



CSI Technical Journal
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Holiday Schedule

CSI will be closed for voice communication on Monday, January 2nd for observance of the New Year's holiday. World exchanges will be closed, but the CSI host computer will be accessible as usual throughout the holiday weekend. Happy New Year from everyone at CSI!

Advantages You Can't Afford to Miss

A new year is upon us, full of promise and potential. Promise that all things are possible; potential that meaningful rewards can be attained in personal and financial endeavors. To make the most of 2006, I suggest beginning the year by embracing a simple, yet strikingly relevant credo penned by Ralph Waldo Emerson in 1877: "We cannot afford to miss any advantage." Emerson was speaking of harnessing our environment and mastering our own energies and intellect to enrich the human experience.¹ It seems appropriate for this journal to focus on how Emerson's philosophy, still fresh in the 21st century, might help the trader throughout the coming year.

If we are to avoid missing advantages, we must first understand exactly what advantages are. The Oxford American Dictionary and Language Guide says advantage is "a beneficial feature; a favorable circumstance" or a "better position; superiority in a particular respect." Given these two similar, but distinctly nuanced definitions, Emerson's words may mean simply that we shouldn't squander the opportunities that fall before us, but they might also be read as a hint that we should strive to achieve the upper hand. As investors, we know that opportunities for profit (and loss) abound. We know that our labors in market analysis, be they fundamental or technical, can enhance trading outcome, bringing us better returns on our investments. In investing, that competitive edge derived from making the superior decision often means the difference between failure and great success.

What are the advantages a modern trader might find or create for himself? They are primarily information and tools, which can be found in the markets themselves, in books and courses offered by

experts, from brokers and through support firms such as CSI. As reflected in the name of our premier software product, Unfair Advantage®, providing advantages to investors is a primary objective of CSI.

Our Unfair Advantage (UA) software is a multifaceted platform for investors that provides data retrieval, database management, data export, market analysis and programming tools. With basic charting, standard studies and custom technical indicators, UA provides a very substantial and competent tool kit for traders that allows you to study the lessons the market has to teach. Everyone who subscribes to CSI has access to the full menu of UA features. If you haven't explored them, I suggest you do.

Faster downloads becoming a reality

Daily updates to the CSI database through Unfair Advantage include a double download of recent market data, plus amendments that adjust the database when necessary. As the scope of the database has grown through the years and the depth of ancillary data that needs amending has expanded, the time required for updates has increased. In a major breakthrough that will turn an inconvenience into an advantage for our customers, the CSI programming staff has nearly perfected an upgraded system for data delivery. It vastly improves the speed of data retrieval. Once implemented, customers will notice that a static portfolio (with minimal changes from the prior day) will stream data over the Internet and into your computer far more quickly than ever before.

Time trials at the CSI facility have shown a speed improvement of 6-to-1 over our prior file generation process. This means that a file which might have taken six minutes to process now takes around one minute. This speed improvement can be attributed to greater efficiencies in data storage and organization and better use of your computer's memory arrays. Corrections to data items such as the changing of price, earnings or volume fields will also be done in a way that helps to lessen the time required for the updating processes. Other proprietary innovations, such as pre-computing anticipated customer requests based on earlier visits to CSI's data center, have also been introduced. Look for this enhancement in a Beta Test version of Unfair Advantage very soon.

Look Who's Talking

Software compatibility - that is, the ability of one program to communicate with another - is a key feature in database functionality. Unfair Advantage is compatible with many of the industry's most respected analysis programs. VantagePoint, One Day at a Time, MTPredictor, Stock Market Magic, Omni-Trader, Natural Order and Vivaldi are but a few of the analysis programs used by CSI customers in conjunction with data retrieval through Unfair Advantage. The ability to use CSI data with any of these programs is an advantage for CSI subscribers. The fact that it can be used with ALL of these programs, plus software that reads ASCII or Excel files, is a very distinct advantage for investors who benefit from multiple trading systems.

Third-party software developers are also using Unfair Advantage to their best advantage by selectively deciding which of the download facilities CSI offers is best for their customers. For example, users of VantagePoint software use the CSI EZDownloader program, launched directly from their desktops to perform daily updates. CSI works with VantagePoint and other vendors to maintain customized portfolios for their respective customers, so that portfolio maintenance is handled automatically.

Preparation is Key

Here at CSI we plan ahead to capitalize on the advantages that are available to help our service be the best it can be. One way this manifests itself is in the reliability of service we provide. For example, we didn't miss a day of service when Hurricane Wilma raged across our area one Monday morning in October.

Basic services were inoperable in virtually all of south Florida for many days, but due to our strategic location near the Boca Raton City Hall, police and fire stations, we existed in a rare bubble of connectivity. With our diesel generator humming, the CSI staff, performing above-and-beyond the call of duty, reported to work and were communicating almost continuously with a limited team of data sources and our worldwide customer base. The CSI Building, shuttered and secure, lost nothing but landscaping.

That recent “Hurricane Day” was one time when the redundant data sources we employ were critical to data delivery. Ordinarily, we use multiple sources to compare data points, which allow the CSI data staff to pinpoint questionable data and correct errors before they are posted to the database. When Wilma made her visit, not all input lines were functional, but we had enough resources to get the job done.

All our planning came together, allowing us to deliver data to our customers without missing a beat. Every step of the way, we used advantages that we truly couldn’t do without. Consider the threats that affect your financial future and plan ahead so that you, too, might take them in stride.

