Week Ending 6th January 2012

Have a great week all

Futures

Currency – Euro & USD$

Entries: Nil

Exits: Coffee

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 undesireable 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	122.6	Amend	123.3

Retained

Euro-BOBL	GBM	123.3	Retain	123.3
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

Amended

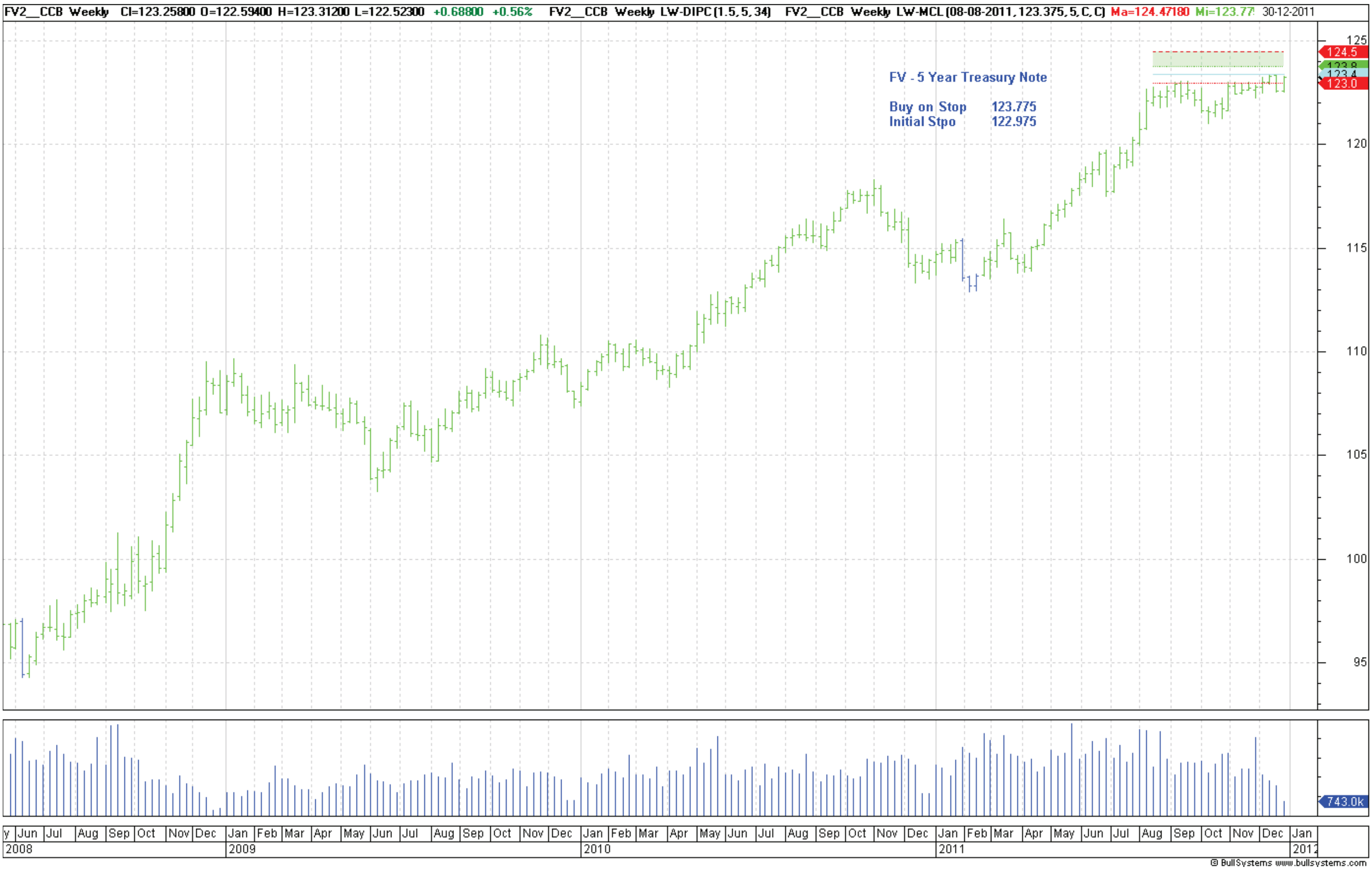
5 Year Treasury Note	FV2	ZFH2 – Mar ‘12	Buy	123.775	122.975
Euro-Bund	GBL	FGBLH2 – Mar ’12	Buy	140.6	137.8
Euro-BUXL	GBX	FGBXH2– Mar ’12	Buy	130.8	125.8
Robusta Coffee	LRC	RCF2 – Jan ’12	Sell	1733	1835
White Sugar No 5	LSU	WH2 – Feb ’12	Sell	584.3	603.4
Singapore Index	SSG	SSGF2 – Jan ’12	Sell	289.1	304.7

