

Week Ending 30th December, 2011

Many of the markets rose sharply but mostly on greatly decreased volume.

Have a great week all

Futures

Currency – Euro & USD\$

Entries: Nil

Exits: Nil

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
Amended				
Euro-BOBL	GBM	122.2	Amend	123.3
Euro-BOBL	GBM	122.6	Amend	122.8

Retained

Coffee	KC	226.13	Retain	226.13
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

Gas Oil

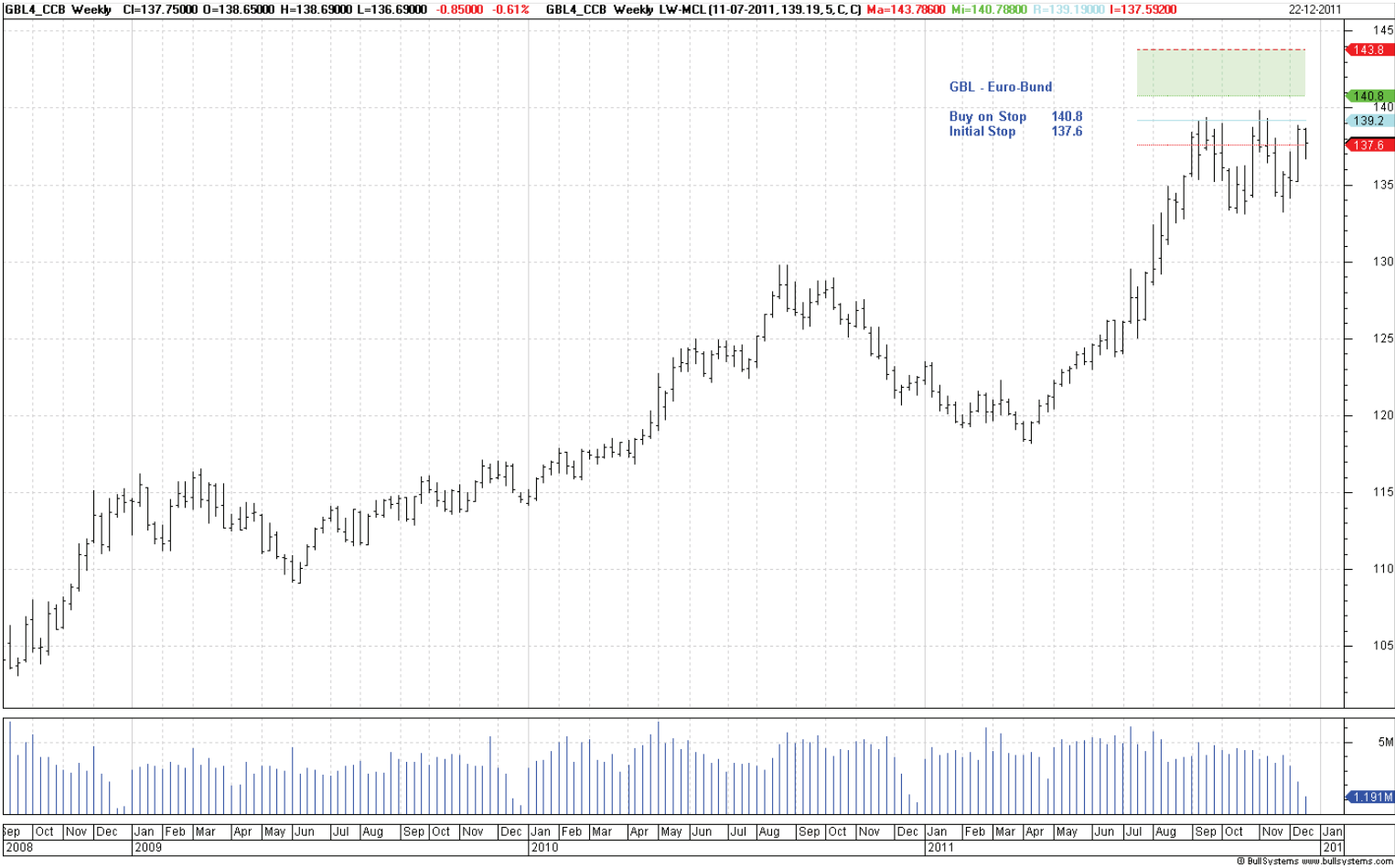
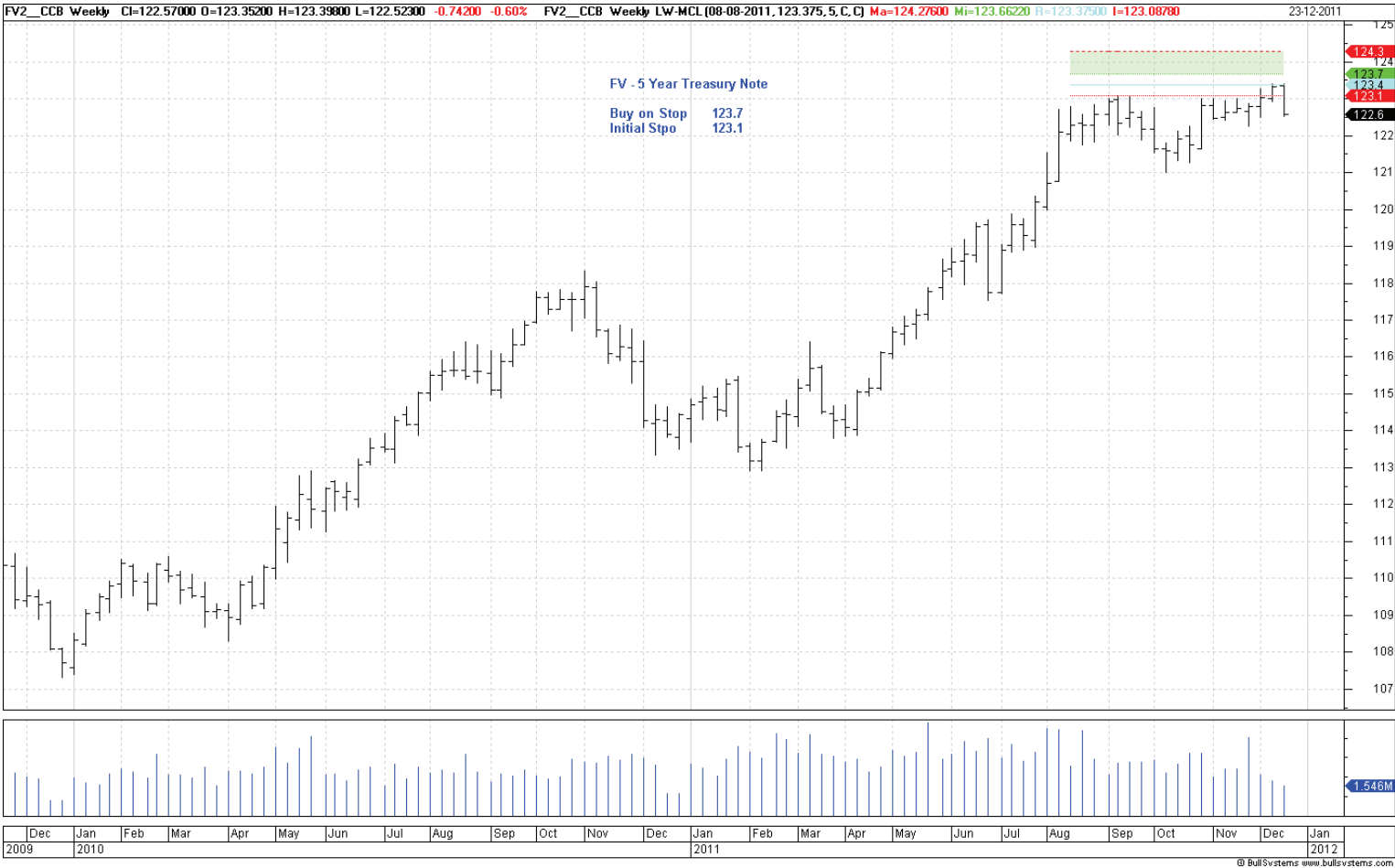
Working Orders

