

# CSI NEWS JOURNAL

© 1987 Commodity Systems, Inc. (CSI), All Rights Reserved.  
200 West Palmetto Park Road, Boca Raton, FL 33432, USA  
(305)392-8663, Telex 522107

VOL. III NO. 10 \* \*

THURSDAY, OCTOBER 1, 1987

Boca Raton, Florida

\$5.00

## WHAT'S NEW ---

\* \* \* \* \*

Lightning Strikes CSI Page 2

\* \* \*

If non-Floridians send in the Florida Services Tax Affidavit, we will not have to pay tax in your behalf Page 3

\* \* \*

QUICKTRIEVE® Improvements Page 2

\* \* \*

Automatic File creation and stock and mutual fund dividend normalization are now possible with the QUICKTRIEVE MOVE PROGRAM Page 2

\* \* \*

Now you can shorten or lengthen a file using the MOVE PROGRAM Page 3

\* \* \*

Bulk Data Sale Continued Page 3

\* \* \*

Please write to the FCC Page 3

\* \* \*

Additions, Changes, and Deletions to the Stock Database Page 4

\* \* \*

Four New Commodities Added Page 4

\* \* \*

Network Additions and Changes Page 5

\* \* \*

® QUICKTRIEVE and QUICKMONEY are a registered trademarks of Commodity Systems, Inc.

## CONTEST RESULTS

Here is the letter we sent to participants in the Optimization Contest we sponsored over a year ago. The sponsors paid out prize money in excess of revenue received. If you regret not having participated, perhaps you may have another chance at a later date.

Re: Professional Trading System Optimization Contest

Dear Participant:

When we announced the trading system optimization contest in June of 1986, we anticipated a much better response. As you may recall, a qualified entrant had to have purchased Bruce Babcock's "Professional Trading System" for \$495 and he had to have purchased PERPETUAL CONTRACT Data on 16 specific commodities from CSI. Some CSI users entered for only \$15 because they had previously purchased the perpetual data. Those who had to purchase all the necessary perpetual data paid CSI \$495.

There were 38 eligible participants. Of these, only 23 entered the contest, two less than the contest rules allowed as a limit to the number of finalists.

CSI, CTCR, and J.F. Dalton Assoc. contributed \$12,000 each to the \$36,000 in prize money. After earning interest in the bank until the prize money was released the pot grew to \$37,360.94.

As you can see, the number of dollars returned to the winners was actually greater than the number of dollars collected. Nevertheless, we were happy to have been a sponsor. The odds of a return (based on expected value), because of the low number of entrants were better than an even 50:50 bet. If we have a weak

moment and try a similar exercise again we expect a better response.

We would like to congratulate the following winners of the Professional Trading System Optimization Contest. Here are the unofficial results:

C. CLARK EASTER 1ST PRIZE \$20,756.09  
Baltimore, MD

JOHN SAUDER 2ND PRIZE \$10,378.03  
Dallas, TX

MORTON JACOBS 3RD PRIZE \$5,189.02  
Shawnee Mission, KS

RICHARD KARPLUK BEST OPTIMIZER \$1,037.80  
Ballston Lake, NY

Easter, Sauder and Jacobs' solution entry provided the best "real" results on unseen data; whereas Karpluk submitted the most superior optimization on historical data.

Enclosed is your updated Marstat Data Diskette which contains perpetual historical data from January 1, 1986 through June 30, 1987 for the sixteen commodity markets used for the contest.

Should you wish to purchase additional historical data or become a daily subscriber to CSI's Data Retrieval Service, we have enclosed a low cost special sale package. For more detailed information, please call our Marketing Department at 1-800-327-0175. Those who are already customers of CSI, we thank you for your patronage and ask for any suggestions or recommendations you might have to improve our service.

We would like to thank all participants for making the contest a success.

Sincerely,

Robert C. Pelletier

#### EMILY TAKES HER TOLL

Hurricane Emily didn't hit Boca Raton, but the weather front that preceded her as the storm blew north up the east coast of Florida caused twisters and violent electrical storms. Lightning struck both our building and the building next to us,

killing a person next door (unknown to us) and destroying certain CSI equipment not protected by the power supplies and diesel generator on which we spent \$100,000 last year. The man who died was shocked while talking on the phone. One person at CSI, who was on the phone at the time, was shocked also.

The result was that stock and options data for Wednesday, September 23rd, was delayed until the next or a subsequent day. We lost several terminals, a PC, and a board in our new telephone system.

The telephone board failure has made it difficult for us to retrieve incoming calls. We have limited capability to call out at the present time, but we expect a replacement board to be delivered in a day or two, restoring the phones.

Although most of our lost capability has been restored, we are still having trouble with some equipment as of the date of this journal.