Retained

Commodity	Code	Contract & Month	Direction	Entry	Stop

New

Charts


FV2__CCB Weekly Cl=123.25800 O=122.59400 H=123.31200 L=122.52300 +0.68800 +0.56% FV2__CCB Weekly LW-DIPC(1.5,5,34) FV2__CCB Weekly LW-MCL(08-08-2011,123.375,5,C,C) Ma=124.47180 30-12-2011
FV - 5 Year Treasury Note
Buy on Stop 123.775
Initial Stpo 122.975
124.5
123.0
743.0K
2008
2009
2010
2011
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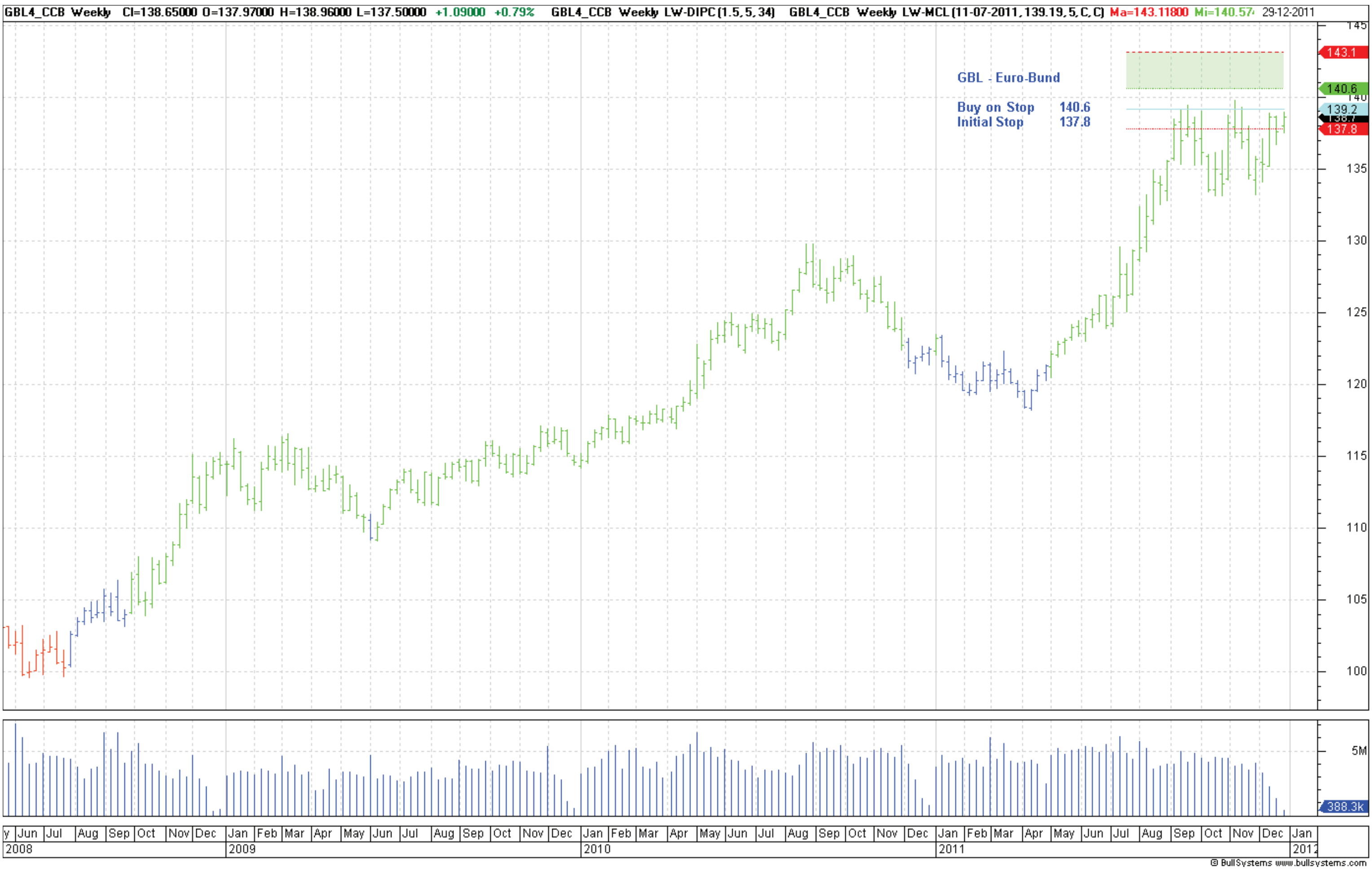
