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VDL. III NO. 5 * * FRIDAY, MAY 1, 1987 Poca Raton, Florida \$5.00

WHAT'S NEW ---* * * * * *

Prices Reduced

Stock Market Surge

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CSI-TRADER'S INDEX NOW AVAILABLE ON QUICKSTUDY

ESI will be closed for voice contact Robert Prechter, as we understand it, Memorial Day, Monday, May 25, 1987. recommends evaluating the latter and daily annual highs to lows, daily issues traded higher to issues traded lower, and daily Historical Data Page 2 total up volume to total down volume as QUICKPC' Page 2 background information in market analysis. Through an extension of the call put ratio study designed to analyze the artificial December 9999 Fut, the user can take any ratio of any other series and perform a ratio study on selected fields.

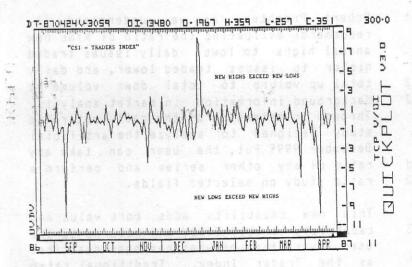
> This new capability adds more value and capability to QUICKSTUDY and returns to the user a variation of what has been described as the Trader Index. Traditional ratio studies suffer from a symmetry bias that makes it difficult to analyze a time series produced from the division of two quantities. The ratio of 13 to 3, for example delivers a decimal quantity of 4.33. Inverting the ratio produces 3 over 13 or .2308.

> On a linear scale from 0 to infinity it is difficult to see that 4.33 is "scale-wise" equivalent to its inverse or .2308. If a simple mathematical transformation takes place before forming the ratio one can observe exact symmetry in the ratio's time vseries. Yell feet with a laute field the

QUICKSTUDY' ratio analysis graphically portrays all study series about the center zero. The rance of the transformed quantity is minus infinity to plus infinity. The very also dougher

To compute the easy to read graph, we simply subtract 1 from any raw ratio that is equal to or greater than 1 before QUICKMONEY, QUICKSTUDY and PDI are plotting, and we invert any raw ratio that registered trademarks and trademarks of is less than 1 and add 1 to the negative Commodity Systems, Inc. DUICKPC is a value of its raw quantity. The result is trademark of Financial Micro-Data, Inc. perfect symmetry. The center axis is 0 when the raw ratio is exactly 1.

Havino performed the transformation, the negative impact that can be attached to a the near immediate availability of histo given positive reading can be considered to be magnitude equivalent to the positive impact one might wish to assign to a Flease note new price list at end of this comparable negative reading. The following chart for CSI's new annual highs to lows (solid line) illustrates the symmetrical relationship of these ratios over an extended period of time.



When producing this study the user may incorporate two ratios on the screen at once. In the example shown, we actually asked for the same ratio twice so that the simultaneous graphs would coincide and there wouldn't be any doubt as to how the chart should appear.

HISTORICAL DATA PRICES REDUCED

You can now access history data by phone via Telenet for much less than our long distance charge and less than or equal to what we had previously charged for history by mail on disk.

This may appear inconsistent with expectations, but because of a new Telenet billing policy for evening service, we now have the flexibility of delivering data by phone at lower prices than ever before.

To be consistent, our data on disk charges are also reduced. Our new price list shown below reduces all regular prices by 10% or more, and with the introduction of the network evening access option, the user can collect historical data immediately at nearly 30% off our old price list.

The major advantage of this announcement ical data at a low price by phone.

News Journal.

FURTHER PRICE REDUCTIONS ON QUICKPC COMPUTERS FROM FINANCIAL MICRO-DATA, INC.

Component parts and boards necessary to assemble our PC/XT/AT clones continue to drop, thereby permitting further reductions in our price list. For example, a 2 floppy drive, 640K memory system, complete with composite monitor, now starts at \$795. The XT System Special, which was \$1795. now sells for \$1595. This complete package includes 1 floppy drive, 20MB hard drive, 640K memory, 1200 baud internal modem, 120 CPS printer with near letter quality mode, keyboard, and composite monitor. The AT System price now starts at \$2095, \$200 off the old price.

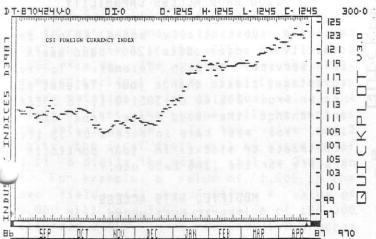
Modem prices have also fallen. carry a half card internal 300/1200 baud modem for PC's and compatibles for \$159. This modem is made in the U.S.A., comes complete with communications software and carries a 5 year repair/replacement warranty direct from the manufacturer.

Financial Micro-Data directly at (305)-392-8677 for details and specifications on our products.