#### QUICKTRIEVE IMPROVEMENTS

The scope of several new improvements to QUICKTRIEVE are far reaching and significant and we know all users will want to order the updated disk. The cost is \$20 to all who have not ordered a new disk since July 1, 1987. For those who have ordered QUICKTRIEVE since that date, please call us and we will send you a new copy at no charge.

#### 1) AUTOMATIC FINANCIAL SERIES ADJUSTMENTS FOR DIVIDENDS AND/OR CAPITAL GAINS

Last month we reported on how it is possible to adjust back data for dividend or capital gains payments. This facility, now a part of QUICKTRIEVE, permits one to compare the rates of change of stocks, mutual funds, and commodities on an equivalent basis.

All prices prior to the day of a dividend or a capital gain award for a given series are multiplied by the ratio of  $(Price_j - DC_{j+1})/Price_j$  to convert all prices prior to day  $j+1$  to adjust for the dividend or capital gain,  $DC$ , on day  $j+1$ .  $Price_j$  is the closing price on day  $j$ .



The equation reported in last months News Journal, expressed in a different form, should be ignored in favor of the above approach which is currently part of the QUICKTRIEVE Move program.

## 2) ENHANCEMENTS TO THE MOVE CONTRACT FILE FUNCTION

A number of changes have been made to the MOVE CONTRACT FILE FUNCTION. These changes will benefit users of weekly and monthly files as well as those who manage PERPETUAL CONTRACTS. The changes are summarized below.

You are now able to create a weekly or monthly file from a matching daily file. Previously the weekly or monthly file had to be created separately under the create subsystem.

The move function now also supports shortening or lengthening of data files as they are moved. Also known as extension/truncation, this improvement helps users who carry PERPETUAL CONTRACTS and wish to add extra space to a data file when the year ends. When AUTOCREATE is selected for a destination file, additional prompts ask for a new beginning month and year as well as a new ending month and year. After the move is complete, the original file is left as it was, and the new file is ready to be updated for another year. An addendum to the manual will be sent to purchasers with information to explain the process in more detail.

## FLORIDA SERVICES TAX UPDATE

The Florida Services Tax took on a different meaning when Florida Governor Bob Martinez convened the Florida Legislature to vote for repeal last week. The Democrats want to revise the tax to exempt the squeaky wheel advertisers and the Republicans want to repeal the tax before finding alternative revenue sources.

In light of these developments, we have decided to temporarily avoid charging the tax so this month's invoice does not show a tax due for non-Florida customers.

We urge all users to sign and return the enclosed affidavit, regardless of the legislature's decision on the matter. CSI

will be obliged to pay the tax for any customer who refuses to sign the enclosed affidavit, whether or not the law is repealed. Martinez suggested a January 1, 1988 repeal date. If this (repeal) becomes a reality, CSI will owe the tax for the period July 1, 1987 until December 31, 1987 for all non-Florida customers not signing the affidavit. If it is not repealed, we will owe the tax indefinitely.

Technically, the only non-Florida accounts who should not sign the affidavit are those who would do business in Florida with the information CSI supplies. A trading advisor who advises Floridian's based on data received from CSI would fall into this category. All others should sign the affidavit. Thank you for your help on this matter.

## DATA SALE EXTENDED AND SOME NEWS ABOUT QUICKMONEY

We have decided to extend, for at least another month, our bulk data sale. Many users in anticipation of eventual release of QUICKMONEY, have been purchasing large quantities of perpetual data. QUICKMONEY, because of its long term market perspective, requires 6 to 8 years of perpetual data on each of a pair of commodities to feed the intermarket straddle algorithm.

We did not set a specific date for the release of QUICKMONEY, but all of the basic analysis has been defined and the program design is nearing completion. We will not release the software until after we have an opportunity to test the product thoroughly. On a percentage basis, the two year old QUICKMONEY project is about 85% complete.

## FCC CONTEMPLATING INCREASING PHONE COSTS BY UP TO 500%

We reported two months ago in the August News Journal that the FCC's motion to "tax" enhanced service providers will increase data access phone charges by 80 to 500%. Our costs would go up very significantly and we would have to pass on such a huge increase to our customers.

Please write to the FCC to protest such an action. The tax will seriously hurt firms



like CompuServe, Dow Jones Retrieval Service, and The Source. The impact on CSI will be less because efficient QUICKTRIEVE data compaction procedures greatly minimize phone time. Nevertheless, we will be hurt also and the purposed "tax", which is used to give financial help to your local phone company, will increase our costs by about \$50,000 per month.