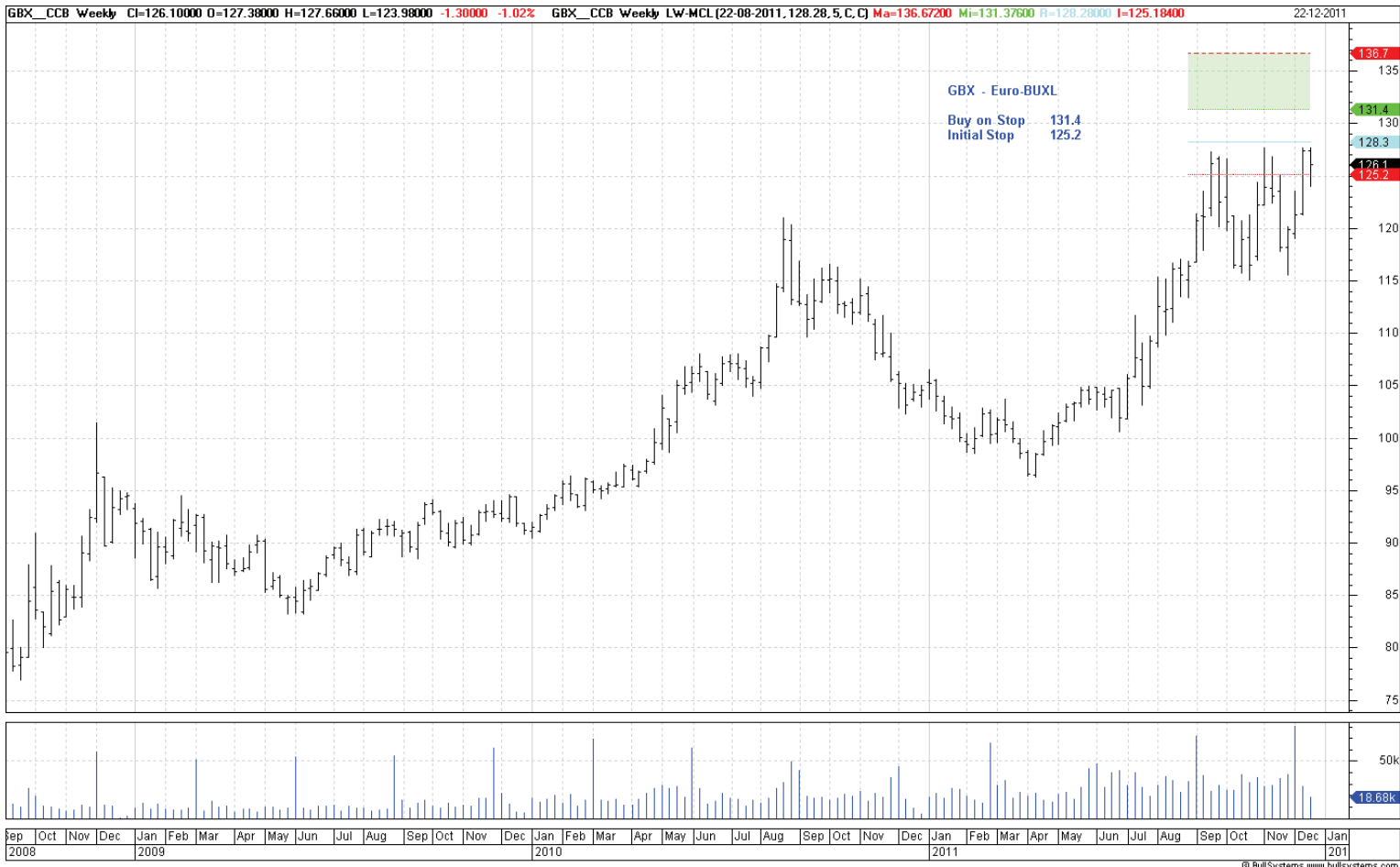
Commodity	Code	Contract & Month	Direction	Entry	Stop
Amended					
5 Year Treasury Note	FV2	ZFH2 – Mar '12	Buy	123'21.9	123'3.1
Euro-Bund	GBL	FGBLH2 – Mar '12	Buy	140.8	137.6
Euro-BUXL	GBX	FGBXH2– Mar '12	Buy	131.4	125.2
White Sugar No 5	LSU	WH2 – Feb '12	Sell	580.3	606.5
Singapore Index	SSG	SSGF2 – Jan '12	Sell	287.4	306.4

