



CSI Technical Journal April 2005

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Annotated Index of CSI Technical Journals
(Jan 2002 - March 2005)

Tech Talk

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Forty months ago, in December 2001, we printed our last annotated Index of CSI Technical Journal articles. We are pleased to do so again in the spring of 2005, in the hope that this index will stimulate interest in creative market analysis and encourage exploration of CSI's data and software offerings. This Index represents just a small portion of CSI history, as we have published the CSI Technical Journal monthly since 1978. To view the full text of these and other Journals, go to the CSI website at www.csidata.com/techjournal. - *Editor*

January 2002 - Profiting from CSI's Data Processing Laboratory

This article by CSI president and founder, Bob Pelletier, introduces the hundreds of government fundamental data series that were added to the CSI database in late 2001. It explains how the indicators and indices in this auxiliary database lay the foundation for in-depth econometric analysis and introduces "Tomorrow's Paper Today," which is a web-based preview of tomorrow's financial newspaper.

February 2002 - Viewing Tomorrow's Newspaper Today

As a follow-up to the January introduction of "Tomorrow's Newspaper Today," Bob Pelletier tells more about how traders might profit from analysis of the correlation studies. These studies pair off, in a daily frequency, every world futures market with every other world futures market over the past twelve years using Perpetual Contract data. This article explains the correlation coefficients and offers guidelines for interpretation as well as trading strategies to consider.

March 2002 - Assessing the Economic Effects of U.S. Fiscal and Monetary Policy

This eye-opening article is about economic fundamentals. It summarizes the impacts of Federal Reserve policies, taxation, investor sentiment and federal spending on the economy, with a particular focus on Federal Reserve Chief Alan Greenspan. Bob Pelletier discusses interrelationships between national economic success and investment success, and discloses steps investors can take to protect financial resources.

April 2002 - Does OPEC Really Control the Price of Oil?

In April's lead article, Bob Pelletier asks and answers this thought-provoking question about oil, which, he tells us, is the most important physical commodity in our world. Bob concludes that the price of crude oil cannot be manipulated by OPEC to the degree many believe. This article brims with facts about OPEC and provides good background material for analysis of the petroleum markets.

May 2002 - MarketScanner™ Tutorial: Using the Emerging Market Study

Unfair Advantage users are invited to explore the often overlooked "Trading Tools" menu. The primary focus is on UA's MarketScanner module, which is demonstrated through Bob Pelletier's Emerging Market Study. With this study, one can quickly review the history of thousands of stocks and identify those that meet the condition of 1) flat market behavior, followed by 2) accelerating upward or downward market movement. Bonus: Specific details on programming this study in Perl and interpreting results.

June 2002 - Basic Rules for Building a High-Performance Trading System

Bob Pelletier discusses key elements of trading system design in this informative article. They are: 1) a historical database that accurately presents ongoing market statistics 2) an algorithm or mathematical procedure that follows market movement and identifies strategic trading signals, 3) a money management system that fits your willingness to take on risk, and 4) a procedure that computes your chances of coming out ahead, given your available capital and financial goals. Bob argues that careful and thoughtful preparation can bring meaningful rewards.

July 2002 - Trading for a Living and Keeping the Profits

This article begins with Bob Pelletier sharing the successful trading strategies he observed in his original trading teacher and mentor -- on a mountain in a top-secret government lab! Bob goes on to explain the life strategies that make it possible to trade for a living. They include knowing yourself, setting and adjusting goals, and more.

August 2002 - How Futures Information Can Help to Lower Stock Investment Risk

In this interesting article, Bob Pelletier explains the rich irony in favoring stocks over commodities because of the perception of stock-market safety. He aptly illustrates the point by comparing the value of a non-perishable futures product to Enron and others. Join Bob in exploring the possibility that futures markets hold promise for recovering from financial losses, either through direct speculation or through the clues the futures markets can give about tomorrow's stock prices.

September 2002 - New Internet Service Choices... Are You Enjoying The Faster Connections?

Bob Pelletier presents the then-current technologies for achieving the fastest possible updates from CSI. He discusses the merits of Broadband (cable, ISDN, DSL and satellite) over dial up internet connections and urges CSI subscribers to make the appropriate choice based on the value of both time and money.

October 2002 - Prove Your Trading Methods to Balance Risk and Reap Rewards

As stated upfront, this article is intended to help traders invest with confidence and avoid costly mistakes. To accomplish this, Bob asks the key question: "How can you know if a trading system will really work for you?" The answer is by using CSI's Trading System Performance Evaluator (TSPE), which is explained and demonstrated here. Bob offers insight on how this innovative tool for system certification helps the trader discover if an investment is affordable, if the expected return is commensurate with the risk and if the wait for a payoff is tolerable.