Please write to:

The Honorable Dennis Patrick,  
Chairman FCC  
Washington D.C., 20554  
FCC Access Charge Proposal -  
and reference Docket no. 87-215

#### ADVERTISEMENT ENCLOSED

We have three participating advertisers this month, Dr. Elder, the Elder-Viewpoint on Futures; John Ehlers' Cycle Analysis Program-Mesa; and Christopher Englebert of E. F. Hutton & Co. hosting a Computerized Commodity Trading Seminar in Pennsylvania. We accept advertisements to accompany our News Journal for the sole purpose of deferring postage costs.

#### ADDITIONS TO THE STOCK DATABASE

5873 FAU	Freeport McMoran Gold Co.	870821
5285 FBT	First City Bancorp Tex	870910
5867 NPH	North Am Philips	870903
5866 UIL	Unit Illuminating	870831
5981 VLID	Valid Logic Systems Inc.	870915
5865 KAN	Kansas Power & Light	870825
5864 ACG	ACM Gov't	870821
5863 MCL	Moore Corp. LTD	870820
5980 DRCD	Dynamic Research Corp.	870915
VANGUARD GROUP		
6049 VGRNX	Special Energy Port	870901
6050 VGHCX	Special Health Care	870901
FIDELITY GROUP		
6127 FBIOX	Select Biotech Port	870901
FINANCIAL GROUP		
6197 FLISX	Strategic Leisure	870828
6191 FIDYX	Program Dynamics	870828
6192 FSTEX	Strategic Energy	870828
6193 FEURX	Strategic European	870828
6194 FSFSX	Strategic Fin Svcs	870828
6195 FGIDX	Strategic Gold	870828
6196 FHLSX	Strategic Health	870828
6197 FLISX	Strategic Leisure	870828
6198 FPBSX	Strategic Pac Basin	870828
6199 FTCHX	Strategic Technology	870828
6200 FSTUX	Strategic Utilities	870828
6201 FHYPX	Programs Hi Yield	870828

6202 FLRFX	Programs Indust Fund	870828
6203 FLIXX	Programs Indust Inc.	870828
6204 FTIFX	Programs Tax Free	870828
6205 FPWTX	Programs World Tech	870828

#### CHANGES TO THE STOCK DATABASE

5666 AMO American Motors merged w/5475 C  
Chrysler Corp. 870909.  
5802 BFDA Symbol is now BF.A

#### DELETIONS TO THE STOCK DATABASE

6048 VGPMX Vanguard Gold & Precious Metals  
5018 BUR Burlington Industries suspended  
870903  
5459 BOR Borg Warner Corp. suspended  
870931  
5590 CON Com Data Network Inc. suspended  
870910  
5612 RCI Reichhold Chemicals suspended  
870909  
5625 ACCO Acco World Corp. suspended  
870811

#### STOCK SPLITS

STK #	COMPANY NAME	DATE OF SPLIT SPLIT	
5010 EMR	Emerson Electric	3/1	870911
5576 CHA	Carter Hawley Hale	5/1	870911
5151 XON	Exxon Corp.	2/1	870915
5533 WPM	W Point-Pepperell	2/1	870915
5931 NDXLB	Nixell Corp. B nv	2/1	870820
5004 TNV	Tri Nova	2/1	870916

#### ADDITIONS TO THE COMMODITY DATA BANK

COMMODITY NUMBER:	102
COMMODITY NAME:	RUSSELL 2000 STOCK INDEX
SYMBOL:	RT
EXCHANGE:	NYFE
UNIT OF MEASURE:	\$5/Point
CONTRACT SIZE:	\$500 x Index
DELIVERY MONTHS:	3, 6, 9, 12
CONVERSION FACTOR:	+2
FIRST DAY ON FILE:	870910
COMMODITY NUMBER:	103
COMMODITY NAME:	RUSSELL 3000 STOCK INDEX
SYMBOL:	RA
EXCHANGE:	NYFE
UNIT OF MEASURE:	\$5/Point
CONTRACT SIZE:	\$500 x Index
DELIVERY MONTHS:	3, 6, 9, 12



