01	8.43	1996	02/16	12.66	12/03	10.27	11.00		
1979	12/26	16.98	04/20	7.64	16.31	1997	12/01	12.49	01/23	10.15	12.22		
1980	11/05	45.64	01/03	15.37	30.58	1998	01/05	12.02	09/18	6.67	7.86		
1981	01/06	33.78	09/17	10.76	13.18	1999	01/07	8.80	04/28	4.08	6.12		
1982	01/27	13.99	09/15	5.99	6.85	2000	10/16	11.39	02/28	4.88	10.20		
1983	05/31	13.36	01/12	6.10	8.18	2001	01/08	10.47	10/09	6.15	7.39		
1984	01/12	8.15	09/17	3.80	4.16	2002	01/09	8.03	06/28	4.96	7.61		
1985	12/05	6.51	06/20	2.70	5.62	2003	02/20	9.07	12/31	5.67	5.67		
1986	04/07	9.39	09/19	4.81	6.16	2004	10/12	9.32	02/09	5.36	9.04		
1987	12/31	9.49	08/28	5.60	9.49	2005	12/29	14.79	04/15	8.08	14.68		
1988	07/19	15.30	02/26	7.74	11.15	2006	02/03	19.30	09/25	10.87	11.75		
1989	11/17	15.36	01/24	9.40	13.16	2007	01/03	11.51	06/13	8.45	10.82		
1990	03/16	16.13	10/15	9.13	9.37	2008	03/03	14.91	06/04	9.52	11.81		
1991	06/19	9.97	05/10	7.63	9.00	2009	12/28	27.26	01/14	11.43	26.95		
1992	06/17	11.05	02/11	7.88	8.41	2010*	01/29	29.90	04/28	14.86		AT PRESS TIME	

*Through April 30, 2010

SUGAR NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1975	35.65	28.40	25.40	18.90	15.20	13.65	17.09	17.05	13.75	14.22	13.13	14.40
1976	13.35	13.73	14.06	14.26	13.74	13.81	12.07	9.85	8.81	8.21	8.51	8.04
1977	8.89	8.75	9.37	10.23	8.63	8.30	7.98	7.72	8.33	8.63	9.27	9.40
1978	9.41	8.79	7.98	7.91	7.51	6.95	6.35	7.39	9.23	9.42	8.48	8.43
1979	8.22	8.88	8.51	8.20	7.88	8.75	8.47	9.69	11.56	14.08	16.86	16.31
1980	22.01	24.88	19.70	24.81	35.17	34.93	30.05	33.18	41.16	43.34	35.11	30.58
1981	26.79	24.03	21.12	16.78	17.99	15.40	16.70	12.42	13.11	12.52	13.01	13.18
1982	13.58	12.58	10.97	9.12	7.80	7.91	7.49	6.63	7.11	7.84	8.32	6.85
1983	6.20	6.32	7.09	7.98	13.36	11.55	11.68	10.39	10.94	9.36	9.57	8.18
1984	7.50	6.71	6.86	6.48	5.88	5.58	4.55	4.62	5.44	5.83	5.28	4.16
1985	4.32	4.12	3.85	3.55	3.14	2.95	4.50	4.75	5.65	6.14	6.13	5.62
1986	5.92	6.30	9.18	9.24	7.32	6.85	6.57	5.22	6.28	6.90	6.60	6.16
1987	7.74	8.24	6.72	7.31	6.72	6.97	5.94	5.63	6.96	7.59	8.01	9.49
1988	9.64	7.91	8.88	8.51	9.47	12.63	11.54	10.25	9.64	10.59	11.07	11.15
1989	10.49	11.63	12.62	11.54	10.86	14.43	14.65	13.39	14.16	13.97	14.15	13.16
1990	14.73	14.46	15.69	16.02	13.68	12.77	11.09	10.33	10.11	9.42	9.82	9.37
1991	8.79	8.78	8.90	7.73	8.05	8.52	9.68	8.83	9.01	8.98	8.92	9.00
1992	8.18	8.02	8.68	9.36	10.03	9.76	9.51	9.23	8.71	8.77	8.41	8.41
1993	8.30	9.96	11.89	12.82	10.76	10.45	9.36	9.07	10.45	10.62	10.36	10.77
1994	10.59	11.80	11.96	11.67	12.04	11.68	11.68	12.14	12.40	12.80	14.71	15.17
1995	14.12	14.42	14.28	11.56	11.72	10.79	10.50	10.86	10.18	10.56	10.97	11.60
1996	12.15	11.60	11.79	10.39	11.21	11.15	11.70	11.78	10.89	10.30	10.66	11.00
1997	10.45	10.97	10.79	10.96	11.17	11.19	11.68	11.60	11.56	12.39	12.24	12.22
1998	11.23	9.85	10.19	8.46	8.28	8.58	8.76	7.55	7.65	7.71	8.23	7.86
1999	7.11	6.26	5.91	4.33	5.00	6.22	5.98	6.82	6.93	6.88	5.78	6.12
2000	5.42	4.99	5.90	6.64	7.55	8.48	10.40	10.56	9.45	9.90	9.75	10.20
2001	9.95	8.99	7.75	8.50	8.55	9.36	7.93	7.91	6.63	6.74	7.68	7.39
2002	6.38	5.69	5.93	5.36	5.90	4.96	5.80	5.98	6.44	7.36	7.41	7.61
2003	8.64	8.45	7.68	7.20	7.08	6.22	7.21	6.29	6.44	5.93	6.25	5.67
2004	5.86	6.12	6.40	6.95	7.06	7.69	8.28	7.99	9.06	8.60	8.84	9.04
2005	9.22	9.17	8.70	8.66	8.76	9.33	9.83	10.07	11.23	11.33	12.43	14.68
2006	18.02	17.12	17.90	17.43	15.46	16.34	14.91	11.80	11.75	11.55	12.37	11.75
2007	10.60	10.56	9.88	9.10	9.34	9.52	10.33	9.48	10.15	9.98	9.75	10.82
2008	12.36	14.62	11.69	11.81	10.02	13.10	13.93	12.76	13.66	12.02	11.90	11.81
2009	12.67	13.73	12.67	14.36	15.58	17.85	18.61	24.39	25.39	22.81	22.64	26.95
2010	29.90	23.60	16.59	15.15								

SUGAR NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

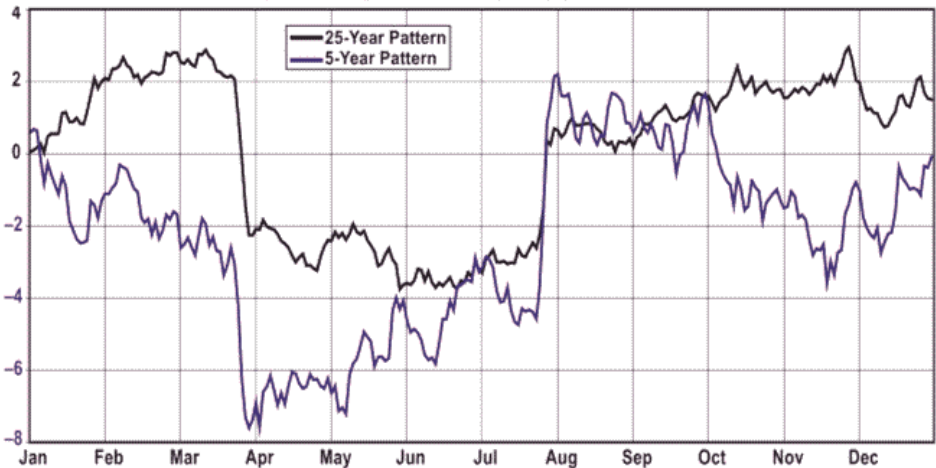
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1975	-24.5	-20.3	-10.6	-25.6	-19.6	-10.2	25.2	-0.2	-19.4	3.4	-7.7	9.7	-69.5
1976	-7.3	2.8	2.4	1.4	-3.6	0.5	-12.6	-18.4	-10.6	-6.8	3.7	-5.5	-44.2
1977	10.6	-1.6	7.1	9.2	-15.6	-3.8	-3.9	-3.3	7.9	3.6	7.4	1.4	16.9
1978	0.1	-6.6	-9.2	-0.9	-5.1	-7.5	-8.6	16.4	24.9	2.1	-10.0	-0.6	-10.3
1979	-2.5	8.0	-4.2	-3.6	-3.9	11.0	-3.2	14.4	19.3	21.8	19.7	-3.3	93.5
1980	34.9	13.0	-20.8	25.9	41.8	-0.7	-14.0	10.4	24.1	5.3	-19.0	-12.9	87.5
1981	-12.4	-10.3	-12.1	-20.5	7.2	-14.4	8.4	-25.6	5.6	-4.5	3.9	1.3	-56.9
1982	3.0	-7.4	-12.8	-16.9	-14.5	1.4	-5.3	-11.5	7.2	10.3	6.1	-17.7	-48.0
1983	-9.5	1.9	12.2	12.6	67.4	-13.5	1.1	-11.0	5.3	-14.4	2.2	-14.5	19.4
1984	-8.3	-10.5	2.2	-5.5	-9.3	-5.1	-18.5	1.5	17.7	7.2	-9.4	-21.2	-49.1
1985	3.8	-4.6	-6.6	-7.8	-11.5	-6.1	52.5	5.6	18.9	8.7	-0.2	-8.3	35.1
1986	5.3	6.4	45.7	0.7	-20.8	-6.4	-4.1	-20.5	20.3	9.9	-4.3	-6.7	9.6
1987	25.6	6.5	-18.4	8.8	-8.1	3.7	-14.8	-5.2	23.6	9.1	5.5	18.5	54.1
1988	1.6	-17.9	12.3	-4.2	11.3	33.4	-8.6	-11.2	-6.0	9.9	4.5	0.7	17.5
1989	-5.9	10.9	8.5	-8.6	-5.9	32.9	1.5	-8.6	5.8	-1.3	1.3	-7.0	18.0
1990	11.9	-1.8	8.5	2.1	-14.6	-6.7	-13.2	-6.9	-2.1	-6.8	4.2	-4.6	-28.8
1991	-6.2	-0.1	1.4	-13.1	4.1	5.8	13.6	-8.8	2.0	-0.3	-0.7	0.9	-3.9
1992	-9.1	-2.0	8.2	7.8	7.2	-2.7	-2.6	-2.9	-5.6	0.7	-4.1	NC	-6.6
1993	-1.3	20.0	19.4	7.8	-16.1	-2.9	-10.4	-3.1	15.2	1.6	-2.4	4.0	28.1
1994	-1.7	11.4	1.4	-2.4	3.2	-3.0	NC	3.9	2.1	3.2	14.9	3.1	40.9
1995	-6.9	2.1	-1.0	-19.0	1.4	-7.9	-2.7	3.4	-6.3	3.7	3.9	5.7	-23.5
1996	4.7	-4.5	1.6	-11.9	7.9	-0.5	4.9	0.7	-7.6	-5.4	3.5	3.2	-5.2
1997	-5.0	5.0	-1.6	1.6	1.9	0.2	4.4	-0.7	-0.3	7.2	-1.2	-0.2	11.1
1998	-8.1	-12.3	3.5	-17.0	-2.1	3.6	2.1	-13.8	1.3	0.8	6.7	-4.5	-35.7
1999	-9.5	-12.0	-5.6	-26.7	15.5	24.4	-3.9	14.0	1.6	-0.7	-16.0	5.9	-22.1
2000	-11.4	-7.9	18.2	12.5	13.7	12.3	22.6	1.5	-10.5	4.8	-1.5	4.6	66.7
2001	-2.5	-9.6	-13.6	9.7	0.6	9.5	-15.3	-0.3	-16.2	1.7	13.9	-3.8	-27.5
2002	-13.7	-10.8	4.2	-9.6	10.1	-15.9	16.9	3.1	7.7	14.3	0.7	2.7	3.0
2003	13.5	-2.2	-9.1	-6.2	-1.7	-12.1	15.9	-12.8	2.4	-7.9	5.4	-9.3	-25.5
2004	3.4	4.4	4.6	8.6	1.6	8.9	7.7	-3.5	13.4	-5.1	2.8	2.3	59.4
2005	2.0	-0.5	-5.1	-0.5	1.2	6.5	5.4	2.4	11.5	0.9	9.7	18.1	62.4
2006	22.8	-5.0	4.6	-2.6	-11.3	5.7	-8.8	-20.9	-0.4	-1.7	7.1	-5.0	-20.0
2007	-9.8	-0.4	-6.4	-7.9	2.6	1.9	8.5	-8.2	7.1	-1.7	-2.3	11.0	-7.9
2008	14.2	18.3	-20.0	1.0	-15.2	30.7	6.3	-8.4	7.1	-12.0	-1.0	-0.8	9.1
2009	7.3	8.4	-7.7	13.3	8.5	14.6	4.3	31.1	4.1	-10.2	-0.7	19.0	128.2
2010	10.9	-21.1	-29.7	-8.7									
TOTALS	20.0	-50.3	-28.7	-96.2	28.3	87.6	50.8	-97.4	171.1	51.4	46.6	-13.8	
AVG.	0.6	-1.4	-0.8	-2.7	0.8	2.5	1.5	-2.8	4.9	1.5	1.3	-0.4	
# Up	17	14	18	15	18	18	17	13	24	21	20	17	
# Down	19	22	18	21	17	17	17	22	11	14	15	17	

