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Structuring Your Data Base for Tomorrow-The Next Quantum Leap

Life is fast paced for traders. Split-second decisions can make or break a profit; Opportunities are often measured in minutes or hours, although they can take weeks or months to unfold. In system development and product design, the snail's pace prevails. Ideas, plans and analysis are worked and reworked over many years. Regular readers of this Journal are apprised of the day-to-day enhancements we make to the CSI Data Retrieval Service and our trading software, but our most dedicated followers are often unaware of the behind-the-scenes accomplishments of our staff. Our long-term goal is not only to provide market data, but to supply it in a form that will revolutionize the analytical promise available to our customers.

We are on our way to realizing this ambitious goal through the development of our own super-compression algorithm. It will arrange all stock, commodity option, futures and cash price data into a remarkably small amount of disk space. If all goes as planned, customers will be able to store a data base of 200 megabytes in as little as 10 megabytes of hard disk space. Analytical studies and exercises can be performed directly from the compressed data and any temporary

working files that may be required can be thrown away following your application without risk of losing precious data resources. In addition, with this system, massive amounts of data can be delivered on a handful of diskettes.

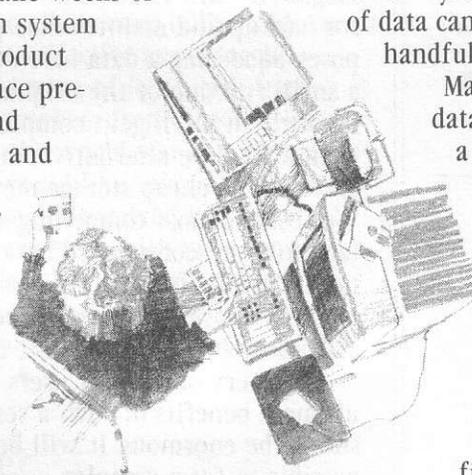
Maintaining complete data integrity during such a drastic compression is a complex and exacting job, which has taken many months to reach its current state of development.

Completed work to date proves that we can hold a compressed file archived on the

hard disk and instantaneously append a full day's complement of current-day stock, commodity and options information as compressed data. We also have proven that we can decompress all contracts of a given commodity for decades into the past in only a few seconds. Such decompressed data can be used to drive your favorite analytical studies.

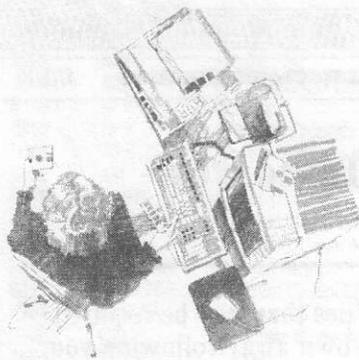
The many ways in which a time series can be expressed is a significant space saving advantage of compressed file usage. From a single grouping of all futures contracts for a given commodity, the user will be able to access many different types of data. For example, individual futures contracts can be studied, as can nearest future contracts, Perpetual Contract® Data, back-adjusted

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Structuring Your Data Base...

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“Having so much data available at every trading opportunity will lead to greater flexibility in making decisions for your personal account.”

continuous contracts, indices of market groups, cash series, etc. These data series can act as intermediate input that will drive the user's chosen technical studies. If all these different time series were written to disk in their raw, form storage space would be inflated many times.

Although storage space per se is less of a concern now that PC technology has progressed to gigabyte proportions, a large data base measured in hundreds of megabytes still remains an obstacle for backup and maintenance purposes. Squeezing a data base down to a small fraction of the original size through an intelligent compression is an attractive alternative, in spite of available cheap storage methods. We feel the most compelling advantage to super-compressed data files lies in the analysis techniques that are only possible with massive amounts of readily available data.

For every one of our users, the ultimate benefits of such a resource should be enormous. It will be possible to form complex geometric indices by grouping stocks and commodities by industry or by their econometric function. These groups can then drive analytical studies or neural networks. In software we plan to offer, we envision 1) identifying strong or weak beta candidates for each of up-to 200 industries, 2) driving trading systems with a variety of analytical tools and 3) analyzing trading methods for their profitability and prognosis for profit. Having such a large historical data base in one easily addressable corner of your disk drive will lend itself to all sorts of experimentation and synthesis to test theories and prove performance.

