

US DOLLAR OUTLOOK REMAINS
BULLISH ON FUTURES,
OPTIONS SENTIMENT P. 4
BY DAVID RODRIGUEZ

TRADING IS LIKE
PLAYING CHESS P. 2
BY LAN H. TURNER

Editor in Chief:

Lan H. Turner

Managing Editor:

Heather Rich

hrich@pitnews.com

Controller:

Joseph Chambers

Webmaster:

Jacob Anawalt

Website:

www.PitNews.com

Email:

magazine@pitnews.com

In this issue.....



Trading is Like Playing Chess

by Lan H. Turner



US Dollar Outlook Remains Bullish

by David Rodriguez

A close-up photograph of a hand in a dark suit jacket moving a white chess king piece on a wooden board. The background is blurred, showing other chess pieces and a person in a suit. A semi-transparent dark brown banner is overlaid on the top half of the image, containing the title and author's name in white text.

Trading is Like Playing Chess

by Lan H. Turner

Trading is just like playing chess, every player must play by the same rules, each player is given the same basic building blocks, or tools to work with: Market orders, limit orders, stop orders, OTO orders, OCO orders. The playing field is the same for every player as well, the price of corn is the same for me as it is for you, the price of crude rises and falls in the same trend for me as it does for you. Each player has the same rules as to how those chess pieces can be moved on the playing board, a stop order works exactly the same for you as it does for me or for Wall Street.

Gecko Software has created the most amazing chess board we possibly can, and we're continually working to make it better, and better with each new update, but even though you have the most advanced chess board available on the market, and you've learned how all the pieces are able to move within the game, when it comes right down to it, some people are great chess players, some people are world champion chess players, and some people are simple recreational chess players. Yes, there are even those people who can't play chess at all, even though they've been given a world class chess board, and have been shown a number of strategies they can use while playing.

Do you have a strong desire to be a world class chess player, or trader? I've personally studied this game for over 20 years; it takes more time for some than others, to be a good chess player. We here at Gecko Software are prepared to do our best to help you along the way, we will show you how we play chess, or trade, but realize there are thousands and thousands of different moves to be made, with every strategy you can imagine in the book of playing chess, or playing the markets. We obviously can't know them all, nor do we claim to, but we do know a few that have worked well for us, and we've tried thousands that have failed as well.

We are dedicated to helping you. You may never become a world famous, world class, chess player, or trader, and that's okay, if you enjoy playing the game. I love playing the game, and I don't always win, not every trade is a winner. I certainly lose a lot of pieces along the way, during each game, but hopefully, at the end of the day, week, month, or year, even though I've lost a lot of pieces along the way, I've won more than I've lost, that's the name of the game.

I'm no world class chess champion chess player, trader, if I were, I would be in New York, working on Wall Street. I consider myself to be a pretty damn good player, I absolutely love this game, I love it so much, I've dedicated my entire

Make Your Trades a Double Threat With Autopilot & Bulls 'n Bears

Use Range Bars and Jump Stop Trails to
Create a Winning Autopilot Strategy

www.TracknTrade.com

career to it, but I'm still learning every day. I certainly don't have all the answers, and maybe someday, I'll be a world class player too, able to compete in world class championship play offs. In the meantime, I'll keep plugging away, just like everyone else, struggling to make more than I lose, saving up my winnings and covering my losers.

You know, you hear us say it all the time, "Trading is not hard, markets can only do three things, they can go up, they can go down, or they can go sideways." But trading is not easy either, the possibilities of making mistakes are unlimited, and there is a lot to know and to remember.

The best advice I can give is to relax, take it easy, enjoy the game, play, and have fun doing it. In the beginning, don't use real money, we give you unlimited play money to use and learn with, wait until you've found a system that is so solid, that you can't stand not having real money on it, then laugh out loud when you win, and shrug when you lose.

Remember, enjoy the game, the process, the learning experience, and the community of traders that you're now a member of. Trading may never make you rich beyond your wildest dreams, but it can give you something to do, something to have fun with, and something to enjoy, and a community of people to hang out with and have fun with.

