

Week Ending 27th January 2012

Last week was relatively quiet with very little fluctuation at all.

Have a great week all

Futures

Currency – Euro & USD\$

Entries:

Exits:

There have been several questions from subscribers regarding the amount of exposure a trader should have to a single category of the market – specifically that we have had several orders on German Debt. Risk Management prudence dictates that too much exposure to a particular category raises the risk concerned and this is true. However our orders are placed because the charts are giving us potential entry points for 4 of these instruments and we don't know whether all 4 are going to execute or not, so in order to capture the trades which execute, it would make sense to have all orders in the Trading Platform.

From a risk management perspective it would probably be undesirable to hold 4 positions on German Bonds. A solution to this is to hold all orders in the system and when the individual risk tolerance has been reached – cancel the unexecuted orders. This allows the trader to enter 1, 2 or 3 positions, while retaining good risk management procedures and still catching the entries as they occur.

There has been some questions regarding the differences between the following:
Euro-Schatz, Euro-BOBL, Euro-BUND & Euro-BUXL.

They are all German Govt Bonds and represent different time frames

Euro-Schatz	1.75 – 2.25 yrs
Euro-BOBL	4.5 – 5.5 yrs
Euro-BUND	8.5 – 10.5 yrs
Euro BUXL	24 – 35 yrs

These bonds all have a nominal value of Euro 100,000 and a nominal return of 6%.

The colour coding we are currently using is as follows:

Amended orders or stops

Retained Orders or stops – no change

New working orders

Immediate action required

Short Sell

Open Positions

Stops:		Old	Action	New
<u>Amended</u>				
Euro-BOBL	GBM	123.3	Amend	124
<u>Retained</u>				
Euro-Schatz	GBS	110	Retain	110
Long Gilt	LLG	114.8	Retain	114.8
10 Yr Bond	YXB	95.90	Retain	95.90