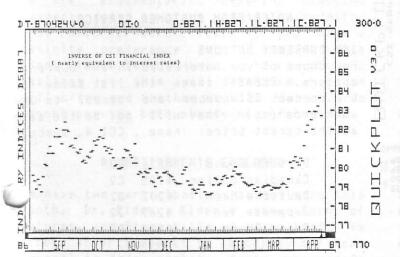
WHY THE STOCK MARKET SURGE IS NOT A SURGE AT ALL

Measured in units of the typical U.S. trading partner's currency, the stock market over the past several months has risen far less than most people realize. The following chart shows the steep assent of the Dow Jones Industrial Average. The next chart shows CSI's currency index and illustrates the exchange rate of a linearly weighted collection of currencies including the Japanese Yen, Canadian Dollar, Deutsche Mark, British Pound and Swiss Franc. The to 12% rise in the value of foreign currencies is nearly matched by the 15% rise in the Dow Jones Average over the same

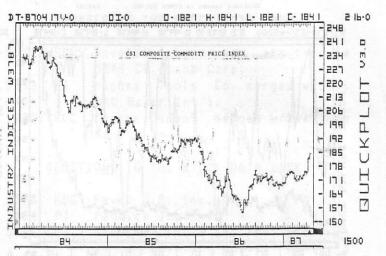




At the same time interest rates, based on an inversion of CSI's 3 month forward Financial Index (DM 58 of #235), have risen above their September'86 highs. DUICKSTUDY permits the user to invert any time series. The units shown represent the reciprocal of the Financial Index times a cower of 10 constant.



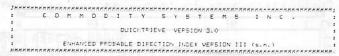
U.S. stocks in units certainly suggests that foreion currencies security bull market is actually a depreciated dollar in disquise. Is the 3 to 5 percent that real equity orowth in prices more than this market is command? And finally, how much of markets real arowth has been directly stimulated by historically low raw materials as reflected by commodity prices?



The above chart shows raw materials rising over the past few months. The stock market's recent drop may have already begun to take these factors into account.

IF YOU HAVE BEEN USING PDI ON SILVER, CONSIDER THIS NOTE

have consistently reported. measures the likelihood that prices will go High readings imply higher market prices and lower readinos suogest prices. Extreme readinos at pither of the scale are often or over-sold indications, and many traders USE such extreme levels to trade contrary to the prevailing trend. This policy is recommended only when the CSI-STOP study is used to identify protec-In such an evert, if you tive stoo levels. are stopped out, consider trading with the new trend direction using reasonably close CSI-STOP protection.



Enter half cycle length ? 15 Enter smoothing constant ? 1 Enter the significance threshold (-49 to -53) ? -1 Enter Volume-Interest Amplifier (0.0-1.0) ? .222 Enter whipsaw factor ? .42

Enter Risk Proportion (.001 to .100) ? .01
Enter User Stop Fit Factor (0.0 to 1.00) ? .1

Do you want a (5)hort or (L)ong memory for price/vol/DI effects ? [5]

Frofit= 228.05 Number of trades= 17 V-DI amp= .222 Whipsau= 0.420

Positions= 17 Significance = -1.00 Reward mult= 0.00 Risk proportion= .010

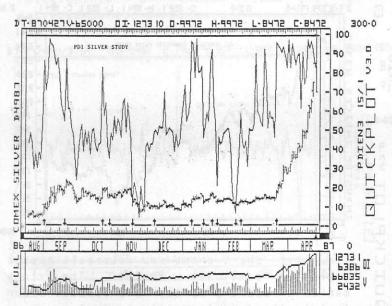
Sell stop= 850.65

Direction Adj= 0.00 Market entry= LAST Days to start process= 0

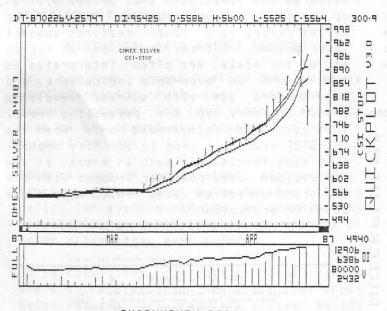
Last date in memory is 870427 Short/Long memory* SHORT.

Press any key when ready to plot.

Contract loaded is CDMEX SILVER D49/



And by incorporating CSI-STOP with a .1 fit factor, the current long position would have been stopped out at the close on Monday, April 27th. A magnified chart of CSI-STOP over the last two months is as follows:



QUICKMONEY REPORT

The QUICKMONEY project, which also uses

some FDI logic, will automatically reacmarket conditions as described above This effort is enthusiastically underward we expect very positive performance. The design of the optimizing gradient system we reported on a couple of months ago is completed and all of the mathematics (about 40 pages of equations) is complete. We are working on the graphic interface and the total program integration. We are still hoping for an early summer release.

QUICKMONEY will be priced at \$995 when it is completed with a \$200 allowance given to prior purchasers of QUICKSTUDY.