Retained

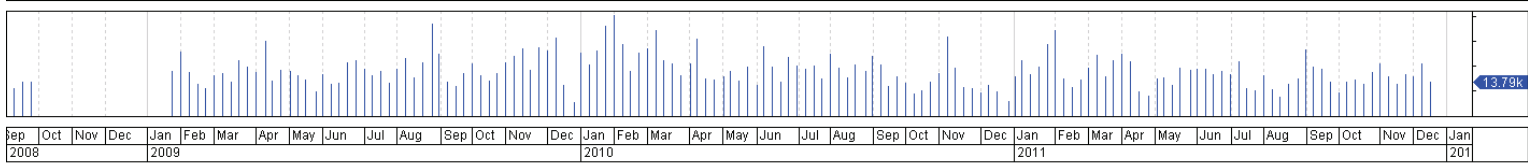
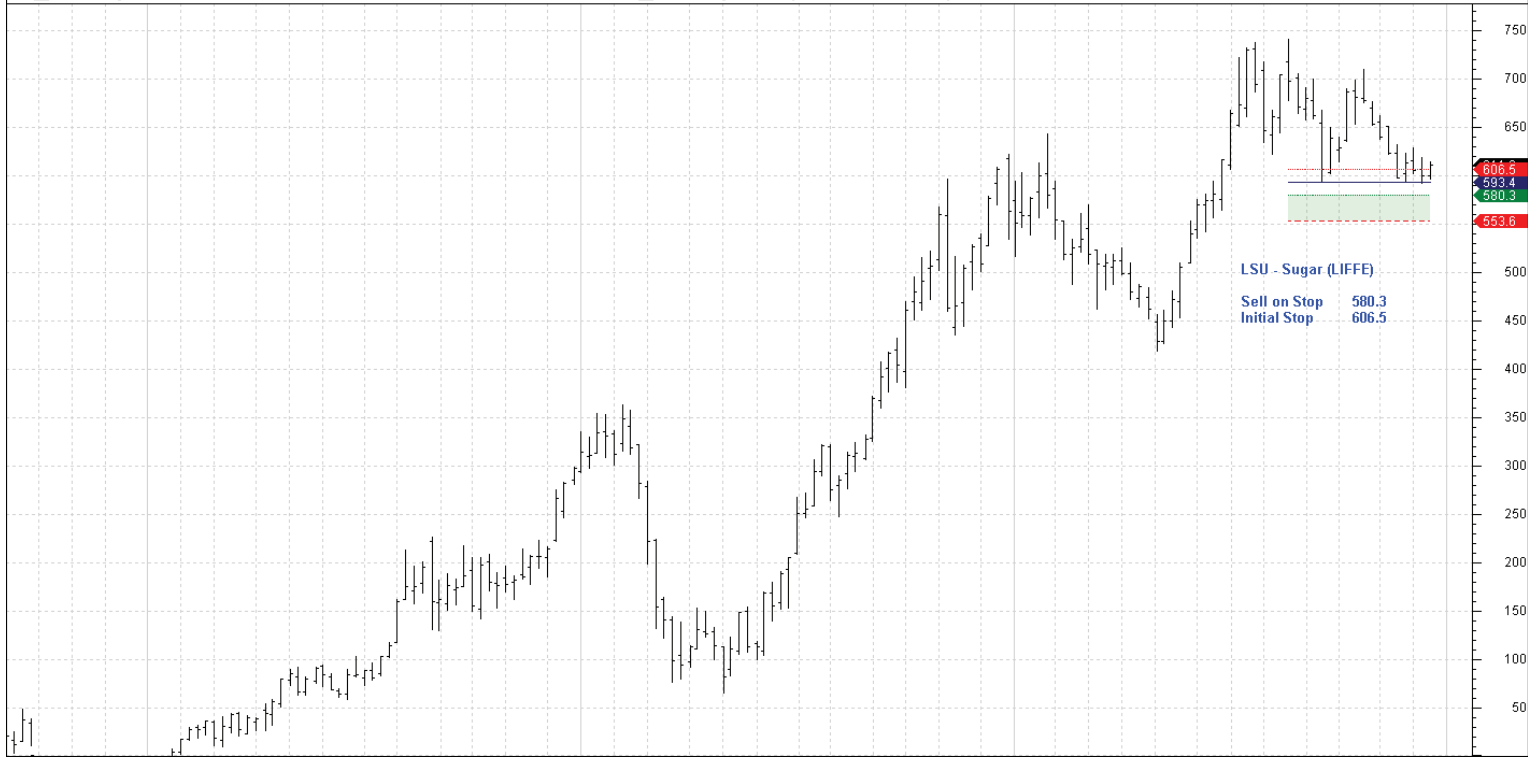
Commodity	Code	Contract & Month	Direction	Entry	Stop
New					
Robusta Coffee	LRC	RCF2 – Jan '12	Sell	1735	1833