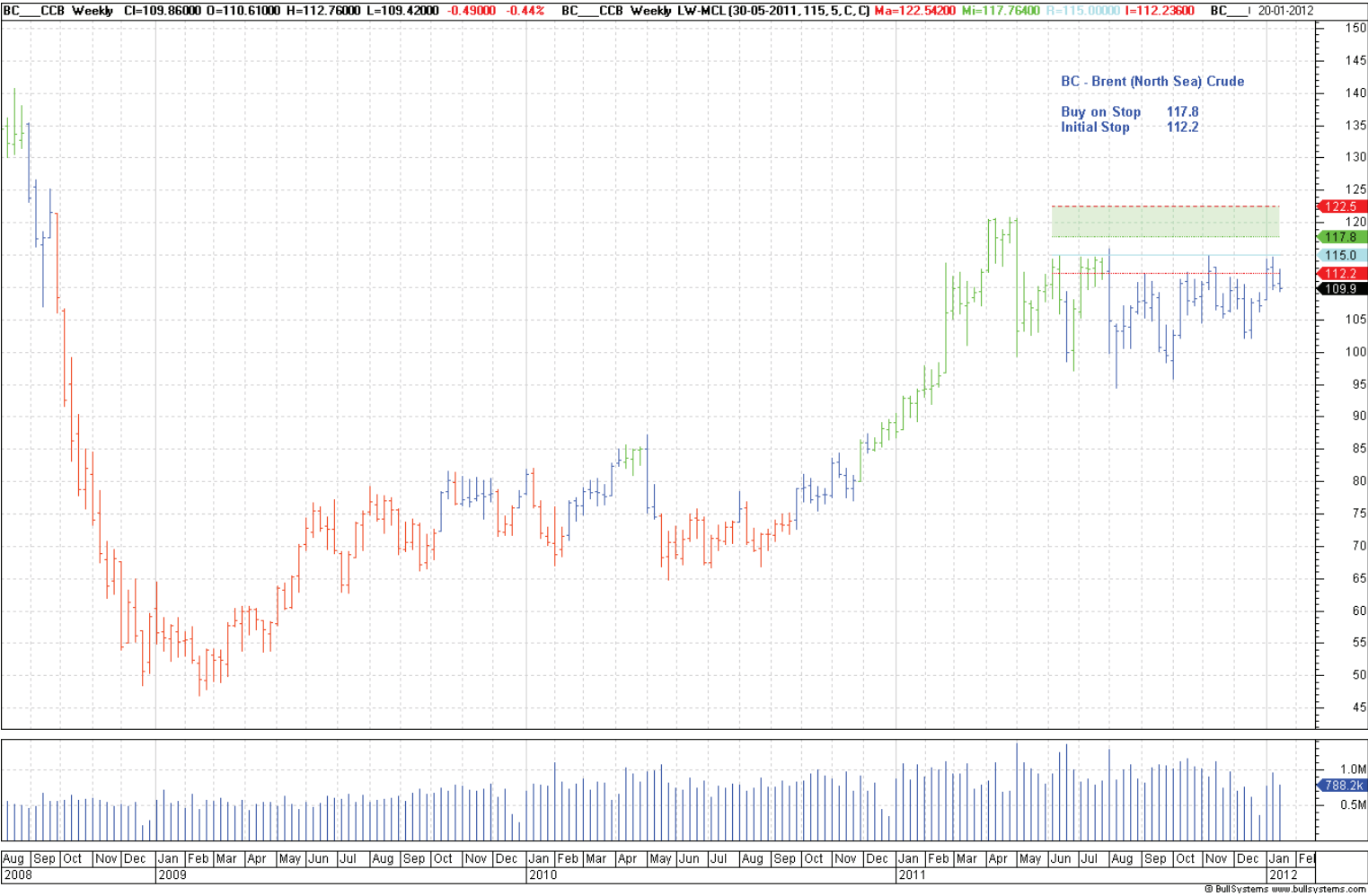
Cancelled Orders

Nil