The compression method employed will also allow the grouping of all futures data for a given

commodity by date, including the option premiums for each futures contract. A matrix of logical market elements can readily be produced from a single compressed file for decision-making purposes without having to define many explicit physical files. This capability alone adds another dimension of visibility.

In the course of trading the markets, a well designed commodity trading system driven by a wealth of compressed data could help make a choice between buying a future contract or an option on the contract. The user will also readily know whether it is appropriate to use a stop or an option to protect profits in an open position. Since the full complement of decompressed data on a given commodity includes the option premiums, a measurement of a commodity's current volatility can be made. This could point the way to taking a position in the option rather than the future. Risk can be better controlled and the investment cost could be less when evaluating these dual alternatives for every suggested trade. Having so much data available at every trading opportunity will lead to greater flexibility in making decisions for your personal account.

When super-compressed data is finally offered to our customers, appropriate software will be provided to decompress and read the compressed files into working file(s) or into memory for immediate use.

And so we move along at our snail's pace, making small strides toward these goals. The team of programmers working on this project has made remarkable progress toward accomplishing a feat that will usher market analysis into the 21st century. We plan to lead the way. ♦

Bob Pelletier

Sprintnet to the Rescue Prices Now Lower for Overseas Users

Higher prices - nobody likes them, especially our international customers who are already charged premium rates. Higher prices were in the works nonetheless, as they seemed necessary to meet the expense of providing international network access to our overseas customers. That is, until we found Telenet's Sprintnet service.

Just as we were preparing (and agonizing over) the notice of price increase for our overseas network users, Telenet rode in like a noble knight, offering lower per-minute charges, lower per-call minimum charges and no kilocharacter charges.

Telenet's highly efficient and cost-effective network service (offered by the many of the same carriers Tymnet uses) has allowed us to lower prices for our overseas customers using Sprintnet. Conversely, the high rates we pay for British Telecom's TYMUSA service have forced us to implement a

significant price hike for TYMUSA users. We therefore urge all overseas network users to switch to Telenet immediately.

A beautiful detail about accessing CSI through Sprintnet is that it is so easy. It involves simply changing the dialog filename to TELENET.LOG and typing the local Sprintnet access number as the Telenet Phone # entry.

A new price schedule showing our lower rates for overseas Telenet access and price increases for Tymnet was mailed with our February invoices to all overseas billing addresses. These are effective as of March 1, 1994. A listing of local Sprintnet phone numbers from major cities around the world was also included. If you would like this information but have not received it, simply call, fax or write CSI with your request.

We look forward to servicing as many customers as possible through this new low-cost alternative phone service. ♦

More 9600 Baud Phone Lines

Customers who dial direct to the CSI Data Base at 9600 or faster baud rates should use either (407) 368-5306 or (407) 368-5307. ♦

The Wait Should Finally Be Over for Commodity History-On-Demand

After announcing last month that low-cost historical data would be available "on-demand" for QuickTrieve® 4.05 users, we have been unable to deliver commodity data through this method as we go to press in mid February. Some lingering problems remain with the futures side of this service. A chronic case of the flu for the chief programmer on the job notwithstanding, we are confident that by the time you receive this journal, full capability will be in place.

History on Demand was a long time in coming, but we hope you will agree that it was well worth the wait. All PC users of QuickTrieve version 4.05 should now be able to request stock and commodity data at any hour

of the day for immediate retrieval -in the same phone call - without assistance from our Customer Service staff.

In some cases, the cost of this data is half the price of comparable data on diskettes. When you consider the savings in both time and money, history on demand is a definite winner.

Free history offer extended:

We offered all users of QuickTrieve 4.05 100 free months of history-on-demand if the data were retrieved by February 25th. We have extended this offer indefinitely and now make it available to new users of QT 4.05.

Here's the deal: To receive your first 100 months of free history on

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Quick Fix For QuickTrieve 4.05 Now Available on Disk



As is often the case with a new software release, our users have found several bugs in QuickTrieve 4.05 that were missed at our Beta Test sites. We re-shipped revised QuickTrieve programs to all purchasers as recently as the first week in January, which corrected the most serious of the problems. However, since that time we have made additional changes as listed below. If you purchased QuickTrieve version 4.05 and are bothered by any of the problems indicated here, please contact CSI to request our free patch disk containing revision files for the affected parts of the program. A file listing all revisions and suggestions for usage is included.