November 2002 - Tracking Your Market Holdings Minute-by-Minute Throughout the Trading Day

Alas, the formal introduction of CSI's new Position Manager module (part of Unfair Advantage), which allows investors to track the intraday progress of financial holdings. Bob Pelletier explains how this program accesses quotes throughout the trading day via third-party websites, and calculates balances using

intraday quotes or CSI's pristine end-of-day database. He also highlights Unfair Advantage's resident currency cross-rate file that allows Position Manager to display international markets in their native currencies. *[Editor's - Some limitations have since been imposed on intraday updates to avoid prohibition by source websites.]*

December 2002 - Making Futures Markets Look Like Stocks

Giving a nod to the new single-stock futures contracts, Bob Pelletier welcomes a new breed of "hybrid" stock-futures traders to CSI. He discusses ways to help stock traders can get their arms around futures analysis by constructing continuous files that look like stocks. He also illustrates several techniques for building long-term futures series with Unfair Advantage, including nearest-futures contracts, Perpetual Contract data and back-adjusted series.

January 2003 - Déjà vu? The Return of PDI

This article begins with a review of CSI's humble beginnings, including Bob Pelletier's reminiscences about using his teletype terminal and 110 baud acoustic coupler to transmit data to friends and associates. It includes a first-hand account of the technological advances over the last few decades and details Bob's intentions for revamping and re-releasing an earlier CSI product called the Probable Direction Index (PDI). *[Editor's Note: This project has been revised and expanded. The ultimate product is still under active development at CSI.]*

February 2003 - Stock Fundamentals Help Secure Your Advantage

Released in conjunction with a massive stock fundamental database, this Technical Journal provides a glossary of terms to help with interpretation of the new fundamental series. InvestorWords.com (<http://www.investorwords.com>), a respected financial lexicographer, provided the glossary entries.

March 2003 - Exploring Development Opportunities for Profit

This newsletter presents the Unfair Advantage (UA) facility called the Application Programmer's Interface (API), which is a tool for gathering CSI data that bypasses the portfolio system. It can greatly simplify the process of reaching data when writing custom programs. As Bob Pelletier explains, the UA API is not for computer novices, but for programmers and third-party software companies who wish to develop and market new state-of-the-art trading tools fueled by CSI's peerless database.

April 2003 - This Season's Changes at CSI

Bob Pelletier describes CSI's continual efforts to earn and keep satisfied customers. Recent innovations mentioned here include Position Manager, a new text viewer, acceleration settings, new features for third-party compatibility, enhanced portfolio manipulation, new options for aggregate files, database additions and more.

May 2003 Tips for Unfair Advantage® Users

This article is a hodgepodge of information that makes Unfair Advantage friendlier and easier to use. Tips include: online help (<F1>), using the currency converter, importing a portfolio, using MultiMarket Analyzer, the Seasonal Index Study and more

June 2003 - Expanded Focus Delays PDI (An update)

Although this is a notice about disappointing delays, it redeems itself by telling more about the innovative analysis methods Bob Pelletier is including in his revision and update of the Probable Direction Index. It includes details about some of the design changes, including the analysis of 15 or so important relationships that involve the future price of a particular commodity and its use of an Application Programmer's Interface (API) to access multitudes of data.

Who Owns Perpetual Contract(R) Data? - This supplement explains that Perpetual Contract is a registered service mark of CSI. The concept was invented by CSI in the very early 1970s, and the mark is exclusively owned by CSI.

July 2003 - Building Your Knowledge Base

Francis Bacon's brilliant observation, "Knowledge is power" introduces this article, in which Bob Pelletier nudges readers to become more knowledgeable traders by fully utilizing the information provided by CSI. Recent changes in the way CSI identifies, catalogs and sorts the roughly 2,000 markets in the commodity database are highlighted. Revisions to naming conventions and the new column "Average total volume" are introduced.

August 2003 - The CSI Database on CD-ROM

CSI has teamed up with the Yahoo! Store to sell historical data on CD ROM, and this article explains the new offering. It also compares and contrasts the retrieval service provided through Unfair Advantage with the more limited History-On-CD packages.

September 2003 - Tracking Your Investments With Position Manager

Intending to help traders reap the full benefits of Unfair Advantage, Bob Pelletier illustrates important features of the recently introduced Position Manager module. From near-real-time Internet updates to currency conversion for multinational investments, Position Manager is loaded with unique features that Bob discusses here. Also included are tips for entering positions and evaluating reports.