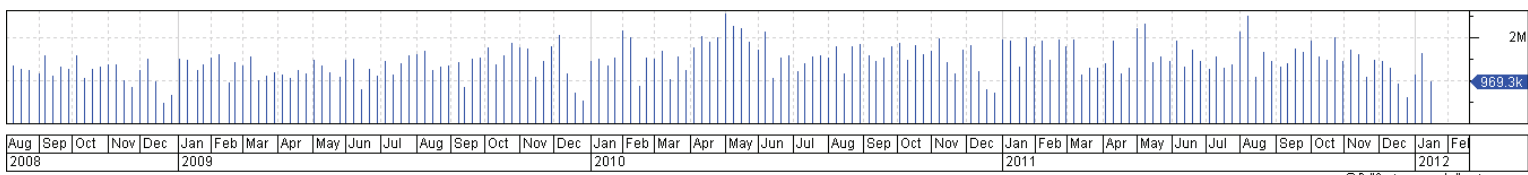
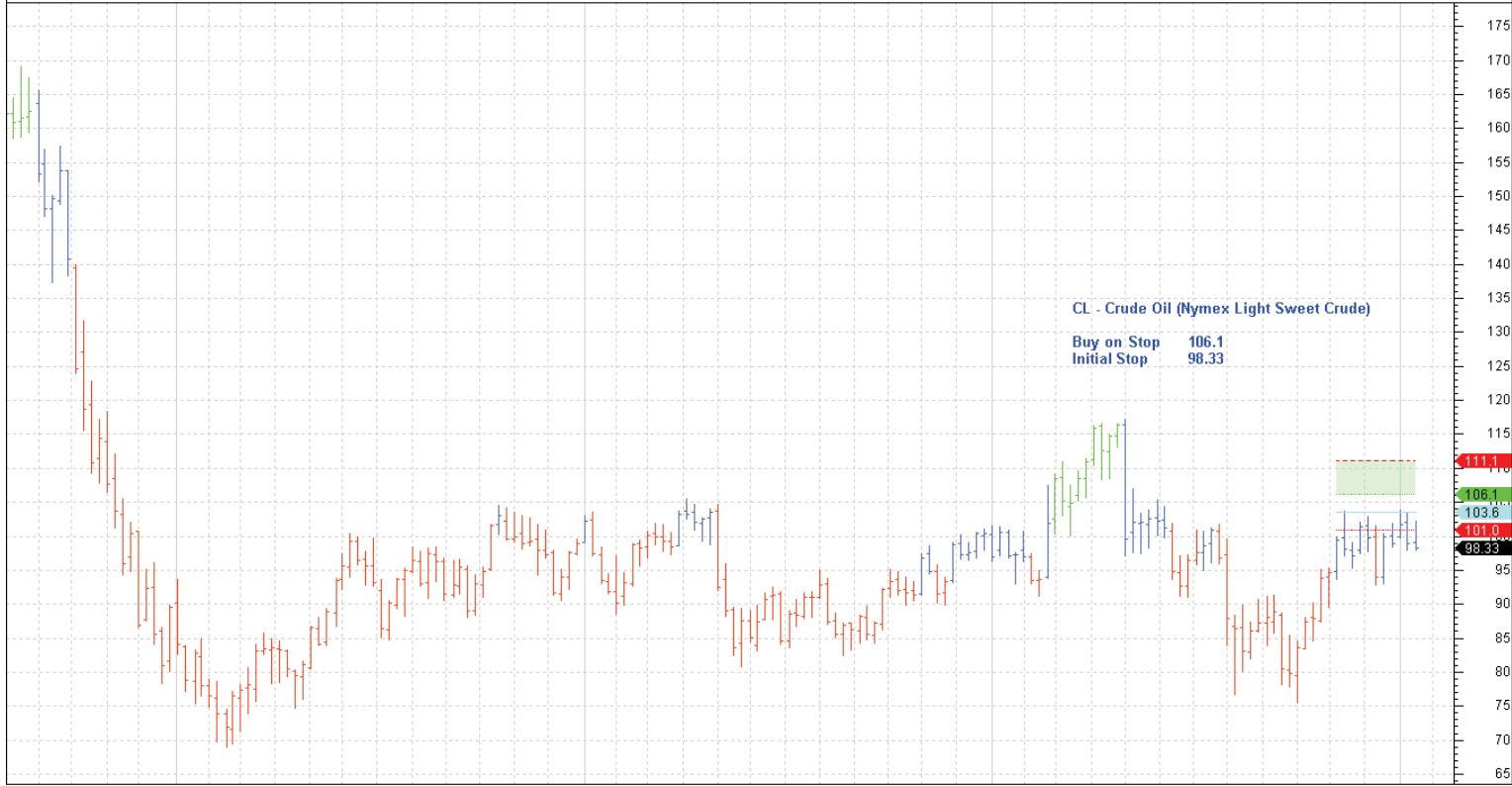
Working Orders