LIVE CATTLE CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

Beef inventories here in the United States have declined in the last decade, as production costs have increased as a result of higher feed and transportation costs. Breeding is costly and requires a lengthy start-up time. For example, females can first be bred between 14 to 18 months of age, but gestation is approximately 9 months. Once the herd population is reduced, it may take up to 3 years to begin building up calf inventories.

Cattle prices are prone not only to seasonal tendencies but also to cyclical forces, as the country's herd population expands and contracts in response to production costs and farm operation profit margins. Typically, the seasonal low is in June, with a minor peak in November. Beef prices typically form a seasonal high in March, as packers have purchased inventory ahead of the summer grilling season.

LIVE CATTLE ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

LIVE CATTLE NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1972

HIGH			LOW			YEAR			HIGH			LOW			YEAR			
YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	YEAR	DATE	CLOSE	DATE	CLOSE	CLOSE	
1972	12/29	40.825	08/22	32.800	40.825	1992	03/09	79.525	05/28	69.225	77.125	1992	03/09	79.525	05/28	69.225	77.125	
1973	08/13	60.775	09/25	38.550	48.650	1993	03/22	83.725	12/02	72.225	73.450	1993	03/22	83.725	12/02	72.225	73.450	
1974	01/28	53.825	06/11	33.825	39.575	1994	03/04	77.200	06/27	62.275	72.675	1994	03/04	77.200	06/27	62.275	72.675	
1975	06/18	52.075	03/03	34.300	42.925	1995	01/20	75.000	05/10	59.100	66.425	1995	01/20	75.000	05/10	59.100	66.425	
1976	04/20	49.550	01/26	36.275	40.400	1996	09/13	73.275	04/25	54.800	64.975	1996	09/13	73.275	04/25	54.800	64.975	
1977	05/02	46.250	01/14	36.375	42.375	1997	07/28	71.275	07/08	62.925	66.450	1997	07/28	71.275	07/08	62.925	66.450	
1978	05/26	61.975	01/10	41.175	58.925	1998	04/30	69.500	12/15	57.625	60.525	1998	04/30	69.500	12/15	57.625	60.525	
1979	04/26	78.825	08/07	56.525	70.675	1999	11/16	70.775	01/04	59.625	69.600	1999	11/16	70.775	01/04	59.625	69.600	
1980	07/25	73.950	04/02	60.600	68.075	2000	12/18	78.225	09/06	66.300	77.925	2000	12/18	78.225	09/06	66.300	77.925	
1981	04/27	72.150	12/31	54.650	54.650	2001	03/06	81.650	11/12	61.750	70.700	2001	03/06	81.650	11/12	61.750	70.700	
1982	05/17	73.125	12/06	55.150	58.325	2002	12/31	79.625	05/21	59.400	79.625	2002	12/31	79.625	05/21	59.400	79.625	
1983	04/13	70.750	09/02	55.550	67.850	2003	11/26	98.475	06/16	67.050	73.525	2003	11/26	98.475	06/16	67.050	73.525	
1984	03/23	72.125	09/26	60.725	66.675	2004	12/27	91.775	02/04	71.375	87.825	2004	12/27	91.775	02/04	71.375	87.825	
1985	02/04	68.800	07/26	51.675	61.150	2005	12/20	97.275	07/11	78.075	96.375	2005	12/20	97.275	07/11	78.075	96.375	
1986	01/27	63.300	06/03	50.125	55.525	2006	01/10	96.550	04/04	73.125	92.500	2006	01/10	96.550	04/04	73.125	92.500	
1987	05/11	70.125	01/02	55.975	63.125	2007	03/12	102.025	06/26	88.625	96.175	2007	03/12	102.025	06/26	88.625	96.175	
1988	10/12	75.250	06/23	62.225	73.950	2008	08/06	108.550	12/05	81.450	86.050	2008	08/06	108.550	12/05	81.450	86.050	
1989	03/21	78.675	05/30	66.650	77.375	2009	07/28	90.575	03/30	80.075	86.175	2009	07/28	90.575	03/30	80.075	86.175	
1990	11/26	79.750	04/26	72.600	77.200	2010*	03/19	97.975	01/11	85.050	AT PRESS TIME	2010*	03/19	97.975	01/11	85.050	AT PRESS TIME	
1991	03/08	81.900	08/08	68.650	72.400													