October 2003 - A Military Approach to Tracking Down Profits and Using Computers to Enhance the Art of Analysis

This is a fascinating tale of how programming applications developed for use in military operations are incorporated into Bob Pelletier's market analysis software. Bob concludes, "Fortunately, my search for nuclear blasts - almost a lifetime ago - was not fruitful. The exercise itself led me to a fulfilling career with many opportunities to help others gain financial security and control risks."

November 2003 - SEC Grants Nasdaq Undue Rule Change - Investor Access to Data Threatened

Politics aren't his usual topic, but this month's CSI Technical Journal finds Bob Pelletier sounding a warning and issuing a call to action for investors. This article provides information about an ill-advised SEC rule change that limits redistribution of mutual fund data. It includes excerpts from CSI's petition to the SEC.

December 2003 - An Unfair Advantage® Guided Tour

Join us in a step-by-step guided tour of Unfair Advantage. From creating a portfolio to charting, technical analysis, account evaluations, daily updates and intraday updates, this tour takes you there.

January 2004 - Extracting Knowledge From Data

Bob Pelletier tells about the incredible resources found within the Unfair Advantage platform and the opportunities for profiting by exploiting those resources. He recommends in-depth analysis that begins with an inventory of available data and proceeds to explore the "cause-and-effect web that influences each and every element in a time-dependent serial relationship." Bob also expounds on the value of the Correlation Tables found on the CSI website.

February 2004 - How Knowledge and a Depth of Intermarket Data Can Translate Into Profits

Returning to this important theme, Bob tells more about using the Correlation Tables on the CSI website. He suggests that profitable arbitrage opportunities involving pairs of correlated commodities may be discovered there. Bonus: List of five intermarket pairs for consideration.

March 2004 - Accelerating Data Distribution with Unfair Advantage®

Consider this an expanded "Tech Talk" column. This issue details the Unfair Advantage settings that can be tweaked and adjusted to assure the most appropriate combination of retrieval speed and protection from database corruption.

April 2004 - A Historical Account of the World's Premier Data Repository and a Mini-Biography of CSI Founder Bob Pelletier

If you've ever wondered how CSI came to be, here's your answer. The CSI Technical Journal editor presents the captivating story of Bob Pelletier and his leadership of CSI, a tale that is intertwined with the meager beginnings and subsequent growth of technology in the investment industry.

May 2004 - Seeking Wisdom In Intermarket Correlation Reports

Leading with this quote from the philosopher Solomon Ibn Gabirol, "It is said that the question of a wise man is half the answer," Bob explores the questions a trader must ask to be successful. Devising questions, in the world of investments, can be interpreted as selecting markets for analysis. This article takes readers through the Correlation Tables on the CSI website as a route to understanding market relationships. These, of course, may point to profits through intermarket straddles.

June 2004 - Valuable Indexes Now Available

This article introduces CSI's exclusive new indexes for tracking industries and sectors. Bob explains the formulation of the indexes (derived from industry and sector classifications for approximately 7,500 stocks) and tells how to interpret them. This article illustrates how the new indexes are "designed to uncover the underlying ebb and flow of the industry, as opposed to mirroring the industry's biggest player."

July 2004 - CSI Market Data Software - A Compatibility Breakthrough!

In a major departure from past policies, CSI has developed software that seamlessly links third-party analysis programs with the CSI database, using Unfair Advantage as an invisible facilitator. This article describes the CSI Market Data software, which is available free of charge to software developers wishing to offer their customers one-button access to CSI data.

August/September 2004 - Eight Great Dog Day Activities

With the Dog Days of Summer almost over, this issue offers eight fresh Unfair Advantage features to explore on a dog day afternoon. They include automated on-time updates, easy e-mail correspondence, Gann fans, single-market snapshots, automated backup & restore, exportable stock factsheet (as a CSV file), automatic portfolio designation and creation for four different software programs, and studies galore!

October 2004 - Hurricane Season at CSI

Read about CSI's brush with Hurricane Frances on Labor Day weekend and the CSI staff's heroic efforts to deliver data in the aftermath.

Button, Button - Who's Got the Button? This supplement tells about more progress in providing compatibility solutions for third-party software developers. One-Button Updates are now available through the CSI Market Data Software and Unfair Advantage's EZ Downloader.

November 2004 - De-Mystifying Analysis Code With Unfair Advantage's® "AnyLanguage"

In this article, Bob Pelletier discusses the burgeoning trend of trading system designers publishing their code and making it available at little or no cost. Bob demonstrates how traders can utilize the CSI database and Unfair Advantage (UA) with analysis routines that are acquired from such sources and entered into UA by the user. Specific examples employ CSI's exclusive and very flexible "AnyLanguage" language mode.