GBL4_CCB Weekly Cl=138.65000 O=137.97000 H=138.96000 L=137.50000 +1.09000 +0.79% GBL4_CCB Weekly LW-DIPC(1.5,5,34) GBL4_CCB Weekly LW-MCL(11-07-2011,139.19,5,C,C) Ma=143.11800 29-12-2011
GBL - Euro-Bund
Buy on Stop 140.6
Initial Stop 137.8
143.1
140.6
139.2
137.8
388.3K
2008
2009
2010
2011
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GBX__CCB Weekly Cl=127.96000 O=126.34000 H=127.98000 L=126.04000 +1.96000 +1.56% GBX__CCB Weekly LW-DIPC(1.5,5,34) GBX__CCB Weekly LW-MCL(22-08-2011,128.28,5,C,C) Ma=135.02000 Mi=130.8(29-12-2011
GBX - Euro-BUXL
Buy on Stop 130.8
Initial Stop 125.8
135.0
130.8
128.3
125.8
5,737
2008
2009
2010
2011
2012
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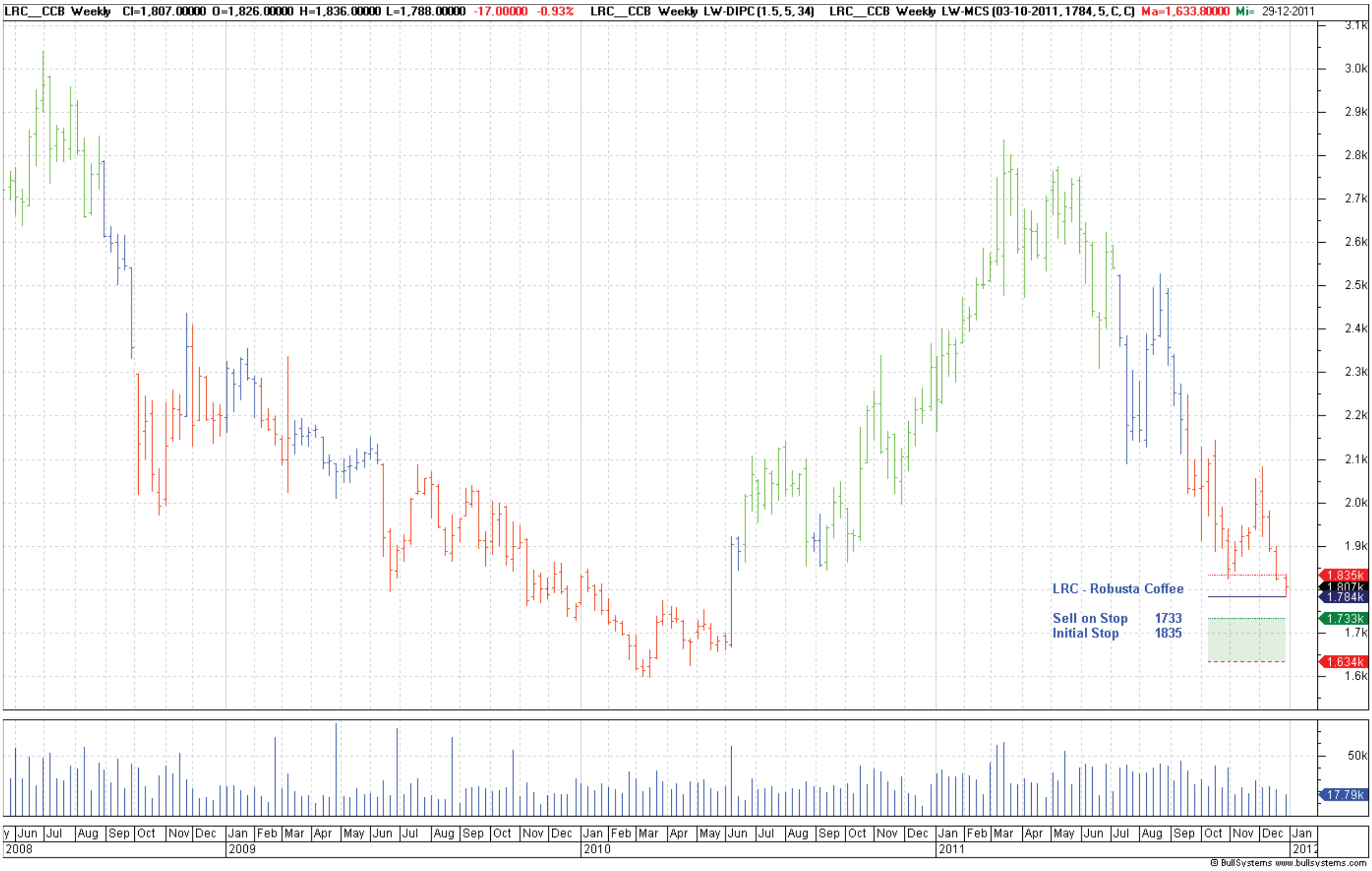
LRC__CCB Weekly Cl=1,807.00000 O=1,826.00000 H=1,836.00000 L=1,788.00000 -17.00000 -0.93% LRC__CCB Weekly LW-DIPC(1.5,5,34) LRC__CCB Weekly LW-MCS(03-10-2011,1784,5,C,C) Ma=1,633.80000 Mi= 29-12-2011
LRC - Robusta Coffee