*Through April 30, 2010

LIVE CATTLE NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1972	1.5	-0.1	-2.6	4.7	2.4	5.1	-11.2	0.1	9.7	-3.8	6.3	7.4	19.4
1973	6.4	3.7	-1.9	0.5	5.9	1.0	19.5	-13.3	-10.2	-2.2	4.8	7.3	19.2
1974	9.3	-16.1	1.8	-3.7	-14.7	14.2	19.1	-19.9	6.8	-5.4	0.5	-4.2	-18.7
1975	-7.6	-2.1	18.2	10.1	0.2	4.3	-18.5	13.2	5.3	-9.0	3.3	-3.4	8.5
1976	-12.4	0.5	16.8	6.6	0.3	-11.1	-2.1	-0.9	-8.6	6.2	3.2	-1.0	-5.9
1977	-3.1	-4.3	10.5	10.1	-6.0	-3.2	-7.8	1.8	4.8	0.5	-2.4	6.0	4.9
1978	3.1	5.5	9.5	6.3	9.8	-12.6	2.2	1.0	5.6	-4.7	7.8	2.1	39.1
1979	13.2	6.6	0.4	9.8	-11.1	-4.2	-11.0	15.2	6.6	-7.8	7.8	-2.7	19.9
1980	-1.9	-1.0	-7.3	1.9	0.8	5.1	2.7	-2.6	0.3	0.4	2.8	-4.4	-3.7
1981	-3.0	-1.5	5.4	2.4	-4.4	-1.2	-2.0	3.0	-1.6	-3.1	-2.3	-12.3	-19.7
1982	12.9	4.1	3.4	4.7	-2.2	-7.1	-1.3	-1.2	-4.3	0.8	-2.1	0.1	6.7
1983	3.6	6.9	7.8	-5.0	-5.4	-1.8	-1.5	-7.4	8.5	-2.2	5.6	8.1	16.3
1984	-2.5	6.5	-2.4	-3.7	-5.4	3.4	-4.8	3.2	-0.1	0.7	4.0	0.2	-1.7
1985	2.1	-4.4	3.3	-6.8	0.4	-7.2	-4.2	0.3	10.2	7.2	-1.8	-6.0	-8.3
1986	1.2	-0.8	-5.1	-1.8	-10.1	10.3	4.1	4.6	-9.0	6.0	-0.7	-6.2	-9.2
1987	13.2	3.3	-2.4	6.0	-7.1	1.4	-0.8	5.2	0.8	-6.3	-1.1	2.3	13.7
1988	7.4	5.5	-0.9	0.04	-4.3	-4.8	7.0	3.9	2.8	0.5	-2.1	1.8	17.1
1989	3.3	2.1	-6.4	-2.2	-6.3	4.8	7.7	-2.4	0.8	0.2	-0.5	4.4	4.6
1990	-1.7	-0.8	-3.3	0.1	0.2	-0.03	8.1	-3.4	0.2	1.3	-3.0	2.7	-0.2
1991	0.4	3.5	-3.9	-1.3	-3.1	-2.0	1.3	-4.3	9.6	-4.3	1.7	-3.1	-6.2
1992	6.6	0.3	-3.4	-2.2	-5.0	4.2	1.7	0.2	-0.1	0.2	0.5	4.0	6.5
1993	-0.4	4.4	-5.0	0.7	-4.4	2.3	0.2	-0.1	-1.4	-0.1	-2.1	1.3	-4.8
1994	4.1	0.9	-3.7	-4.0	-7.8	-2.4	11.8	-1.2	-3.3	2.2	-3.9	8.1	-1.1
1995	2.0	0.2	-16.9	2.0	-5.2	5.2	4.9	-3.9	5.3	2.6	-1.1	-1.8	-8.6
1996	-3.9	0.1	-2.3	-8.2	12.5	2.0	4.1	5.4	-5.6	-2.2	-4.5	2.0	-2.2
1997	2.8	4.2	-6.5	-0.5	0.3	-0.7	9.6	-4.8	-0.1	0.6	1.6	-3.2	2.3
1998	1.5	-4.6	2.2	5.7	-4.6	-1.9	-7.8	-1.5	4.7	5.3	-3.4	-3.6	-8.9
1999	7.5	4.5	-6.5	-1.2	-0.04	-0.3	2.8	3.4	4.1	-0.9	2.0	-0.6	15.0
2000	3.5	-1.2	-3.1	0.4	-2.9	-0.8	3.1	-2.7	5.5	2.8	1.9	5.2	12.0
2001	-1.4	5.9	-10.7	-1.4	3.9	-0.6	-0.1	-1.0	-8.0	1.1	3.1	0.7	-9.3
2002	6.8	-1.8	-11.3	-3.3	-4.2	4.3	6.6	-0.8	5.1	3.6	7.2	1.5	12.6
2003	0.4	-5.2	-7.2	2.2	-3.0	0.2	11.2	6.6	2.5	7.0	2.5	-21.1	-7.7
2004	-0.1	4.7	-0.8	5.5	10.2	-3.2	3.5	-4.6	3.1	-3.2	6.0	-1.9	19.4
2005	0.6	-2.6	-0.9	0.4	-1.1	-6.4	5.2	-1.4	9.4	1.0	5.3	0.7	9.7
2006	-5.0	-4.8	-14.8	-1.1	8.9	7.0	3.5	5.0	-3.5	-2.3	1.5	3.8	-4.0
2007	0.7	4.2	-2.2	-0.8	-2.8	-1.3	10.7	-3.1	3.0	-4.9	0.9	0.4	4.0
2008	-2.0	0.1	-7.0	6.5	9.0	1.5	2.8	-2.1	-3.5	-7.6	-5.4	-1.8	-10.5
2009	-1.1	1.0	-4.9	1.0	-0.8	4.2	5.8	-3.9	-0.6	-0.5	0.1	0.5	
2010	3.7	2.9	1.8	0.7									
TOTALS	71.7	30.3	-62.3	41.1	-57.1	7.7	86.1	-14.4	54.8	-20.3	44.0	-6.7	
AVG.	1.8	0.8	-1.6	1.1	-1.5	0.2	2.3	-0.4	1.4	-0.5	1.2	-0.2	
# Up	25	24	12	23	14	18	25	16	23	20	23	22	
# Down	14	15	27	16	24	20	13	22	15	18	15	16	

LEAN HOGS NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1970	27.500	27.900	27.250	27.100	25.875	24.550	20.675	19.675	19.400	16.150	16.950	16.350
1971	17.675	17.600	19.875	20.575	22.900	21.275	19.125	18.125	20.800	21.250	23.575	25.050
1972	25.975	23.875	27.200	27.825	28.750	29.150	26.300	27.900	29.325	29.100	29.600	32.550
1973	31.125	35.875	36.275	37.175	40.450	43.050	55.575	46.775	43.450	43.850	44.975	44.300
1974	45.050	38.250	36.750	33.300	28.500	35.325	41.325	34.275	43.500	41.575	44.300	41.900
1975	40.175	38.600	45.250	46.800	49.875	52.725	48.700	55.525	63.675	51.100	50.200	48.475
1976	40.550	43.825	47.700	51.050	50.475	47.375	38.075	38.425	32.950	30.100	31.700	37.625
1977	34.925	34.700	38.425	43.650	46.550	45.250	34.500	37.825	36.950	39.125	39.350	43.325
1978	42.750	44.075	50.850	51.850	54.525	44.500	45.850	46.475	52.250	50.400	52.200	49.100
1979	51.125	52.300	48.000	50.250	43.850	35.550	32.400	36.875	37.200	37.725	42.325	41.675
1980	38.950	36.850	34.300	34.475	34.775	40.250	43.700	42.250	50.750	49.925	57.450	47.750
1981	47.350	43.600	49.825	49.000	56.075	51.275	49.350	49.450	50.250	48.700	45.525	43.350
1982	49.450	45.825	55.475	59.925	62.650	57.800	59.525	61.750	59.550	54.475	58.125	56.750
1983	54.200	51.350	52.100	49.300	47.075	45.125	40.325	43.050	40.950	43.325	47.525	51.250
1984	46.800	45.650	56.125	54.425	56.075	55.775	47.425	47.550	45.950	48.450	53.925	53.325
1985	48.750	46.625	49.575	46.300	51.100	48.350	40.000	36.300	43.200	46.725	47.650	46.625
1986	42.000	38.075	43.825	46.600	48.125	56.075	54.700	57.725	51.600	51.600	52.450	47.250
1987	45.975	43.275	47.825	53.475	54.800	53.100	48.800	50.375	45.275	42.975	42.625	41.075
1988	44.150	43.250	49.300	48.800	54.725	45.275	39.325	38.550	43.025	41.150	43.775	46.525
1989	43.475	43.725	46.475	46.625	46.975	47.425	39.825	40.475	44.375	46.575	49.800	48.700
1990	46.875	50.350	57.025	63.125	62.400	58.300	54.825	48.300	52.700	51.775	48.200	48.875
1991	50.500	51.875	58.425	58.925	54.800	50.575	45.250	44.175	44.725	41.725	42.475	39.300
1992	40.025	39.725	45.675	48.100	45.000	44.700	37.850	40.050	42.875	42.425	43.375	43.625
1993	43.800	45.525	56.225	51.350	49.650	44.900	45.725	47.175	47.400	49.050	46.475	45.350
1994	51.700	49.500	52.850	51.225	47.225	45.350	42.325	38.575	36.400	35.275	34.400	39.350
1995	39.650	39.750	42.950	42.350	44.325	46.625	44.225	44.650	46.600	43.700	48.275	48.575
1996	44.350	48.550	54.850	59.750	58.225	51.525	53.625	52.425	57.300	54.400	78.350	79.225
1997	74.750	74.475	81.875	83.550	80.650	81.950	75.150	70.450	63.425	62.225	60.475	57.700
1998	57.625	49.025	59.975	59.925	59.800	54.925	42.450	37.275	40.400	37.400	36.575	32.650
1999	43.025	43.000	52.350	59.075	55.500	44.575	43.350	45.800	46.625	46.525	56.175	54.500
2000	60.250	58.075	73.150	76.650	68.800	69.025	57.450	52.925	54.200	51.175	56.875	56.825
2001	57.150	62.800	69.000	67.575	66.600	69.050	60.175	58.250	54.825	51.650	55.250	57.050
2002	60.900	60.350	60.500	52.050	47.775	46.725	41.700	30.875	40.550	43.125	54.200	51.600
2003	56.850	54.550	58.350	62.775	67.525	63.975	51.300	54.775	53.600	53.325	55.200	53.425
2004	59.200	62.025	74.650	74.075	75.275	76.700	69.225	65.975	69.125	67.450	77.150	76.400
2005	75.550	74.225	79.275	77.450	71.400	65.025	57.525	63.700	63.350	61.675	67.350	65.275
2006	61.825	61.475	65.275	67.000	66.425	70.375	61.750	66.900	60.850	64.950	65.175	61.700
2007	68.225	67.750	75.400	75.100	74.525	70.675	75.200	66.825	62.250	53.875	62.300	57.875
2008	66.450	59.950	67.950	73.475	78.100	70.900	74.350	68.425	64.200	54.800	67.025	60.875
2009	62.975	60.900	72.400	64.525	65.625	60.650	53.900	48.150	49.600	56.700	66.875	65.600
2010	68.600	72.800	82.900	86.325								