December 2004 - Prediction or Coincidence? Successful Trading Systems Require Logical Conclusions

Bob pokes holes in the "NFL Presidential Predictor" that says if the Washington Redskins win their football game on the weekend before the presidential election, the incumbent's party retains the White House. This isn't Monday morning armchair quarterbacking, but instead, a look at the logic (or lack thereof) behind coincidental "predictors." Bob demonstrates that many trading systems suffer from the same non-sequitur fallacy of drawing conclusions from unrelated events that don't follow the premise.

New One-Button Update Partners - This supplement provides contact information for software companies who use CSI's new products for seamless compatibility.

January 2005 - Learn To Earn With Unfair Advantage

Challenging readers to be lifelong learners, Bob Pelletier describes and illuminates many new and improved features within the scope of CSI services. Learn about database components, website offerings and features of the Unfair Advantage software.

February 2005 - Position Trading or Day Trading? Finding The Approach That Works For You

This article presents some pros and cons of daytrading and position trading, and discusses the importance of trader temperament in deciding which is best for you. It also reveals how fundamentals can be useful regardless of trade duration. Bonus: Twelve precise tips that reveal fundamental influences on both long-term and very short-term positions.

March 2005 - Focusing on Economics - Combining Econometric Resources with UA Market Data for Long-Term Trading Success

The Unfair Advantage database includes hundreds of economic indicators that may hold the key to trends, relationships and investment opportunities. Here Bob Pelletier discusses some ways that economists use these sometimes cryptic indicators in forming opinions. He encourages readers to learn more. The article includes many charts and lists sources for suggested reading.

Sabrina Carle
Editor

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Tech Talk - April 2005

Each month in this column the CSI Technical Support staff addresses topics of interest to many CSI subscribers. This month they discuss various aspects of building continuous futures series, handling stock splits and adjusting volume and open interest in aggregate files.

Q. There seems to be a problem with the roll-forward date in some of my back-adjusted continuous series. For example, the 24-hour 10-Yr T. Notes series (#150) rolled to the June contract on February 28, yet the day-session-only 10-Yr. T. Notes series (#250) rolled to the June contract on February 25. Shouldn't they roll on the same day?

A. Not necessarily. The roll-forward date used in your continuous files can be affected by many factors, depending upon your portfolio or chart settings. In your case the chosen roll trigger was volume, which explains the unexpected result. Data for the day-session trading (#250) does not include volume from the electronic night session, but the 24-hour data (#150) includes volume from both sessions. This means that the volume figures for these two series are different. Any back-adjusted algorithm with the roll-forward date based upon volume can produce different results for data series with different volume data. If you require

the same roll-forward date for various computed contracts, don't use volume or open interest for the roll trigger; select a roll-forward trigger based upon the calendar.

Q. One of the stocks in my portfolio split this month, and the sudden price change is readily apparent in my charts. This isn't right because I set Unfair Advantage to "Adjust for stock splits" in "Historical Adjustments" under Charting Preferences. Why doesn't UA adjust the data in my charts?

A. Historical adjustments, including adjusting for stock splits, are among the many Unfair Advantage settings that are handled separately for individual portfolios and for miscellaneous charts. Since the series you are charting comes from a portfolio, you should use "Edit Portfolio Settings" on the Portfolio menu to set your split-adjustment preference for the portfolio in question. The Charting Preferences screen found on the Preferences menu (the one you used) affects only those charts that are created using the "New Chart" feature - that is, charts that aren't selected from a portfolio.

Q. I am attempting to study the relationship between price, volume and open interest, but have come across a limitation in my CSI data. When I change the charting intervals from daily to weekly or monthly, the volume isn't correct for each bar. For example, a Corn chart on a weekly basis shows Friday's volume and open interest, not the total weekly figures I prefer. Is there any way to correct this?

A. What you have described is a software setting, not an error or limitation. Unfair Advantage allows you to easily change the presentation of volume and open interest to meet your needs. You can choose from "As Largest," "As Smallest," "As Last," "As Average," or "As Total." Select your preference for the handling of "aggregate" data, which includes all weekly, monthly and even longer term files, through the "Aggregate Files" tab of "Portfolio settings" or the "Aggregate Method" screen under Charting Preferences. Note that volume figures may grow too large for analysis when "As Total" is selected for monthly or longer-term series.

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Congratulations to Louis Mendelsohn and Market Technologies (makers of CSI-compatible VantagePoint Intermarket Analysis Software) on being named to Inc. Magazine's prestigious "Inc. 500 List."

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