Installation & User Constants

Quicktrieve erroneously interpreted some numbers as greater than 65536. This occurred when data acquired from another source made improper use of the field reserved for large number definition. QuickTrieve now scans files to detect and correct this problem upon initial installation. Also, a new entry has been added to the Editor Subsystem allowing users to Process Older History Files.

Distribute Daily Data

When printing the distribution report to a file instead of a printer, the Commodity Alert information wiped out the first lines of the report file.

Distribute History Data

To Metastock/Computrac format: If both QuickTrieve and CT/MS format files were used, occasionally there would be one to three days of redundant data in the CT/MS format file. This could be corrected by re-distributing the history, but is now fixed in the program.

Autocreation of files in CT/MS directories listed in the master path

file could be inadvertently disabled under certain circumstances. This has been corrected.

The longstanding problem that QuickTrieve was unable to fill a gap in a CT/MS history file or append prior dates has been corrected.

Order Subsystem

The history pricing estimator did not reflect the three-month minimum for on-demand history.

Convert File Types

Convert to ASCII: Older Quicktrieve commodity files had 999999 in the stock symbol field that were used to construct the file name. Now Quicktrieve assumes the two-character commodity symbol field is the one to use if nines are present.

Convert from QuickTrieve to CT/MS format: Stocks were not being recognized as matching, so a new CT/MS file was created for each stock whenever a group of files was selected for conversion.

Move Data File

When moving all daily files to matching weekly/monthly files, the output files were sometimes constructed incorrectly.

QuickPlot®

Limited function QuickPlot now includes Momentum as listed in the QuickTrieve Tutorial. ♦

The Wait...

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demand, order all 100 data months before the 25th of a given calendar month. This request may be made in one order or many, as long as the full 100 months are retrieved by the 25th of the month. If your total history-on-demand consumption during the calendar month (ending on the 25th) is less than 100 data months, the remaining

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Ask Customer Service

Each month in this column our Customer Service Staff addresses a topic of interest to many subscribers. This month they'll present some common questions about charting data with CSI software.

Q. *Does my CSI retrieval software give me charting capabilities?*

A. It certainly does. All PC users of the CSI Data Retrieval Service receive QuickTrieve, QuickManager and QuickPlot upon subscription. The QuickPlot module creates a bar chart with volume and open interest displayed below. Five technical indicators, including Average of two or more fields, Moving Average, Relative Strength Index, Spread/Ratio and Stochastics are available with the basic QuickPlot.

Our Macintosh downloader, Trade Data Manager, also includes a graphics feature for plotting bar charts with volume and open interest.

Q. *I've noticed that QuickPlot's study menu offers a long list of studies, including Commodity Channel Index, Probable Direction Index and others. I can't get them to work. Please explain.*

A. The QuickPlot module is provided as a free bonus to our subscribers so that basic charting and analysis can be performed on the data we supply. For more in-depth technical analysis, we offer our QuickStudy module. QuickStudy is copied into your \QUICK directory and is invisible to the user until you select one of those inactive studies you mentioned. When QuickStudy is installed, 23 technical studies can be performed on your QuickPlot chart.

Q. *What kind of chart manipulation is available with QuickPlot?*

A. This program can display your data in a single window, or in multiple windows on the screen. Contracts, options and stocks can be added or deleted at will, and any

window can be zoomed to fill the screen. For better visibility, you can zoom in on a particular time span to see the activity for that period in all windows simultaneously.

QuickPlot allows you to set the high and low values for any window and to change the color or line style for any indicator. Numerical prices and study values can be displayed on your screen, saved in an ASCII file or printed on paper. Candlestick charts are also supported. Trend lines can be drawn on any chart at any time.

QuickTrieve version 4.05 includes a feature that allows you to flip through charts of your various contracts and stocks by pressing the space bar. The list of files for charting can be selected by pressing <F7>. Your graphic charts can be printed on your choice of over 190 printers, including many laser models.

All of the features are available in the basic QuickPlot program and are useful in manipulating the complete QuickStudy system.

Q. *Is there any on-line help for using QuickPlot?*

A. From a QuickPlot bar chart, pressing <F1> will display a Help Screen showing what keystrokes are required for various functions. Pressing <M> produces a menu of studies, including all of those available through QuickStudy and the five supplied with QuickPlot. Once a feature is selected, on-screen prompts guide you through most, but not all, applications. ♦