LEAN HOGS NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1970	0.9	1.5	-2.3	-0.6	-4.5	-5.1	-15.8	-4.8	-1.4	-16.8	5.0	-3.5	-40.0
1971	8.1	-0.4	12.9	3.5	11.3	-7.1	-10.1	-5.2	14.8	2.2	10.9	6.3	53.2
1973	3.7	-8.1	13.9	2.3	3.3	1.4	-9.8	6.1	5.1	-0.8	1.7	10.0	29.9
1973	-4.4	15.3	1.1	2.5	8.8	6.4	29.1	-15.8	-7.1	0.9	2.6	-1.5	36.1
1974	1.7	-15.1	-3.9	-9.4	-14.4	23.9	17.0	-17.1	26.9	-4.4	6.6	-5.4	-5.4
1975	-4.1	-3.9	17.2	3.4	6.6	5.7	-7.6	14.0	14.7	-19.7	-1.8	-3.4	15.7
1976	-16.3	8.1	8.8	7.0	-1.1	-6.1	-19.6	0.9	-14.2	-8.6	5.3	18.7	-22.4
1977	-7.2	-0.6	10.7	13.6	6.6	-2.8	-23.8	9.6	-2.3	5.9	0.6	10.1	15.1
1978	-1.3	3.1	15.4	2.0	5.2	-18.4	3.0	1.4	12.4	-3.5	3.6	-5.9	13.3
1979	4.1	2.3	-8.2	4.7	-12.7	-18.9	-8.9	13.8	0.9	1.4	12.2	-1.5	-15.1
1980	-6.5	-5.4	-6.9	0.5	0.9	15.7	8.6	-3.3	20.1	-1.6	15.1	-16.9	14.6
1981	-0.8	-7.9	14.3	-1.7	14.4	-8.6	-3.8	0.2	1.6	-3.1	-6.5	-4.8	-9.2
1982	14.1	-7.3	21.1	8.0	4.5	-7.7	3.0	3.7	-3.6	-8.5	6.7	-2.4	30.9
1983	-4.5	-5.3	1.5	-5.4	-4.5	-4.1	-10.6	6.8	-4.9	5.8	9.7	7.8	-9.7
1984	-8.7	-2.5	22.9	-3.0	3.0	-0.5	-15.0	0.3	-3.4	5.4	11.3	-1.1	4.0
1985	-8.6	-4.4	6.3	-6.6	10.4	-5.4	-17.3	-9.3	19.0	8.2	2.0	-2.2	-12.6
1986	-9.9	-9.3	15.1	6.3	3.3	16.5	-2.5	5.5	-10.6	N/C	1.6	-9.9	1.3
1987	-2.7	-5.9	10.5	11.8	2.5	-3.1	-8.1	3.2	-10.1	-5.1	-0.8	-3.6	-13.1
1988	7.5	-2.0	14.0	-1.0	12.1	-17.3	-13.1	-2.0	11.6	-4.4	6.4	6.3	13.3
1989	-6.6	0.6	6.3	0.3	0.8	1.0	-16.0	1.6	9.6	5.0	6.9	-2.2	4.7
1990	-3.7	7.4	13.3	10.7	-1.1	-6.6	-6.0	-11.9	9.1	-1.8	-6.9	1.4	0.4
1991	3.3	2.7	12.6	0.9	-7.0	-7.7	-10.5	-2.4	1.2	-6.7	1.8	-7.5	-19.6
1992	1.8	-0.7	15.0	5.3	-6.4	-0.7	-15.3	5.8	7.1	-1.0	2.2	0.6	11.0
1993	0.4	3.9	23.5	-8.7	-3.3	-9.6	1.8	3.2	0.5	3.5	-5.2	-2.4	4.0
1994	14.0	-4.3	6.8	-3.1	-7.8	-4.0	-6.7	-8.9	-5.6	-3.1	-2.5	14.4	-13.2
1995	0.8	0.3	8.1	-1.4	4.7	5.2	-5.1	1.0	4.4	-6.2	10.5	0.6	23.4
1996	-8.7	9.5	13.0	8.9	-2.6	-11.5	4.1	-2.2	9.3	-5.1	44.0	1.1	63.1
1997	-5.6	-0.4	9.9	2.0	-3.5	1.6	-8.3	-6.3	-10.0	-1.9	-2.8	-4.6	-27.2
1998	-0.1	-14.9	22.3	-0.1	-0.2	-8.2	-22.7	-12.2	8.4	-7.4	-2.2	-10.7	-43.4
1999	31.8	-0.1	21.7	12.8	-6.1	-19.7	-2.7	5.7	1.8	-0.2	20.7	-3.0	66.9
2000	10.6	-3.6	26.0	4.8	-10.5	0.6	-16.8	-7.9	2.4	-5.6	10.7	0.3	4.3
2001	0.6	9.9	9.9	-2.1	-1.4	3.7	-12.9	-3.2	-5.9	-5.8	7.0	3.3	0.4
2002	6.7	-0.9	0.2	-14.0	-8.2	-2.2	-10.8	-26.0	31.3	6.4	25.7	-4.8	-9.6
2003	10.2	-4.0	7.0	7.6	7.6	-5.3	-19.8	6.8	-2.1	-0.5	3.5	-3.2	3.5
2004	10.8	4.8	20.4	-0.8	1.6	1.9	-9.7	-4.7	4.8	-2.4	14.4	-1.0	43.0
2005	-1.1	-1.8	6.8	-2.3	-7.8	-8.9	-11.5	10.7	-0.5	-2.6	9.2	-3.1	-14.6
2006	-5.3	-0.6	6.2	2.6	-0.9	5.9	-12.3	8.3	-9.0	6.7	0.3	-5.3	-5.5
2007	10.6	-0.7	11.3	-0.4	-0.8	-5.2	6.4	-11.1	-6.8	-13.5	15.6	-7.1	-6.2
2008	14.8	-9.8	13.3	8.1	6.3	-9.2	4.9	-8.0	-6.2	-14.6	22.3	-9.2	5.2
2009	3.4	-3.3	18.9	-10.9	1.7	-7.6	-11.1	-10.7	3.0	14.3	17.9	-1.9	
2010	4.6	6.1	13.9	4.1									
TOTALS	58.4	-47.7	450.8	62.2	10.8	-122.0	-286.3	-64.4	116.3	-89.2	285.3	-47.2	
AVG.	1.4	-1.2	11.0	1.5	0.3	-3.1	-7.2	-1.6	2.9	-2.2	7.1	-1.2	
# Up	22	14	37	24	20	13	9	20	23	12	32	13	
# Down	19	27	4	17	20	27	31	20	17	27	8	27	

BRITISH POUND CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

The British economy is driven by manufacturing, agricultural production, and energy production from oil, coal, and natural gas, which is considered to account for as much as 10% of Britain's gross domestic production. In addition, London is considered the world's leading international financial service center.

Their economy runs on a fiscal year which begins in April. Since the pound is valued against the U.S. dollar, we have a tendency to see bottoms in March, as multi-conglomerate international companies make their fiscal year-end adjustments. We see a major peak in December against the U.S. dollar, as money flows back into the United States for year-end tax adjustment purposes, also referred to as repatriation of funds.

BRITISH POUND ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985-2009

BRITISH POUND NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1976

YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW					
1976	02/26	202.40	10/28	154.05	1976	10/25	163.74	02/09	145.78	1976	02/26	202.40	10/28	154.05	1976	10/25	163.74	02/09	145.78	1976	02/26	202.40	10/28	154.05	1976	10/25	163.74	02/09	145.78	1976	02/26	202.40	10/28	154.05	1976	10/25	163.74	02/09	145.78	1976	02/26	202.40	10/28	154.05
1977	12/30	191.95	01/03	166.95	1977	03/07	164.42	12/12	152.88	1977	12/30	191.95	01/03	166.95	1977	03/07	164.42	12/12	152.88	1977	12/30	191.95	01/03	166.95	1977	03/07	164.42	12/12	152.88	1977	12/30	191.95	01/03	166.95	1977	03/07	164.42	12/12	152.88	1977	12/30	191.95	01/03	166.95
1978	10/30	209.75	05/19	180.05	1978	12/31	171.24	05/01	149.02	1978	10/30	209.75	05/19	180.05	1978	12/31	171.24	05/01	149.02	1978	10/30	209.75	05/19	180.05	1978	12/31	171.24	05/01	149.02	1978	10/30	209.75	05/19	180.05	1978	12/31	171.24	05/01	149.02	1978	10/30	209.75	05/19	180.05
1979	07/24	231.75	02/02	197.20	1979	11/12	170.32	08/12	157.54	1979	07/24	231.75	02/02	197.20	1979	11/12	170.32	08/12	157.54	1979	07/24	231.75	02/02	197.20	1979	11/12	170.32	08/12	157.54	1979	07/24	231.75	02/02	197.20	1979	11/12	170.32	08/12	157.54	1979	07/24	231.75	02/02	197.20
1980	10/23	244.55	04/03	213.55	1980	10/08	170.52	01/09	160.68	1980	10/23	244.55	04/03	213.55	1980	10/08	170.52	01/09	160.68	1980	10/23	244.55	04/03	213.55	1980	10/08	170.52	01/09	160.68	1980	10/23	244.55	04/03	213.55	1980	10/08	170.52	01/09	160.68	1980	10/23	244.55	04/03	213.55
1981	01/20	244.40	09/25	177.35	1981	10/21	167.70	07/09	154.86	1981	01/20	244.40	09/25	177.35	1981	10/21	167.70	07/09	154.86	1981	01/20	244.40	09/25	177.35	1981	10/21	167.70	07/09	154.86	1981	01/20	244.40	09/25	177.35	1981	10/21	167.70	07/09	154.86	1981	01/20	244.40	09/25	177.35
1982	01/04	193.20	11/24	158.65	1982	01/20	165.38	11/24	140.06	1982	01/04	193.20	11/24	158.65	1982	01/20	165.38	11/24	140.06	1982	01/04	193.20	11/24	158.65	1982	01/20	165.38	11/24	140.06	1982	01/04	193.20	11/24	158.65	1982	01/20	165.38	11/24	140.06	1982	01/04	193.20	11/24	158.65
1983	01/03	162.80	12/13	141.95	1983	01/05	150.30	06/12	136.84	1983	01/03	162.80	12/13	141.95	1983	01/05	150.30	06/12	136.84	1983	01/03	162.80	12/13	141.95	1983	01/05	150.30	06/12	136.84	1983	01/03	162.80	12/13	141.95	1983	01/05	150.30	06/12	136.84	1983	01/03	162.80	12/13	141.95
1984	02/28	148.85	12/31	115.40	1984	12/31	160.22	01/28	140.38	1984	02/28	148.85	12/31	115.40	1984	12/31	160.22	01/28	140.38	1984	02/28	148.85	12/31	115.40	1984	12/31	160.22	01/28	140.38	1984	02/28	148.85	12/31	115.40	1984	12/31	160.22	01/28	140.38	1984	02/28	148.85	12/31	115.40
1985	11/29	148.85	02/25	105.00	1985	12/31	177.39	04/07	154.48	1985	11/29	148.85	02/25	105.00	1985	12/31	177.39	04/07	154.48	1985	11/29	148.85	02/25	105.00	1985	12/31	177.39	04/07	154.48	1985	11/29	148.85	02/25	105.00	1985	12/31	177.39	04/07	154.48	1985	11/29	148.85	02/25	105.00
1986	04/28	154.90	02/04	136.65	1986	12/07	194.53	05/11	175.12	1986	04/28	154.90	02/04	136.65	1986	12/07	194.53	05/11	175.12	1986	04/28	154.90	02/04	136.65	1986	12/07	194.53	05/11	175.12	1986	04/28	154.90	02/04	136.65	1986	12/07	194.53	05/11	175.12	1986	04/28	154.90	02/04	136.65
1987	12/31	188.25	01/07	145.75	1987	03/04	192.30	11/25	171.28	1987	12/31	188.25	01/07	145.75	1987	03/04	192.30	11/25	171.28	1987	12/31	188.25	01/07	145.75	1987	03/04	192.30	11/25	171.28	1987	12/31	188.25	01/07	145.75	1987	03/04	192.30	11/25	171.28	1987	12/31	188.25	01/07	145.75
1988	04/18	189.65	09/22	165.38	1988	12/01	198.06	03/10	172.82	1988	04/18	189.65	09/22	165.38	1988	12/01	198.06	03/10	172.82	1988	04/18	189.65	09/22	165.38	1988	12/01	198.06	03/10	172.82	1988	04/18	189.65	09/22	165.38	1988	12/01	198.06	03/10	172.82	1988	04/18	189.65	09/22	165.38
1989	01/03	180.98	06/14	149.26	1989	11/08	210.64	03/05	192.23	1989	01/03	180.98	06/14	149.26	1989	11/08	210.64	03/05	192.23	1989	01/03	180.98	06/14	149.26	1989	11/08	210.64	03/05	192.23	1989	01/03	180.98	06/14	149.26	1989	11/08	210.64	03/05	192.23	1989	01/03	180.98	06/14	149.26
1990	11/27	197.30	03/21	156.88	1990	03/07	201.37	12/30	143.82	1990	11/27	197.30	03/21	156.88	1990	03/07	201.37	12/30	143.82	1990	11/27	197.30	03/21	156.88	1990	03/07	201.37	12/30	143.82	1990	11/27	197.30	03/21	156.88	1990	03/07	201.37	12/30	143.82	1990	11/27	197.30	03/21	156.88
1991	02/06	198.90	07/02	158.58	1991	08/05	170.19	03/10	137.30	1991	02/06	198.90	07/02	158.58	1991	08/05	170.19	03/10	137.30	1991	02/06	198.90	07/02	158.58	1991	08/05	170.19	03/10	137.30	1991	02/06	198.90	07/02	158.58	1991	08/05	170.19	03/10	137.30	1991	02/06	198.90	07/02	158.58
1992	09/02	199.96	12/28	147.96	1992	01/19	163.55	03/24	148.83	1992	09/02	199.96	12/28	147.96	1992	01/19	163.55	03/24	148.83	1992	09/02	199.96	12/28	147.96	1992	01/19	163.55	03/24	148.83	1992	09/02	199.96	12/28	147.96	1992	01/19	163.55	03/24	148.83	1992	09/02	199.96	12/28	147.96
1993	04/26	158.02	02/12	141.18	1993					1993	04/26	158.02	02/12	141.18	1993					1993	04/26	158.02	02/12	141.18	1993					1993	04/26	158.02	02/12	141.18	1993					1993	04/26	158.02	02/12	141.18