EXPANDED AND MODIFIED 1200 BAUD ACCESS CAPABILITY

We have substantially added to our port capacity to accommodate 1200 band users of our service through Telenet. To take advantage, please change your Telenet port number from 305140 or 305140.1, to 305444, and change the band rate from 300 to 1200. You must have in excess of 35 items (contracts or stocks) in your portfolio to qualify for the 1200 band use.

MODIFIED WATS ACCESS FOR TELENET USERS

Users of 800 AT&T WATS numbers to access CSI must now access through a 300 baud connection only. Such users will now fall on certain hard wired ports at CSI. Users are required to change their Telenet network address number and enter a password and logon ID supplied to you by customer service. The "baud rate" input must show as 300 under your user constants.

NOTES FROM CUSTOMER SERVICE

IMM CURRENCY OFTIONS

For those of you interested in IMM currency options. PLEASE check the list below for the correct CSI number and symbol to use when ordering. They will not be the same as the parent price: (name, CSI #, symbol)

British Found	#226	B2
Canadian Dollar	#105	02
Deutsche Mark	#203	D2
Japanese Yen	#267	J2
Swiss Franc	#227	52



Option prices found under the same number

the IMM parent price are quotes from the rladelphia Exchange.

EXTENDED TRADING HOURS

Beginning April 30, 1987 the CBT began night trading of T-Bonds and Treasury Notes. The might hours are from 6PM to 9PM EST Monday through Thursday. The "trading day" will begin at 6PM the preceding night and run through 3PM the following day. The open is the 6PM price of the previous day, the close will remain the same, and the high and low come from the time period from 6PM the previous day to 3PM the current day. As there will be no trading on Friday evening, Monday will be the "short" trading day.

CALL/PUT RATIO PRICE EXPLANATION

Iue to restrictions on the number of digits that can be sent in the OPEN, HIGH, LOW & CLOSE fields, the values for the newly released call/put ratio will be in scientific notation. If an actual value is 4 dioits or less, the value will be sent as the actual value. If the value is 5 digits, the first digit will be a scaler of .'. if 6 digits the scaler will be 2 and so n. For example, a value of 1,000 in the open field will read 01000. A value of 10,000 will read 11000. A value of 100,000 will read 21000. The QUICKTRIEVE program will adjust the scaled prices for use in QUICKPLOT and QUICKSTUDY. However, the data will appear in the scaled fashion in the data files.

DIVIDEND REPORT IN PLACE OF PRICE/EARNINGS RATIOS ?

We are contemplating offering dividend payments data in place of the price/earnings ratio for securities. If you have a definite preference for or against this idea, please let us know. Your vote and feelings on this will determine which we will offer and whether we will switch. We cannot provide both pieces of information.

ADVERTISEMENTS ENCLOSED

e have two participating advertisers this month, Dr. Elder, Elder's View Point of Futures, and Steve Kille of Micro Vest. We accept advertisements to accompany our News Journal to defer postage costs. We cannot

recommend nor endorse the products or services of any advertiser.

ADDITIONS TO THE STOCK DATA BANK

5578	GY	GEN Corp.	870410
5584	GEF	Nicholas Applegae	Growth
		Equity Fund	870413
5649	CRR	Consolidated Rail	Corp. 870327
5655	HPH	Harnischfeger Ind.	Inc. 870327

CHANGES TO THE STOCK DATA BANK

5957 SDVR Sovereign Corp. was acquired by 5549 CB Chubb Corp.

Hughes Tools Co. merged w/5336 5113 BKO Baker Int'l.

5302 KCC Kaiser Cement merged w/5411 HAN Hanson Trust.

DELETIONS TO THE STOCK DATA BANK

5578	RDS	Revco D.S. Inc.
5584	PI	Pandick Inc.
5214	DI	Owens-Illinois Inc. was acquired
		by a private company Kohlberg
		Kravis.

STK CO		COMPANY		DATE OF
#		NAME	SFLIT	SPLIT
5150	EC	Englehard Corp.	3/2	870401
5934	LINE	Lin Broadcasting	2/1	870401
5122	NSC	Norfolk Southern	3/1	870407
5470	SIA	Signal Apparel Co.	2/1	870413
5217	ROK	Rockwell int'i	2/1	870414
5475	Ε.	Chrysler Corp.	3/2	870414
5929	TYSNA	ATyson Food, ClassA	3/2	870416
5907	DEBS	Deb Shops Inc.	2/1	B70420
5008	CGP	Coastal Corp.	3/2	870320
5928		Telecredit Inc.	2/1	870309

THE FOLLOWING IS A LIST OF ALL THE MUTUAL FUNDS WE HAVE IN DUR DATA BANK:

We will add others on demand if the additions become a part of your portfolio.

LORD ABBETT GROUP

6000	LAFFX	Affiliated Fund
6001	LAGWX	Dev. Growth Fund
6002	LAGVX	Dev. Govt. Security Fund
6003	LBNDX	Bond Deb.
6004	LAVLX	Value Appreciation