Sell on Stop 1733
Initial Stop 1835
1.835k
1.807k
1.784k
1.733k
1.634k
17.79k
2008
2009
2010
2011
2012
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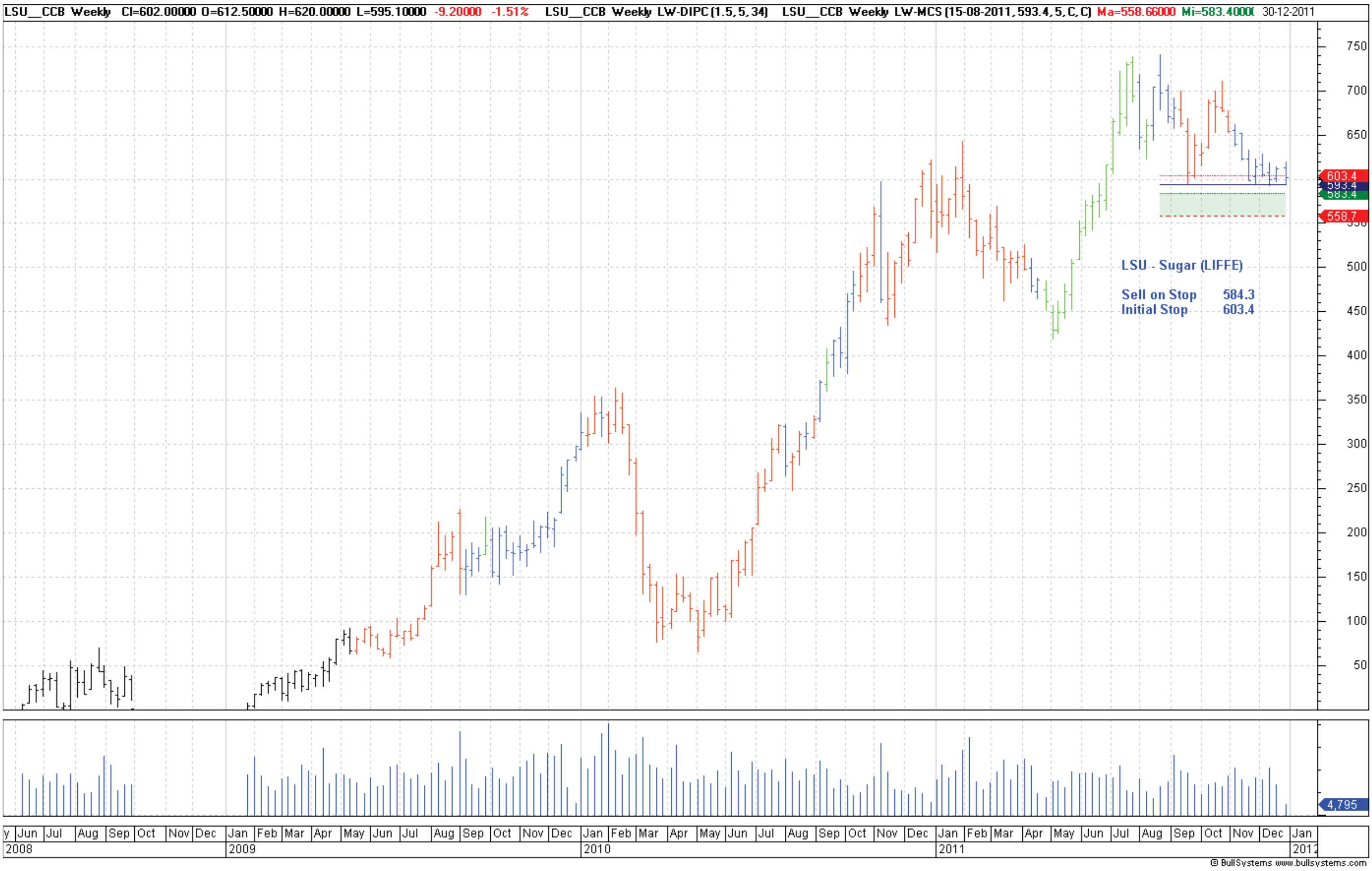
LSU__CCB Weekly Cl=602.00000 O=612.50000 H=620.00000 L=595.10000 -9.20000 -1.51% LSU__CCB Weekly LW-DIPC(1.5,5,34) LSU__CCB Weekly LW-MCS(15-08-2011,593.4,5,C,C) Ma=558.66000 Mi=583.4000 30-12-2011
LSU - Sugar (LIFFE)
Sell on Stop 584.3
Initial Stop 603.4
603.4
593.4
583.4
558.7
4,795