*Through April 30, 2010

BRITISH POUND NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1976	201.80	202.30	189.90	182.80	175.60	175.70	176.70	177.25	162.55	156.15	164.90	166.40
1977	169.70	171.10	170.70	171.45	171.30	171.05	173.40	174.20	175.25	183.50	181.70	191.95
1978	195.30	193.95	186.00	181.45	183.85	184.00	192.70	193.80	195.75	206.45	194.05	204.10
1979	197.75	202.40	206.45	206.65	206.85	216.10	223.50	226.00	219.20	207.70	219.20	220.15
1980	225.65	225.45	216.15	225.45	234.30	232.25	230.40	240.10	237.25	242.30	236.00	241.85
1981	236.60	220.00	224.80	214.90	207.75	194.55	184.45	183.95	180.90	187.75	195.85	190.40
1982	187.90	181.60	179.20	182.50	178.10	174.60	174.10	172.15	169.80	167.70	163.15	162.95
1983	151.80	150.65	148.25	156.15	160.20	152.80	151.45	149.65	149.45	149.30	146.40	146.25
1984	140.40	148.85	144.65	140.40	138.75	136.55	130.25	130.85	123.80	122.50	119.30	115.40
1985	111.95	107.30	123.20	122.45	129.00	129.60	140.75	138.75	138.50	143.65	148.85	143.90
1986	140.55	143.80	145.75	153.50	147.20	153.15	148.65	149.05	142.95	139.80	143.15	147.20
1987	150.50	154.35	159.55	166.15	162.85	161.00	158.65	162.95	161.75	171.90	182.95	188.25
1988	176.10	177.15	188.10	187.20	183.55	170.44	170.24	168.22	168.14	175.64	184.80	179.92
1989	174.52	174.14	167.84	167.96	156.90	154.22	165.40	156.54	160.12	156.86	156.72	158.88
1990	166.60	167.52	162.82	162.80	167.24	172.56	184.82	188.58	184.86	193.20	193.76	190.94
1991	195.16	190.52	171.90	171.82	169.30	160.42	167.62	167.70	173.38	172.86	176.38	184.48
1992	177.08	175.18	171.38	176.24	182.38	188.02	191.24	198.32	175.56	154.86	151.34	149.86
1993	148.00	142.54	150.44	156.74	155.98	148.30	147.76	148.88	148.82	147.66	148.54	146.84
1994	150.26	148.56	148.26	151.80	150.98	154.24	153.88	153.46	157.46	163.46	156.56	156.70
1995	157.96	158.42	162.00	161.04	158.96	159.04	159.66	155.12	157.82	157.94	153.08	155.14
1996	151.12	153.18	152.56	150.68	155.02	155.16	155.46	156.18	156.46	162.60	168.12	171.24
1997	159.78	162.92	163.86	162.26	164.04	166.06	163.72	161.94	161.14	167.18	168.68	164.66
1998	162.88	164.38	166.56	166.88	163.02	166.08	162.80	167.78	169.24	167.02	164.68	165.68
1999	164.50	160.12	161.08	160.86	160.10	157.92	162.26	160.68	164.64	164.48	159.90	161.90
2000	161.56	157.94	159.40	155.28	149.82	151.86	150.08	145.10	147.70	145.04	142.54	149.48
2001	146.24	144.56	141.58	142.90	141.58	140.94	142.28	145.38	146.68	145.16	142.28	144.86
2002	140.66	141.58	141.90	145.34	145.48	152.44	155.82	154.68	156.26	156.00	155.40	160.22
2003	164.20	157.26	157.24	159.44	163.76	164.68	160.46	157.40	165.36	168.94	172.03	177.39
2004	181.79	186.46	183.16	177.24	183.04	180.57	181.24	179.83	180.23	183.12	190.90	190.71
2005	187.78	192.18	188.26	190.30	181.66	178.63	175.49	180.18	176.03	176.93	172.89	171.87
2006	178.02	175.45	173.80	182.28	186.97	185.08	187.00	190.52	187.30	190.82	196.62	195.72
2007	196.38	196.37	196.69	199.86	197.94	200.55	203.33	201.61	204.19	207.85	205.58	197.85
2008	198.48	198.63	197.12	198.29	197.88	198.19	197.63	181.56	178.40	161.06	153.71	145.57
2009	144.43	143.23	143.48	148.20	161.38	164.63	166.87	162.66	160.00	164.42	164.22	161.71
2010	159.86	152.45	151.74	152.73								

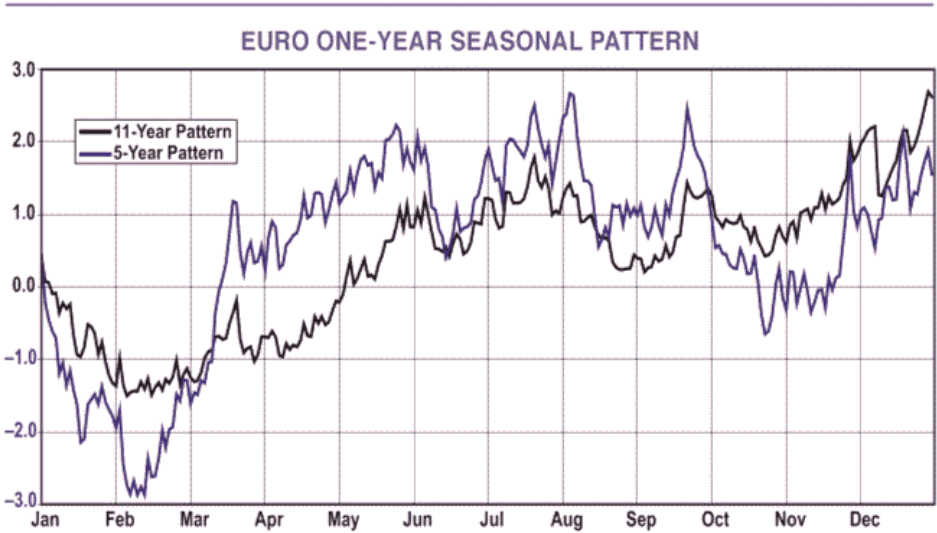
BRITISH POUND NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1976	0.7	0.2	-6.1	-3.7	-3.9	0.1	0.6	0.3	-8.3	-3.9	5.6	0.9	-17.0
1977	2.0	0.8	-0.2	0.4	-0.1	-0.1	1.4	0.5	0.6	4.7	-1.0	5.6	15.4
1978	1.7	-0.7	-4.1	-2.4	1.3	0.1	4.7	0.6	1.0	5.5	-6.0	5.2	6.3
1979	-3.1	2.4	2.0	0.1	0.1	4.5	3.4	1.1	-3.0	-5.2	5.5	0.4	7.9
1980	2.5	-0.1	-4.1	4.3	3.9	-0.9	-0.8	4.2	-1.2	2.1	-2.6	2.5	9.9
1981	-2.2	-7.0	2.2	-4.4	-3.3	-6.4	-5.2	-0.3	-1.7	3.8	4.3	-2.8	-21.3
1982	-1.3	-3.4	-1.3	1.8	-2.4	-2.0	-0.3	-1.1	-1.4	-1.2	-2.7	-0.1	-14.4
1983	-6.8	-0.8	-1.6	5.3	2.6	-4.6	-0.9	-1.2	-0.1	-0.1	-1.9	-0.1	-10.2
1984	-4.0	6.0	-2.8	-2.9	-1.2	-1.6	-4.6	0.5	-5.4	-1.1	-2.6	-3.3	-21.1
1985	-3.0	-4.2	14.8	-0.6	5.3	0.5	8.6	-1.4	-0.2	3.7	3.6	-3.3	24.7
1986	-2.3	2.3	1.4	5.3	-4.1	4.0	-2.9	0.3	-4.1	-2.2	2.4	2.8	2.3
1987	2.2	2.6	3.4	4.1	-2.0	-1.1	-1.5	2.7	-0.7	6.3	6.4	2.9	27.9
1988	-6.5	0.6	6.2	-0.5	-1.9	-7.1	-0.1	-1.2	-0.1	4.5	5.2	-2.6	-4.4
1989	-3.0	-0.2	-3.6	0.1	-6.6	-1.7	7.2	-5.4	2.3	-2.0	-0.1	1.4	-11.7
1990	4.9	0.6	-2.9	0.1	2.7	3.2	7.1	2.0	-2.0	4.5	0.3	-1.5	20.2
1991	2.2	-2.4	-9.8	-0.1	-1.5	-5.2	4.5	0.1	3.4	-0.3	2.0	4.6	-3.4
1992	-4.0	-1.1	-2.2	2.8	3.5	3.1	1.7	3.7	-11.5	-11.8	-2.3	-1.0	-18.8
1993	-1.2	-3.7	5.5	4.2	-0.5	-4.9	-0.4	0.8	-0.04	-0.8	0.6	-1.1	-2.0
1994	2.3	-1.1	-0.2	2.4	-0.5	2.2	-0.2	-0.3	2.6	3.8	-4.2	0.1	6.7
1995	0.8	0.3	2.3	-0.6	-1.3	0.1	0.4	-2.8	1.7	0.1	-3.1	1.3	-1.0
1996	-2.6	1.4	-0.4	-1.2	2.9	0.1	0.2	0.5	0.2	3.9	3.4	1.9	10.4
1997	-6.7	2.0	0.6	-1.0	1.1	1.2	-1.4	-1.1	-0.5	3.7	0.9	-2.4	-3.8
1998	-1.1	0.9	1.3	0.2	-2.3	1.9	-2.0	3.1	0.9	-1.3	-1.4	0.6	0.6
1999	-0.7	-2.7	0.6	-0.1	-0.5	-1.4	2.7	-1.0	2.5	-0.1	-2.8	1.3	-2.3
2000	-0.2	-2.2	0.9	-2.6	-3.5	1.4	-1.2	-3.3	1.8	-1.8	-1.7	4.9	-7.7
2001	-2.2	-1.1	-2.1	0.9	-0.9	-0.5	1.0	2.2	0.9	-1.0	-2.0	1.8	-3.1
2002	-2.9	0.7	0.2	2.4	0.1	4.8	2.2	-0.7	1.0	-0.2	-0.4	3.1	10.6
2003	2.5	-4.2	-0.01	1.4	2.7	0.6	-2.6	-1.9	5.1	2.2	1.8	3.1	10.7
2004	2.5	2.6	-1.8	-3.2	3.3	-1.3	0.4	-0.8	0.2	1.6	4.2	-0.1	7.5
2005	-1.5	2.3	-2.0	1.1	-4.5	-1.7	-1.8	2.7	-2.3	0.5	-2.3	-0.6	-9.9
2006	3.6	-1.4	-0.9	4.9	2.6	-1.0	1.0	1.9	-1.7	1.9	3.0	-0.5	13.9
2007	0.3	-0.01	0.2	1.6	-1.0	1.3	1.4	-0.8	1.3	1.8	-1.1	-3.8	1.1
2008	0.3	0.1	-0.8	0.6	-0.2	0.2	-0.3	-8.1	-1.7	-9.7	-4.6	-5.3	-26.4
2009	-0.8	-0.8	0.2	3.3	8.9	2.0	1.4	-2.5	-1.6	2.8	-0.1	-1.5	11.1
2010	-1.1	-4.6	-0.5	0.7									
TOTALS	-28.7	-15.9	-5.6	24.7	-1.2	-10.2	23.7	-6.7	-22.0	14.7	6.3	14.4	
AVG.	-0.8	-0.5	-0.2	0.7	-0.04	-0.3	0.7	-0.2	-0.6	0.4	0.2	0.4	
# Up	14	16	15	22	14	18	18	17	15	18	15	18	
# Down	21	19	20	13	20	16	16	17	19	16	19	16	