COMMODITY NUMBER 103 CONTINUED

CONVERSION FACTOR: +2

FIRST DAY ON FILE: 870910

## TYMNET PHONE NUMBER ADDITIONS

KY Frankfort

502/223-0724

COMMODITY NUMBER: 28

COMMODITY NAME: 100 OZ GOLD

SYMBOL: GH

EXCHANGE: CBT

UNIT OF MEASURE: \$ per Troy OZ

CONTRACT SIZE: 100 Ounces

DELIVERY MONTHS: 2, 4, 6, 8, 10, 12

CONVERSION FACTOR: +1

FIRST DAY ON FILE: 870914

## TYMNET PHONE NUMBER CHANGES

CA Bakersfield

805/325-0371

PA Butler

412/283-2286

TX Laredo

512/727-8308

TX Port Arthur

409/721-3400

**IMPORTANT NOTICE:** THE VIEWS AND INFORMATION EXPRESSED IN THIS DOCUMENT REFLECT EXCLUSIVELY THE OPINIONS AND EXPERIENCE OF THE AUTHOR, ROBERT C. PELLETIER. NEITHER CSI NOR THE AUTHOR UNDERTAKE OR INTEND TO PROVIDE TAX ADVICE OR TRADING ADVICE IN ANY MARKET OR ENDORSE ANY OUTSIDE INDIVIDUAL OR FIRM. READERS SHOULD CONSULT COMPETENT FINANCIAL ADVISORS AND TAX ADVISORS OR OUTSIDE COUNSEL BEFORE MAKING ANY TRADING, SOFTWARE PURCHASE, OR INVESTMENT DECISIONS. CSI DOES NOT STAND BEHIND OR ENDORSE THE PRODUCTS OF ANY OUTSIDE FIRMS.

COMMODITY NUMBER: 37

COMMODITY NAME: 5000 OZ SILVER

SYMBOL: SI

EXCHANGE: CBT

UNIT OF MEASURE: Cents per Troy OZ

CONTRACT SIZE: 5000 Troy OZ

DELIVERY MONTHS: 2, 4, 6, 8, 10, 12

CONVERSION FACTOR: +1

FIRST DAY ON FILE: 870914

COMMODITY NUMBER: 106

COMMODITY NAME: INSTITUTIONAL INDEX

SYMBOL: IX

EXCHANGE: CBT

UNIT OF MEASURE: \$5/Point

CONTRACT SIZE: 500 x Index

DELIVERY MONTHS: 1 - 12

CONVERSION FACTOR: +2

FIRST DAY ON FILE: 870922

CSI ERROR REPORT  
SEPTEMBER 1987

The following errors were found after the data was first released. They may or may not affect a user depending upon the time of access. The figures in bold print represent the corrected values. The volume and open interest are presented in scientific notation ready for input into an Apple or Commodore computer.

			DELIVERY MONTH/ CSI CODE; NEAREST																	
DATE	NO.	SY	FUTURES IN ( )	OPEN	HIGH	LOW	CLOSE	T.VOL	T.O.I.	IND.VL/OI	DATE	CSI #	SYMBOL	OPEN	HIGH	LOW	CLOSE	IND.VOL	P.VOL	PE
870831	3	CD	12/87	1980	1994	1974	1988				870715	5184	GCN	5316	5332	5300	5316	294		
870827	10	CC	12/87	11387	11625	11350	11522				870820	5380	NYAC	5745	5139	5252	5733	5159	5863	
870827	10	CC	39/87	11307	11546	11270	11437				870821	5380	NYAC	5864	5349	5139	5110	5159	5745	
870827	10	CC	49/87	11446	11684	11411	11581				870825	5380	NYAC	5715	5216	5021	5357	5159	5865	
870917	10	CC	ALL					2609	26261		870903	5380	NYAC	5457	5139	5519	5867	5159	5339	
870923	10	CC	03/88	11583	11640	11460	11630				870831	5380	NYAC	5580	5421	5272	5866	5139	5361	
870917	11	D	ALL					2085	35160		870717	5452	ROP	2208	2208	2140	2148	572		
870917	12	DJ	ALL					900	7133		870901	5473	XAU	14841	14856	14703	14717	318	267	
870923	17	S	03/88	5362	5422	5360	5412				870724	5601	SLC	7616	7632	7600	7600	8285		
870907	50	ZE	ALL					1239	27834		870702	5612	RCI	6308	6400	6248	6400	3265		
870903	101	CR	54/87	22485	22495	22439	22450				870728	5738	SPRA	26110	26158	25969	26097	11726	11520	
870904	101	CR	54/87	22451	22514	22438	22473				870701	5749	NVR	924	924	916	924	252		
870908	101	CR	54/87	22473	22473	22318	22416				870728	5786	XVL	27425	27539	27425	27539	345	289	
870918	143	KV	ALL					1631	3163		870904	5798	ISSA	870	243	383	244	426	549	
870923	143	KV	54/87	27527	27705	27525	27704				870824	5799	PMDC	4538	4542	4534	4538	11444	11662	
870914	144	TQ	12/87	8402	8412	8312	8315				870729	5799	PMDC	4303	4312	4300	4312	11360	11259	
870914	144	TQ	09/87	8430	8507	8408	8411				870903	5800	NASD	4711	1101	1079	2531	5635	4364	
870923	149	SP	54/87	31949	32182	31913	32122				870904	5800	NASD	4815	972	1240	2603	4718	4360	
870904	150	TS	ALL					31716	91532		870717	5800	NASD	4756	1259	990	2507	5832	3963	
870914	250	TT	12/87	9102	9107	9019	9022				870825	5911	GLX	2908	2916	2900	2908	2976		