Commodity	Code	Contract & Month	Direction	Entry	Stop
<u>Amended</u>					
Brent Crude Oil	BC	LCOG2 – Feb '12	Buy	117.8	112.2
Crude Oil – Nymex	CL	CKG2 – Feb '12	Buy	106.1	98.33
Euro-Bund	GBL	FGBLH2 – Mar '12	Buy	140.3	138.1
Euro-BUXL	GBX	FGBXH2– Mar '12	Buy	130.3	126.3
Gas Oil	GO	FPG2 – Feb '12	Buy	1011	973.4
WTI Crude Oil	WTI	WBSG2 – Feb '12	Buy	106.2	101
<u>Retained</u>					
5 Year Treasury Note	FV2	ZFH2 – Mar '12	Buy	123.80	122.9
Commodity	Code	Contract & Month	Direction	Entry	Stop
<u>New</u>					

Charts

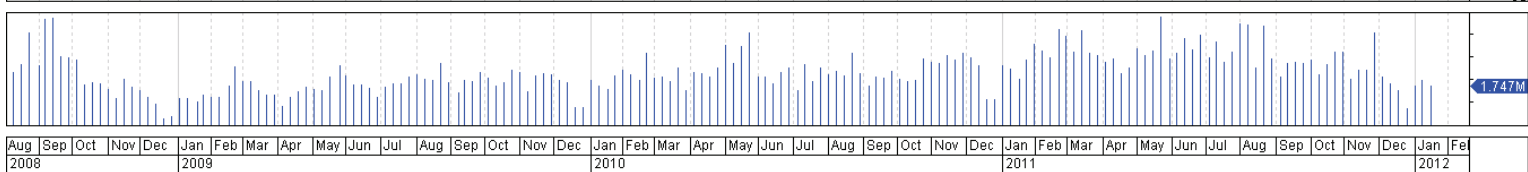
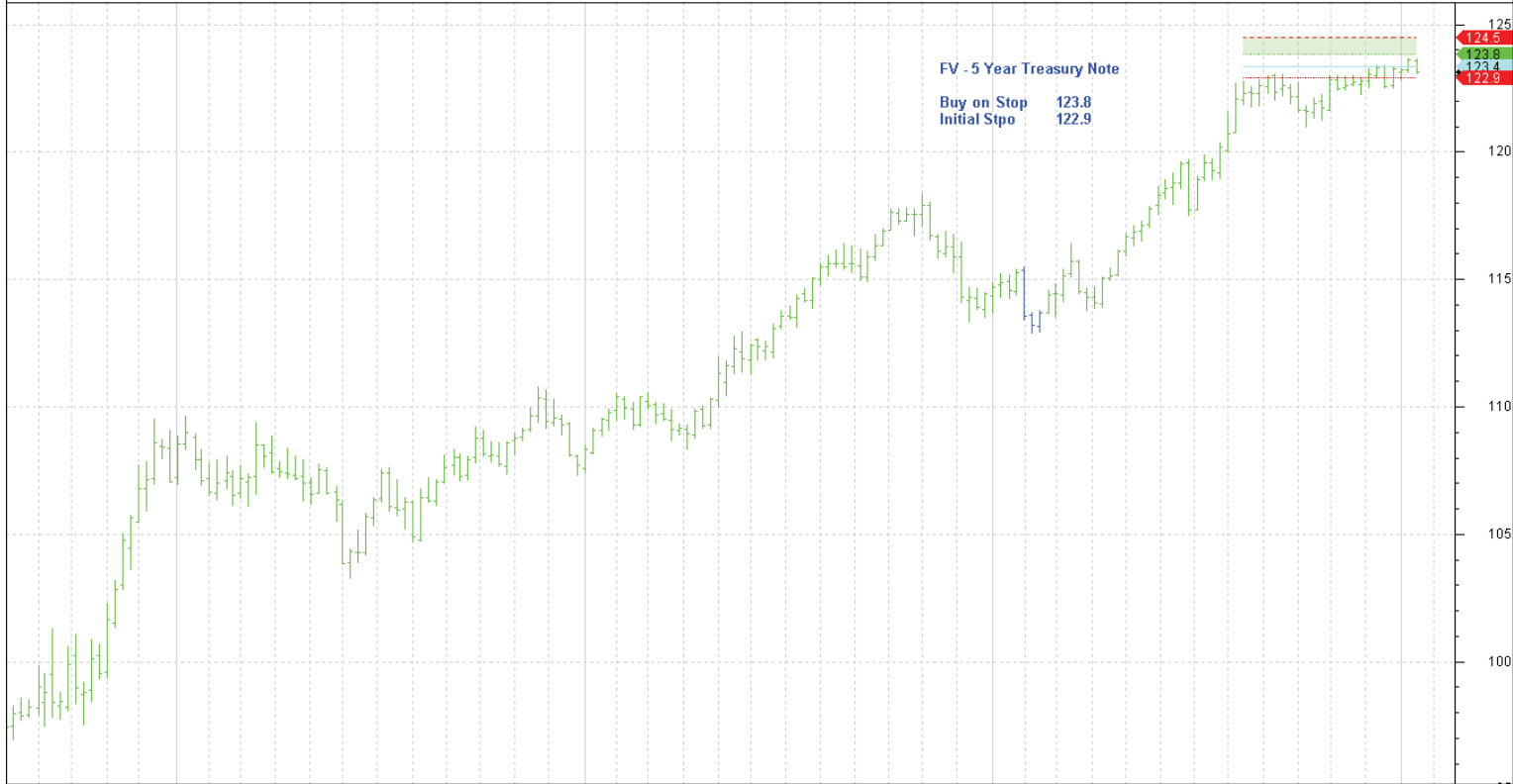


CL2_CCB Weekly CI=98.33000 O=99.05000 H=102.24000 L=98.02000 -0.55000 -0.56% CL2_CCB Weekly LW-DIPC(1.5,5,34) CL2_CCB Weekly LW-MCL(31-10-2011,103.56,5,C,C) Ma=111.13400 Mi=106.1 20-01-2012



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FV2_CCB Weekly CI=123.12500 O=123.57800 H=123.67200 L=123.10200 -0.47700 -0.39% FV2_CCB Weekly LW-DIPC(1.5,5,34) FV2_CCB Weekly LW-MCL(08-08-2011,123.375,5,C,C) Ma=124.48790 Mi= 20-01-2012