EURO CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

The euro is quoted in terms of the U.S. dollar, which is considered the world's reserve currency in which most internationally traded goods are priced. This contract from a historic perspective is relatively new. One can adjust the value to reflect the more historic theoretical value by combining the prices of the German Deutsche mark, the French franc, and the Italian lira.

The market has seen a tendency of bottoms in September, as multi-conglomerate international companies make their fiscal year-end adjustments; and we see peaks in December against the U.S. dollar, as money flows back into the United States for year-end tax adjustment purposes.



Based on near-term futures contract daily data 1999–2009

EURO NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1999

YEAR	HIGH		LOW		YEAR CLOSE	YEAR	HIGH		LOW		YEAR CLOSE
	DATE	CLOSE	DATE	CLOSE			DATE	CLOSE	DATE	CLOSE	
1999	01/04	116.09	12/03	106.68	107.35	2005	01/03	134.90	11/16	117.06	118.80
2000	01/11	108.44	10/25	97.82	103.60	2006	12/01	133.43	02/27	118.64	132.36
2001	01/05	104.45	12/24	87.35	88.78	2007	11/26	148.72	01/11	129.28	145.90
2002	12/31	104.71	01/31	85.68	104.71	2008	04/22	159.64	11/12	124.89	139.21
2003	12/31	125.34	01/02	103.30	125.34	2009	11/25	151.37	03/05	125.43	143.34
2004	12/30	136.59	05/13	118.11	135.58	2010*	01/11	145.19	04/28	131.89	AT PRESS TIME

*Through April 30, 2010

EURO NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1999	113.64	111.78	110.63	109.66	108.63	108.58	110.31	109.54	110.26	109.46	107.01	107.35
2000	105.12	104.85	104.52	102.04	103.31	104.39	102.93	100.83	100.67	98.90	100.02	103.60
2001	103.17	102.61	100.37	100.79	98.65	98.77	100.10	101.91	101.85	101.33	101.18	88.78
2002	85.68	86.82	86.82	89.90	93.17	98.85	97.49	98.02	98.34	98.71	99.35	104.71
2003	107.36	107.95	108.68	111.59	117.83	114.69	112.26	109.66	116.20	115.59	119.84	125.34
2004	124.48	124.89	122.80	119.69	122.10	121.78	120.07	121.69	124.32	127.87	132.92	135.58
2005	130.35	132.43	129.82	128.79	123.06	121.37	121.51	123.44	120.59	120.23	118.04	118.80
2006	121.78	119.29	121.79	126.52	128.24	128.50	128.13	128.23	127.39	127.96	132.60	132.36
2007	130.57	132.42	133.94	136.76	134.63	135.68	137.11	136.47	142.93	145.10	146.43	145.90
2008	148.59	151.85	157.29	156.09	155.46	156.90	155.57	146.31	141.34	127.41	127.00	139.21
2009	127.85	126.96	132.83	132.61	141.31	140.40	142.54	143.30	146.45	147.26	149.91	143.34
2010	138.65	136.21	135.36	133.08								

EURO NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

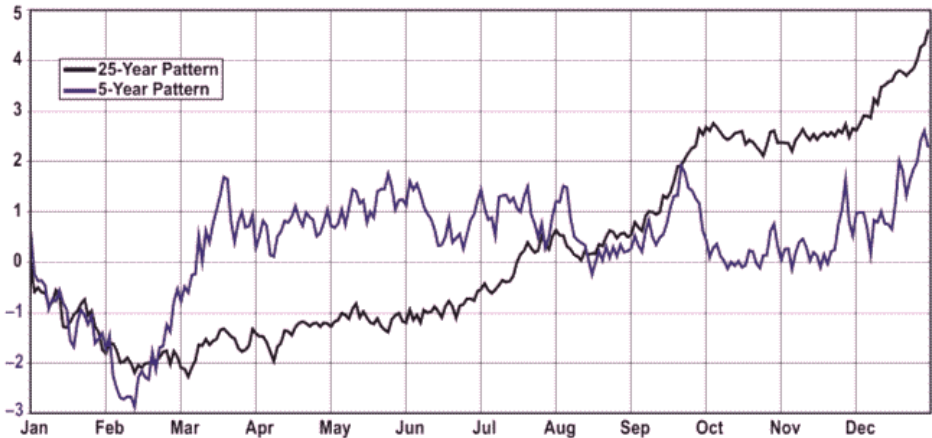
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1999	-1.7	-1.6	-1.0	-0.9	-0.9	-0.1	1.6	-0.7	0.7	-0.7	-2.2	0.3	-7.1
2000	-2.1	-0.3	-0.3	-2.4	1.2	1.0	-1.4	-2.0	-0.2	-1.8	1.1	3.6	-3.5
2001	-0.4	-0.5	-2.2	0.4	-2.1	0.1	1.3	1.8	-0.1	-0.5	-0.1	-12.3	-14.3
2002	-3.5	1.3	N/C	3.5	3.6	6.1	-1.4	0.5	0.3	0.4	0.6	5.4	17.9
2003	2.5	0.5	0.7	2.7	5.6	-2.7	-2.1	-2.3	6.0	-0.5	3.7	4.6	19.7
2004	-0.7	0.3	-1.7	-2.5	2.0	-0.3	-1.4	1.3	2.2	2.9	3.9	2.0	8.2
2005	-3.9	1.6	-2.0	-0.8	-4.4	-1.4	0.1	1.6	-2.3	-0.3	-1.8	0.6	-12.4
2006	2.5	-2.0	2.1	3.9	1.4	0.2	-0.3	0.1	-0.7	0.4	3.6	-0.2	11.4
2007	-1.4	1.4	1.1	2.1	-1.6	0.8	1.1	-0.5	4.7	1.5	0.9	-0.4	10.2
2008	1.8	2.2	3.6	-0.8	-0.4	0.9	-0.8	-6.0	-3.4	-9.9	-0.3	9.6	-4.6
2009	-8.2	-0.7	4.6	-0.2	6.6	-0.6	1.5	0.5	2.2	0.6	1.8	-4.4	3.0
2010	-3.3	-1.8	-0.6	-1.7									
TOTALS	-18.4	0.4	4.3	3.3	11.0	4.0	-1.8	-5.7	9.4	-7.9	11.2	8.8	
AVG.	-1.5	0.03	0.4	0.3	1.0	0.4	-0.2	-0.5	0.9	-0.7	1.0	0.8	
# Up	3	6	5	5	6	6	5	6	6	5	7	7	
# Down	9	6	6	7	5	5	6	5	5	6	4	4	

SWISS FRANC CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

The Swiss economy is driven by exporting technologically advanced machinery, agricultural products, and some chemical production. However, it is a major player in the banking community as a safe haven for international investors and a store house for gold bullion. Many times we see the value in the franc rise, as gold prices move up and the value of the U.S. dollar declines. In time of political and economic uncertainties, we also see the value in the franc rise against the U.S. dollar.