Unmatched Accuracy

CSI’s pristine historical database is perhaps the most distinguished advantage we offer our customers. Nowhere else on earth can investors find such comprehensive coverage of domestic and world markets, including futures, stocks, indexes, funds, options, fundamentals and more. The database’s depth (with some markets stretching back to 1950) is unsurpassed for long-term analysis. This extensive database allows the trader to investigate the many venues where profits might be found and, through research, to understand the relationships between markets, currencies and economies. These allow you to discover and capitalize on *favorable circumstances* for your investments.

CSI’s unrelenting quest for accuracy produces an unrivaled, virtually immaculate database on which CSI customers perform exacting technical studies. Although there are data delivery services that charge slightly less than CSI does, the small savings you might experience by using those other services would be more than offset by the diminished data quality. It’s a proven fact² that bad data (with errors and omissions) produce bad signals, which result in bad trades. High quality data is not an insignificant luxury; it’s an investment advantage you can’t afford to miss.

Success Beyond Computing

We can only imagine what Emerson might have thought of our modern world and the “advantages” that can be found here, but we know that he valued reason above all. With this in mind, we encourage our readers to expand your horizons in planning for your financial future by looking past software and data for inspiration. The forces that affect personal finances go way beyond your own bank and brokerage accounts, so a broad understanding of business, economics, international policies and even decision-making will serve you well. See my recommended reading list below for a few suggestions of books that you may find interesting and informative.

Emerson began his “Perpetual Forces” essay with the aforementioned warning not to miss advantages. He ended it with this: “As cloud on cloud, as snow on snow, as the bird on the air, and the planet rests on space in its flight, so do nations of men and their institutions rest on thoughts.” All of the advantages CSI and others can provide come down to information and resources. From there, you must make your best choices using your own intellect.

Wishing you a healthy and prosperous New Year,

Bob Pelletier

¹ Perpetual Forces, September, 1877

² Futures Magazine, 9/99, How Clean are Your Data?"

Sidebar:

Recommended Reading:

The World Is Flat: A Brief History of the Twenty-First Century by Thomas L. Friedman.

Blink: The Power of Thinking without Thinking by Malcolm Gladwell

The Secrets of Economic Indicators: Hidden Clues to Future Economic Trends and Investment Opportunities by Bernard Baumohl

Trading for Dummies by Michael Griffis & Lita Epstein - Wiley Publishing, Inc.

defendercapital.com - The Backtesting Trap (And How to Get Out of it)

InterMarket Technical Analysis by John J. Murphy - John Wiley and Sons

Trading for a Living by Dr. Alexander Elder - John Wiley and Sons

Tech Talk

Each month in this column the CSI Technical Support staff addresses topics of interest to many CSI subscribers. This month they discuss Canadian stock symbols, the "Display Cash" feature in UA charts, displaying system equity and appropriate use of the API.

Q. When adding Canadian stocks to my portfolio, I have trouble getting the symbols right. Although I can search the stocks from the Market Specs factsheets to add them, the same process doesn't work if I just type the symbols into the box. For example, I tried to request Bowater Canada by entering its symbol, BWX. UA reported it was not found. What's the problem?

A. Because stocks from Canadian and other non-U.S. exchanges can have the same symbols as stocks on U.S. exchanges, we add extra characters to their symbols to identify these stocks. Bowater's symbol within Unfair Advantage is "BWX-T," which includes the exchange symbol (BWX) plus a hyphen and the letter "T," identifying it as a stock from the Toronto Stock Exchange. Other stock market identifiers you might find are "-V" for the Vancouver Stock Exchange and "-L" for the London Stock Exchange.

Q. Sometimes I would like to see the cash price superimposed on my futures charts. I assume this is available in UA because the right-click menu includes "Display Cash." The problem is that this selection is always grayed-out in my software, so I can't select it. Why not?

A. The “Display Cash” feature on the charting right-click menu toggles the cash on or off your charts only when you have requested that cash prices be retrieved automatically from your database. This feature is activated through the Charting Preferences screen. Check the box next to “Always retrieve the cash/nearest future” prompt to make cash prices available in this way. Once this is done, the “Display Cash” selection will be active on the right-click menu.

Q. I noticed that the charting right-click menu has a few prompts involving system equity evaluations and even entry and exit points. They seem to be non-functional in my software. How do I activate these?

A. These features come into play when the technical indicator you are displaying includes algorithms for determining entry and exit points. They would most commonly be found in custom technical indicators that you add to the software through UA’s Interpreted study feature. You can view examples of trading signals and equity calculations by running the supplied “Moving Average Crossover System.” Here’s how: First create a chart and then, from the Study Toolbar, click [Add Study]. Next click the [Interpreted] button on the “Select Study” screen. Then click the “Indicator From List” menu, which offers a “Moving Averages” category. Select The Moving Average Crossover System from this list and then apply it to your chart. Make your choices for displaying equity valuations and signals from the charting right-click menu. The MA Crossover System is an example of how trading algorithms are designed. Consider using it as a model for your own analysis.

Q. I am working on software written in VBA for Excel that accesses stock data from UA using API2 (UA’s Application Programming Interface). My data retrieval speed is slower than I would like. Are there any issues that I need to understand to optimize speed using API2?

A. The API is designed for ad hoc queries. If you need a lot of stocks, you are better off using the MarketScanner file. Please see <c:\ua\uapi\devdoc.html> for more information on API and API2.

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