2008
2009
2010
2011
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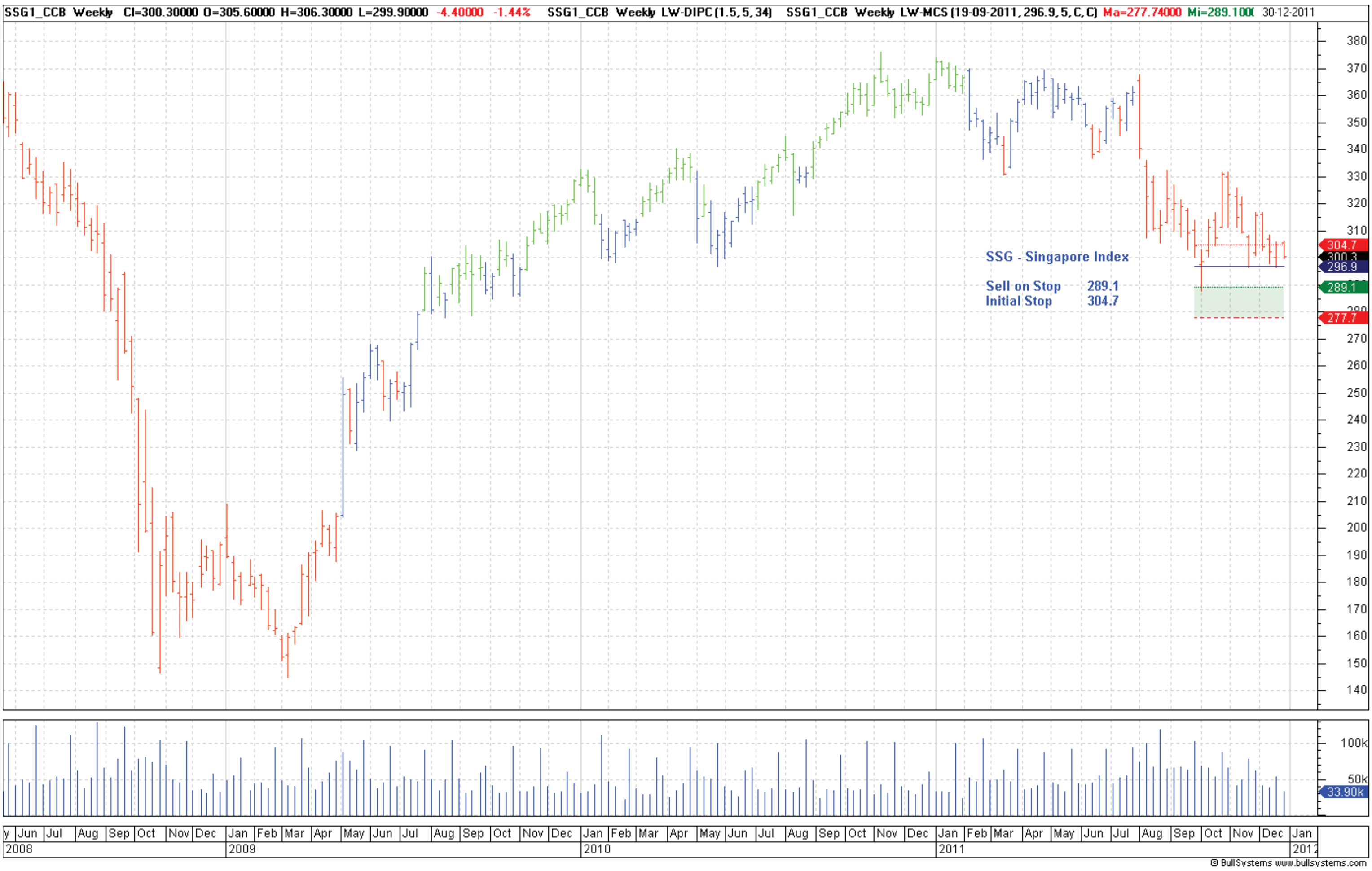
SSG1_CCB Weekly Cl=300.30000 O=305.60000 H=306.30000 L=299.90000 -4.40000 -1.44% SSG1_CCB Weekly LW-DIPC(1.5,5,34) SSG1_CCB Weekly LW-MCS(19-09-2011,296.9,5,C,C) Ma=277.74000 Mi=289.100 30-12-2011
SSG - Singapore Index
Sell on Stop 289.1
Initial Stop 304.7
304.7
300.3
296.9
289.1
277.7
33.90k
2008
2009
2010
2011
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