Their economy runs on a fiscal year that begins in January and ends in December. Since the franc is valued against the U.S. dollar, we have a tendency to see bottoms in June–August, when, coincidentally, gold prices have a tendency to bottom. And as multi-conglomerate international companies make their fiscal year-end adjustments, we see a major peak in December against the U.S. dollar, as money flows go back into the United States for year-end tax adjustment purposes, also referred to as repatriation of funds.

SWISS FRANC ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data: 1985–2009

SWISS FRANC NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1976

YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	HIGH	DATE	LOW	YEAR	DATE	CLOSE
1976	06/02	41.70	01/02	38.44	1976	10/20	80.91	01/03	66.86	1976		41.24
1977	12/30	50.79	03/09	39.15	1977	04/18	90.03	01/03	76.44	1977		50.79
1978	10/30	69.22	01/18	50.14	1978	01/02	87.02	12/27	74.65	1978		63.47
1979	10/01	66.26	05/29	57.72	1979	01/02	74.88	08/05	65.52	1979		63.94
1980	01/07	64.91	04/07	54.42	1980	10/07	77.28	07/09	65.28	1980		56.97
1981	01/06	58.34	08/10	45.86	1981	01/14	74.11	12/02	62.75	1981		56.68
1982	01/04	56.48	11/11	44.90	1982	01/05	64.82	10/26	55.19	1982		50.70
1983	01/10	52.65	09/01	45.68	1983	09/21	63.29	07/05	55.04	1983		46.58
1984	03/08	48.04	12/31	38.79	1984	12/31	72.49	01/31	58.11	1984		38.79
1985	12/31	49.08	03/05	34.27	1985	12/31	80.66	09/02	70.57	1985		49.08
1986	09/19	62.52	01/14	48.02	1986	03/31	88.76	04/23	76.08	1986		62.47
1987	12/31	79.50	01/05	61.71	1987	01/03	87.52	11/16	75.77	1987		79.50
1988	01/04	78.44	08/23	62.41	1988	12/12	84.06	02/27	75.74	1988		67.28
1989	01/03	67.16	05/22	55.87	1989	11/26	91.11	02/12	80.05	1989		64.74
1990	11/20	80.29	01/02	62.98	1990	03/17	101.23	11/21	81.75	1990		78.75
1991	02/06	81.06	07/11	62.66	1991	11/25	100.39	03/13	84.33	1991		73.00
1992	09/01	80.77	04/21	64.21	1992	01/11	98.50	04/28	92.06	1992		67.81
1993	09/10	71.64	03/09	64.55	1993					1993		67.02

*Through April 30, 2010

SWISS FRANC NEAR-TERM CONTRACT MONTHLY CLOSING PRICES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1976	38.61	39.04	39.74	40.03	40.83	40.92	40.71	40.40	41.26	41.29	40.94	41.24
1977	40.10	39.21	39.48	39.80	40.00	40.75	41.79	41.83	43.00	45.17	46.40	50.79
1978	50.87	55.17	54.66	51.81	52.89	54.81	57.90	61.02	66.45	68.22	58.01	63.47
1979	59.44	60.22	60.26	58.87	58.05	61.58	60.72	60.74	65.85	61.62	63.07	63.94
1980	61.69	58.60	55.33	60.62	60.51	61.89	60.59	60.91	61.47	58.88	57.61	56.97
1981	52.41	51.17	52.70	49.87	48.38	49.50	47.00	46.61	51.29	55.55	56.57	56.68
1982	54.66	52.66	52.83	51.79	50.24	48.60	48.05	47.24	46.68	45.55	47.40	50.70
1983	49.95	48.38	48.56	48.71	47.59	48.03	46.87	46.04	47.74	46.70	46.55	46.58
1984	44.94	46.20	47.37	44.95	44.46	43.52	40.88	41.63	40.02	40.58	39.15	38.79
1985	37.43	34.93	38.87	38.38	39.12	39.67	44.01	43.29	45.80	46.80	48.19	49.08
1986	49.64	53.16	51.75	54.93	51.74	56.45	59.98	61.19	61.12	58.63	60.99	62.47
1987	64.94	65.19	66.77	68.54	66.40	66.58	65.21	66.92	65.58	70.26	74.73	79.50
1988	73.46	71.93	74.01	71.94	69.26	67.08	64.32	63.26	63.83	66.69	69.14	67.28
1989	62.74	64.42	60.72	59.89	58.48	60.07	62.42	58.94	61.79	61.95	62.84	64.74
1990	66.55	66.69	66.76	68.86	69.85	70.45	74.23	76.24	77.04	77.75	78.29	78.75
1991	79.44	75.34	68.41	69.07	67.31	64.23	65.52	65.43	68.57	67.86	69.65	73.00
1992	69.42	67.17	66.04	65.76	68.53	72.02	75.32	79.90	80.23	72.47	69.62	67.81
1993	67.03	65.38	66.83	69.70	70.52	65.79	65.49	67.62	69.97	66.91	66.71	67.02
1994	68.61	70.12	70.91	71.38	71.23	75.06	74.60	75.08	77.83	79.71	75.39	76.73
1995	77.98	80.96	88.88	87.73	85.87	87.51	87.35	83.25	87.16	88.51	85.02	87.31
1996	82.77	83.44	84.64	80.72	80.12	80.30	83.88	83.37	80.39	79.14	76.83	75.20
1997	70.56	67.83	69.56	68.29	70.93	69.08	66.38	67.12	69.56	71.85	70.24	68.97
1998	68.09	68.43	66.18	66.94	67.54	66.28	67.39	69.41	73.08	74.36	71.74	73.31
1999	71.03	69.22	67.92	65.99	65.46	65.10	67.46	66.20	67.33	66.04	63.04	63.47
2000	60.56	60.27	60.55	58.27	59.50	61.62	60.17	57.48	58.28	55.87	57.89	62.17
2001	61.11	59.94	57.62	57.82	55.70	55.80	57.90	60.01	61.78	61.22	60.90	60.20
2002	58.11	58.91	59.43	61.98	63.73	67.56	67.31	66.70	67.91	67.68	67.39	72.49
2003	73.34	73.97	74.04	73.90	77.10	74.06	73.02	71.25	75.89	74.59	77.40	80.66
2004	79.55	79.28	79.08	77.29	79.92	80.17	78.10	78.91	80.54	83.86	87.82	87.96
2005	84.23	86.15	83.95	83.85	80.14	78.50	77.93	79.84	77.72	77.96	76.20	76.56
2006	78.54	76.32	77.35	80.97	82.21	82.41	81.73	81.40	80.60	80.81	83.60	82.54
2007	80.73	82.25	82.83	83.14	81.73	82.32	83.46	82.97	86.45	86.71	88.52	88.38
2008	92.56	95.90	100.66	96.76	95.93	98.10	95.46	90.63	89.63	86.64	82.41	93.64
2009	86.07	85.60	87.89	87.83	93.65	92.20	93.62	94.39	96.60	97.58	99.39	96.89
2010	94.35	93.08	95.13	92.90								

SWISS FRANC NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1976	0.6	1.1	1.8	0.7	2.0	0.2	-0.5	-0.8	2.1	0.1	-0.8	0.7	7.5
1977	-2.8	-2.2	0.7	0.8	0.5	1.9	2.6	0.1	2.8	5.0	2.7	9.5	23.2
1978	0.2	8.5	-0.9	-5.2	2.1	3.6	5.6	5.4	8.9	2.7	-15.0	9.4	25.0
1979	-6.3	1.3	0.1	-2.3	-1.4	6.1	-1.4	0.03	8.4	-6.4	2.4	1.4	0.7
1980	-3.5	-5.0	-5.6	9.6	-0.2	2.3	-2.1	0.5	0.9	-4.2	-2.2	-1.1	-10.9
1981	-8.0	-2.4	3.0	-5.4	-3.0	2.3	-5.1	-0.8	10.0	8.3	1.8	0.2	-0.5
1982	-3.6	-3.7	0.3	-2.0	-3.0	-3.3	-1.1	-1.7	-1.2	-2.4	4.1	7.0	-10.6
1983	-1.5	-3.1	0.4	0.3	-2.3	0.9	-2.4	-1.8	3.7	-2.2	-0.3	0.1	-8.1
1984	-3.5	2.8	2.5	-5.1	-1.1	-2.1	-6.1	1.8	-3.9	1.4	-3.5	-0.9	-16.7
1985	-3.5	-6.7	11.3	-1.3	1.9	1.4	10.9	-1.6	5.8	2.2	3.0	1.8	26.5
1986	1.1	7.1	-2.7	6.1	-5.8	9.1	6.3	2.0	-0.1	-4.1	4.0	2.4	27.3
1987	4.0	0.4	2.4	2.7	-3.1	0.3	-2.1	2.6	-2.0	7.1	6.4	6.4	27.3
1988	-7.6	-2.1	2.9	-2.8	-3.7	-3.1	-4.1	-1.6	0.9	4.5	3.7	-2.7	-15.4
1989	-6.7	2.7	-5.7	-1.4	-2.4	2.7	3.9	-5.6	4.8	0.3	1.4	3.0	-3.8
1990	2.8	0.2	0.1	3.1	1.4	0.9	5.4	2.7	1.0	0.9	0.7	0.6	21.6
1991	0.9	-5.2	-9.2	1.0	-2.5	-4.6	2.0	-0.1	4.8	-1.0	2.6	4.8	-7.3
1992	-4.9	-3.2	-1.7	-0.4	4.2	5.1	4.6	6.1	0.4	-9.7	-3.9	-2.6	-7.1
1993	-1.2	-2.5	2.2	4.3	1.2	-6.7	-0.5	3.3	3.5	-4.4	-0.3	0.5	-1.2
1994	2.4	2.2	1.1	0.7	-0.2	5.4	-0.6	0.6	3.7	2.4	-5.4	1.8	14.5
1995	1.6	3.8	9.8	-1.3	-2.1	1.9	-0.2	-4.7	4.7	1.5	-3.9	2.7	13.8
1996	-5.2	0.8	1.4	-4.6	-0.7	0.2	4.5	-0.6	-3.6	-1.6	-2.9	-2.1	-13.9
1997	-6.2	-3.9	2.6	-1.8	3.9	-2.6	-3.9	1.1	3.6	3.3	-2.2	-1.8	-8.3
1998	-1.3	0.5	-3.3	1.1	0.9	-1.9	1.7	3.0	5.3	1.8	-3.5	2.2	6.3
1999	-3.1	-2.5	-1.9	-2.8	-0.8	-0.5	3.6	-1.9	1.7	-1.9	-4.5	0.7	-13.4
2000	-4.6	-0.5	0.5	-3.8	2.1	3.6	-2.4	-4.5	1.4	-4.1	3.6	7.4	-2.0
2001	-1.7	-1.9	-3.9	0.3	-3.7	0.2	3.8	3.6	2.9	-0.9	-0.5	-1.1	-3.2
2002	-3.5	1.4	0.9	4.3	2.8	6.0	-0.4	-0.9	1.8	-0.3	-0.4	7.6	20.4
2003	1.2	0.9	0.1	-0.2	4.3	-3.9	-1.4	-2.4	6.5	-1.7	3.8	4.2	11.3
2004	-1.4	-0.3	-0.3	-2.3	3.4	0.3	-2.6	1.0	2.1	4.1	4.7	0.2	9.1
2005	-4.2	2.3	-2.6	-0.1	-4.4	-2.0	-0.7	2.5	-2.7	0.3	-2.3	0.5	-13.0
2006	2.6	-2.8	1.3	4.7	1.5	0.2	-0.8	-0.4	-1.0	0.3	3.5	-1.3	7.8
2007	-2.2	1.9	0.7	0.4	-1.7	0.7	1.4	-0.6	4.2	0.3	2.1	-0.2	7.1
2008	4.7	3.6	5.0	-3.9	-0.9	2.3	-2.7	-5.1	-1.1	-3.3	-4.9	13.6	6.0
2009	-8.1	-0.5	2.7	-0.1	6.6	-1.5	1.5	0.8	2.3	1.0	1.9	-2.5	3.5
2010	-2.6	-1.3	2.2	-2.3									
TOTALS	-75.1	-8.3	18.2	-9.0	-4.2	25.4	16.7	2.0	82.6	-0.7	-4.1	72.4	
AVG.	-2.1	-0.2	0.5	-0.3	-0.1	0.7	0.5	0.1	2.4	-0.02	-0.1	2.1	
# Up	11	17	24	15	15	23	14	17	26	19	17	24	
# Down	24	18	11	20	19	11	20	17	8	15	17	10	