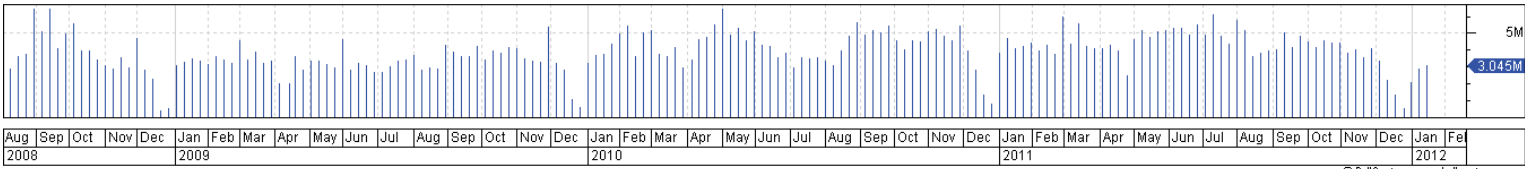


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GBL - Euro-Bund

Buy on Stop 140.3
Initial Stop 138.1

142.1
140.3
139.2
138.1

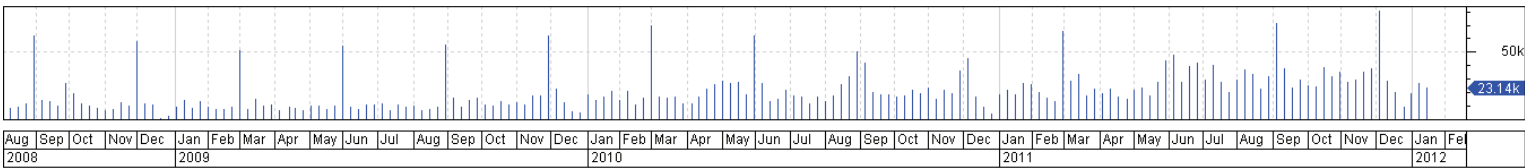


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GBX - Euro-BUXL

Order Type	Price
Buy on Stop	130.3
Initial Stop	126.3

Price Range: 128.3 to 133.7

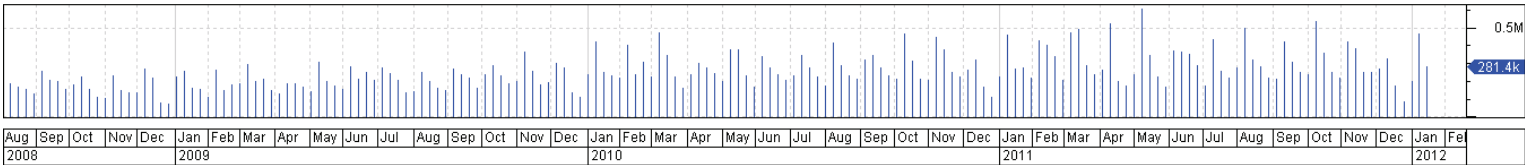


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GO - Gas Oil

Buy on Stop 1011
Initial Stop 973.4

1,300
1,250
1,200
1,150
1,100
1,050
1,000
950
900
850
800
750
700
650
600
550
500
450

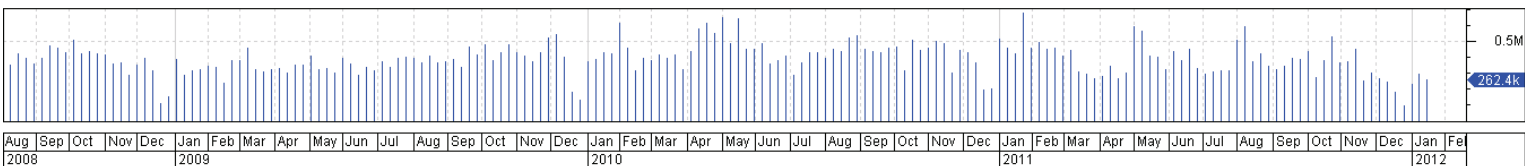


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WTI - WTI Crude (West Texas Intermediate)

Buy on Stop 106.2
Initial Stop 101

111.1
106.2
103.8
101.0
98.33



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