Charts



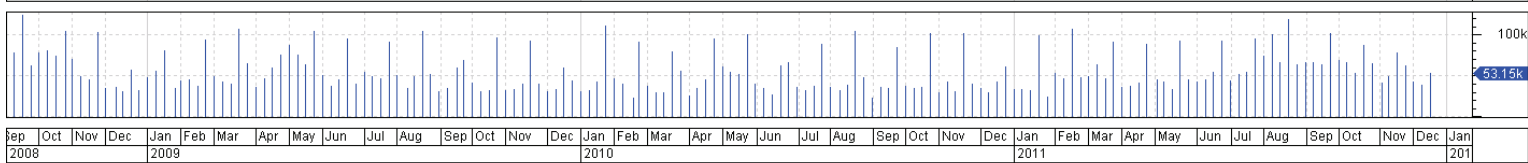
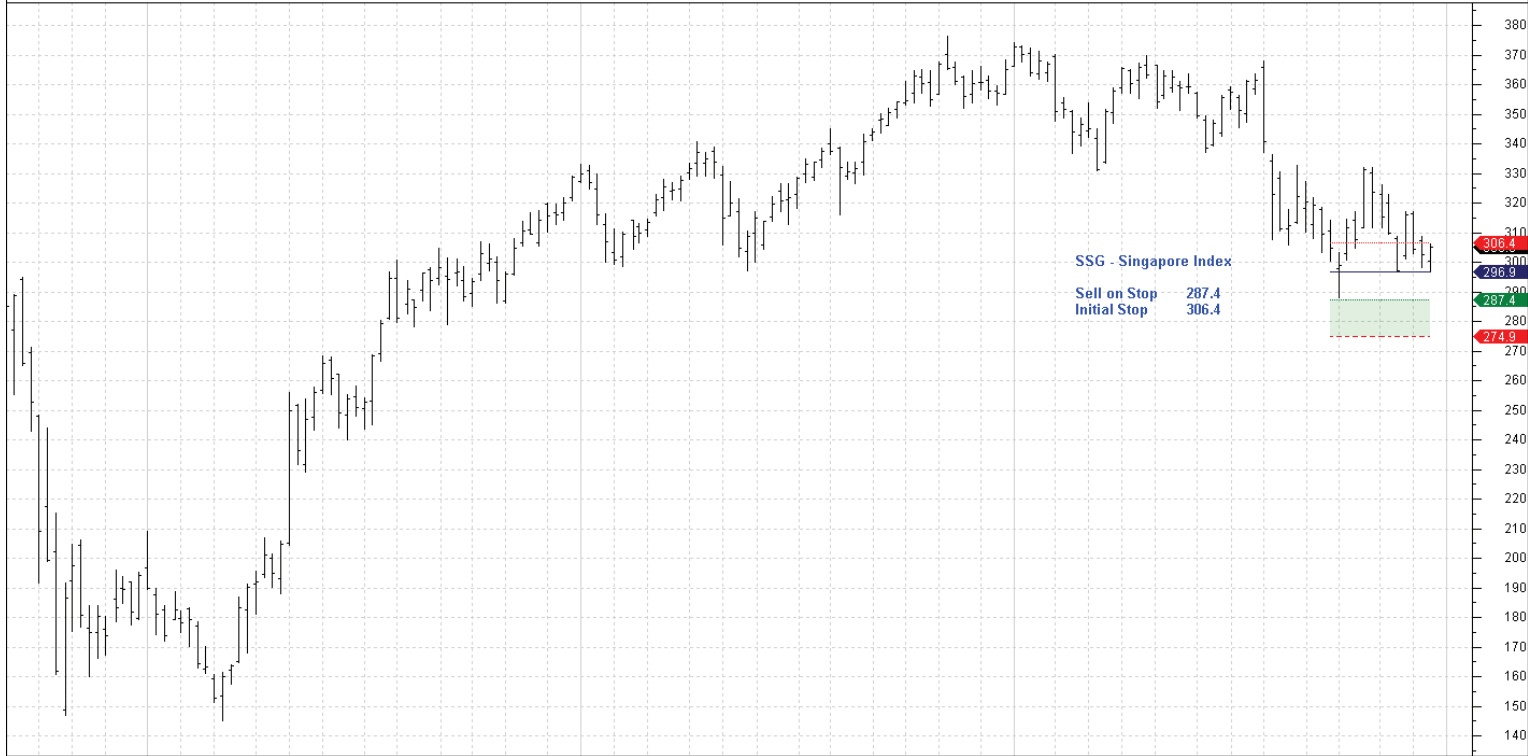


LSU_CCB Weekly CI=611.20000 O=600.10000 H=614.20000 L=596.70000 +11.50000 +1.92% LSU_CCB Weekly LW-MCS (15-08-2011,593.4,5,C,C) Ma=553.60000 Mi=580.28000 S=593.40000 I=606.52000 23-12-2011



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SSG1_CCB Weekly CI=305.00000 O=300.50000 H=306.30000 L=296.80000 +2.40000 +0.79% SSG1_CCB Weekly LW-MCS (19-09-2011,296.9,5,C,C) Ma=274.94000 Mi=287.38000 S=296.90000 I=306.42000 23-12-2011



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