JAPANESE YEN CYCLE, SEASONAL PATTERN, AND TRADING GUIDE

The Japanese economy has been considered the second most technologically advanced economy in the world, but the gap is closing with China and the combined eurozone nations. This market and economy is driven by finished goods production, as they are a net importer of raw materials. The Japanese economy is heavily dependent on crude oil imports.

Their economy runs on a fiscal year from April through March, but since the yen contract is valued against the U.S. dollar, we have a tendency to see bottoms in late August, as multi-conglomerate international companies make their fiscal year-end adjustments. We see peaks in October against the U.S. dollar, as money flows back into the United States for year-end tax adjustment purposes, also referred to as repatriation of funds.

YEN ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1985–2009

YEN NEAR-TERM CONTRACT ANNUAL HIGHS, LOWS, AND CLOSES SINCE 1978

YEAR	HIGH		LOW		YEAR	HIGH		LOW		YEAR	
DATE	CLOSE	DATE	CLOSE	CLOSE	DATE	CLOSE	DATE	CLOSE	CLOSE		
1978	10/30	57.23	02/03	41.45	52.70	1995	04/18	124.91	11/02	96.75	97.73
1979	01/02	52.72	11/26	39.99	41.97	1996	01/02	97.21	12/30	87.00	87.13
1980	12/30	50.33	04/07	38.48	50.25	1997	06/11	91.29	12/05	76.89	77.36
1981	01/05	51.13	08/04	41.21	46.24	1998	12/31	88.84	08/11	68.19	88.84
1982	01/04	46.43	11/03	36.10	43.15	1999	12/22	99.56	05/20	80.65	98.92
1983	01/10	44.26	09/01	40.51	43.71	2000	01/03	99.64	12/29	88.27	88.27
1984	03/08	45.48	12/31	39.87	39.87	2001	01/03	88.99	12/27	76.22	76.29
1985	12/31	50.04	02/22	38.07	50.04	2002	07/19	86.66	02/26	74.34	84.47
1986	09/19	65.97	01/03	49.30	63.54	2003	12/29	93.72	03/21	82.51	93.18
1987	12/31	83.16	01/05	62.99	83.16	2004	12/31	97.97	05/13	87.40	97.97
1988	12/08	82.87	09/01	73.41	80.69	2005	01/14	98.38	12/07	82.76	85.51
1989	01/03	81.49	06/14	67.65	69.68	2006	05/16	91.54	10/10	84.30	84.84
1990	10/18	80.30	04/17	62.73	73.84	2007	11/26	92.94	06/22	81.62	90.13
1991	12/31	79.91	06/10	70.30	79.91	2008	12/17	113.79	08/15	90.62	110.29
1992	09/29	83.68	04/23	74.13	80.04	2009	11/30	115.91	04/06	99.17	107.40
1993	08/17	98.93	01/15	79.25	89.59	2010*	03/03	113.14	04/02	105.66	AT PRESS TIME
1994	10/25	103.87	01/05	88.78	101.08						

*Through April 30, 2010

JAPANESE YEN NEAR-TERM CONTRACT MONTHLY PERCENT CHANGES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year's Change
1978	-1.3	1.4	9.5	-3.2	2.1	9.4	6.6	-1.7	2.6	5.0	-10.3	4.4	25.0
1979	-5.2	-0.5	-3.1	-5.7	-0.02	1.9	0.2	-1.4	-1.6	-4.9	-6.1	4.5	-20.4
1980	0.5	-5.6	1.4	3.6	7.0	1.0	-3.1	4.5	4.2	-0.04	-3.0	8.7	19.7
1981	-2.5	-2.3	0.2	-2.5	-3.9	-0.3	-6.0	2.6	1.2	-0.7	7.9	-1.3	-8.0
1982	-4.2	-4.7	-2.7	4.1	-3.8	-3.4	-1.9	-1.2	-2.5	-3.4	10.8	7.4	-6.7
1983	-3.2	0.02	0.7	0.3	-0.9	0.7	-2.0	-1.2	4.9	0.1	0.9	1.4	1.3
1984	-2.1	0.3	4.8	-1.3	-2.5	-1.5	-4.1	1.2	-1.1	0.1	-1.4	-1.4	-8.8
1985	-1.5	-1.9	4.2	-1.0	0.6	1.1	5.1	-1.5	10.9	2.1	4.3	1.3	25.5
1986	4.3	6.4	1.9	4.7	-3.2	7.4	5.9	-0.4	-0.1	-5.5	0.8	2.8	27.0
1987	2.5	0.2	5.5	3.8	-2.7	-1.4	-2.5	5.1	-2.3	5.5	4.5	9.7	30.9
1988	-5.7	-0.5	3.7	-0.8	-0.3	-5.4	-0.3	-2.7	2.6	6.0	3.2	-2.2	-3.0
1989	-4.4	2.4	-3.4	-0.7	-7.5	0.01	4.9	-6.1	5.0	-3.0	-0.2	-0.6	-13.6
1990	-0.4	-3.2	-5.6	-0.6	4.2	0.2	4.1	1.4	3.7	6.6	-2.0	-2.0	6.0
1991	3.1	-1.4	-6.1	3.8	-1.3	0.3	0.3	0.5	2.8	1.7	0.7	3.8	8.2
1992	-0.7	-2.7	-2.4	-0.4	4.5	1.5	-1.1	3.3	2.5	-2.7	-1.0	-0.2	0.2
1993	0.1	5.6	2.9	3.5	3.4	0.3	2.2	-0.04	-1.2	-2.2	-0.7	-2.3	11.9
1994	2.9	3.8	2.7	0.5	-3.3	6.9	-1.9	-0.2	1.5	2.1	-2.3	-0.1	12.8
1995	-0.3	2.8	12.6	2.5	-0.7	0.4	-4.4	-9.7	-1.6	-2.6	-0.5	-0.4	-3.3
1996	-3.8	1.3	-1.0	1.7	-3.3	-0.5	2.3	-2.5	-1.3	-2.8	-0.2	-1.0	-10.8
1997	-5.0	0.7	-2.0	-3.1	8.8	2.4	-3.9	-2.4	1.3	-0.4	-6.2	-1.4	-11.2
1998	2.3	0.4	-4.5	-0.3	-4.6	0.6	-4.3	2.2	4.0	17.3	-6.2	9.2	14.8
1999	-2.8	-2.6	0.8	-0.8	-2.0	1.2	5.3	4.1	3.9	1.7	1.8	0.6	11.3
2000	-5.3	-2.9	8.9	-6.0	-0.03	2.8	-3.7	1.9	-0.2	-1.3	-1.8	-2.8	-10.8
2001	-2.0	-1.3	-6.2	1.5	3.4	-3.9	-0.6	5.0	-0.2	-2.6	-1.2	-5.8	-13.6
2002	-2.5	0.7	1.0	3.1	3.2	4.3	-0.4	0.8	-2.3	-0.9	-0.1	3.5	10.7
2003	-1.1	1.5	0.1	-0.7	-0.4	-0.2	-0.8	3.3	4.8	1.1	0.4	2.0	10.3
2004	1.6	-3.2	4.8	-5.5	-0.1	1.8	-2.5	1.8	-0.3	3.7	2.7	0.8	5.1
2005	-1.2	-1.0	-2.0	2.0	-3.6	-1.5	-1.7	1.3	-2.0	-2.6	-3.2	2.2	-12.7
2006	0.1	1.1	-0.8	3.1	0.5	-0.7	-0.5	-2.8	0.2	0.6	0.6	-2.0	-0.8
2007	-1.7	1.6	1.2	-1.8	-2.2	-0.4	3.3	2.1	1.8	-0.9	3.4	0.01	6.2
2008	4.6	2.2	4.6	-4.2	-1.6	-0.2	-1.9	-1.0	3.2	6.8	3.2	5.4	22.4
2009	1.0	-8.3	-1.1	0.3	3.7	-1.2	1.5	2.0	3.8	-0.4	4.3	-7.3	-2.6
2010	2.7	2.1	-4.9	-0.5									
TOTALS	-31.2	-7.6	25.7	-0.6	-6.6	23.6	-5.9	8.3	48.2	23.5	3.1	36.9	
AVG.	-0.9	-0.2	0.8	-0.02	-0.2	0.7	-0.2	0.3	1.5	0.7	0.1	1.2	
# Up	12	18	19	15	11	19	12	17	19	15	15	17	
# Down	21	15	14	18	21	13	20	15	13	17	17	15	