Practice, practice, practice, keep on learning, trading, and strategizing, that's how you become a better and better player, so you too, can beat the market!

Let us know if there is anything we can do, we want you to see you be happy, and we'll do what we can to help.

Best regards,
Lan Turner

PS. I would like to invite you to join my free trading club at: www.LanTurner.com/insights/interview.htm. Each week I'll send you a new trading strategy video; something new that I've learned along my own trading journey.

US Dollar Outlook Remains Bullish on Futures, Options Sentiment

by David Rodriguez

Speculators continue to scale back US Dollar short positions, and FX Options point to further Greenback gains through the coming weeks of trading.

Our benchmark FX Options risk reversals strategy remains long the US Dollar against the Euro (short EURUSD), Canadian Dollar, and Australian Dollar (short AUDUSD). There is strong evidence that the US Dollar hit an important bearish sentiment extreme through May, and a continued deleveraging across speculative positions could force further gains. Indeed, we remain overall bullish the resurgent Greenback through coming weeks of trade.

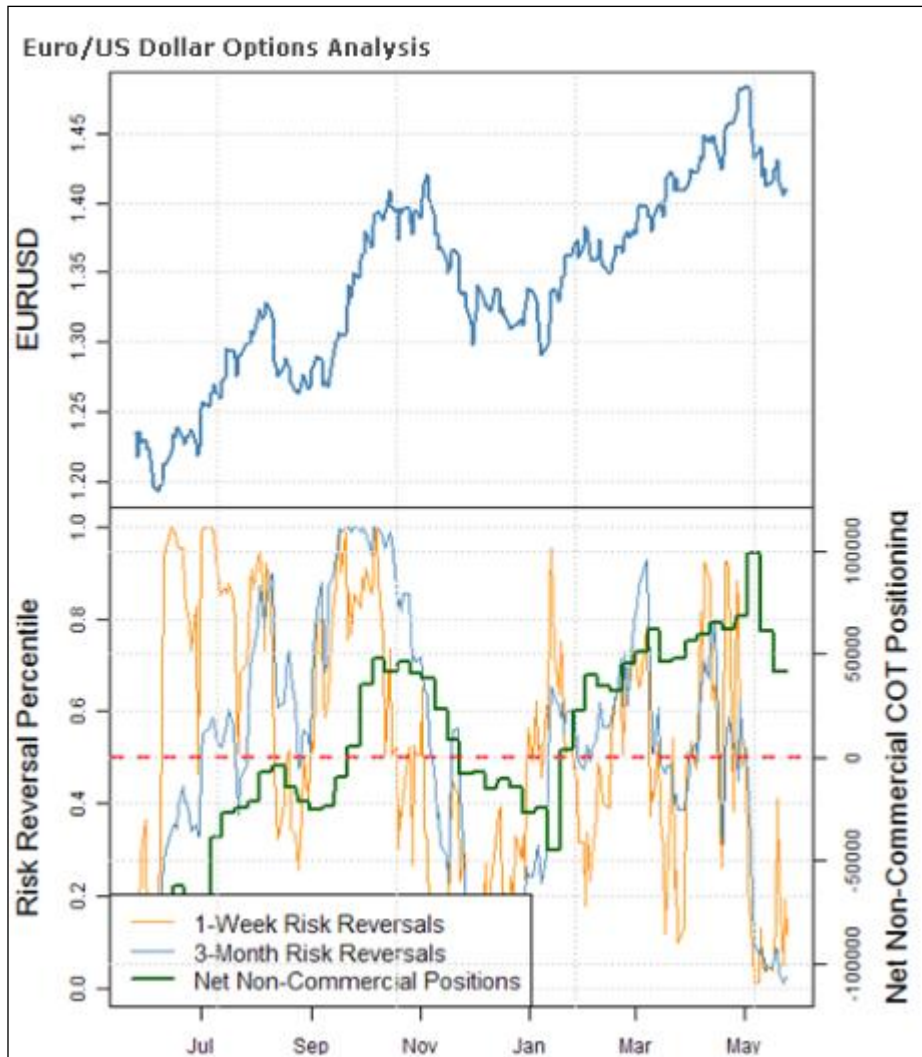
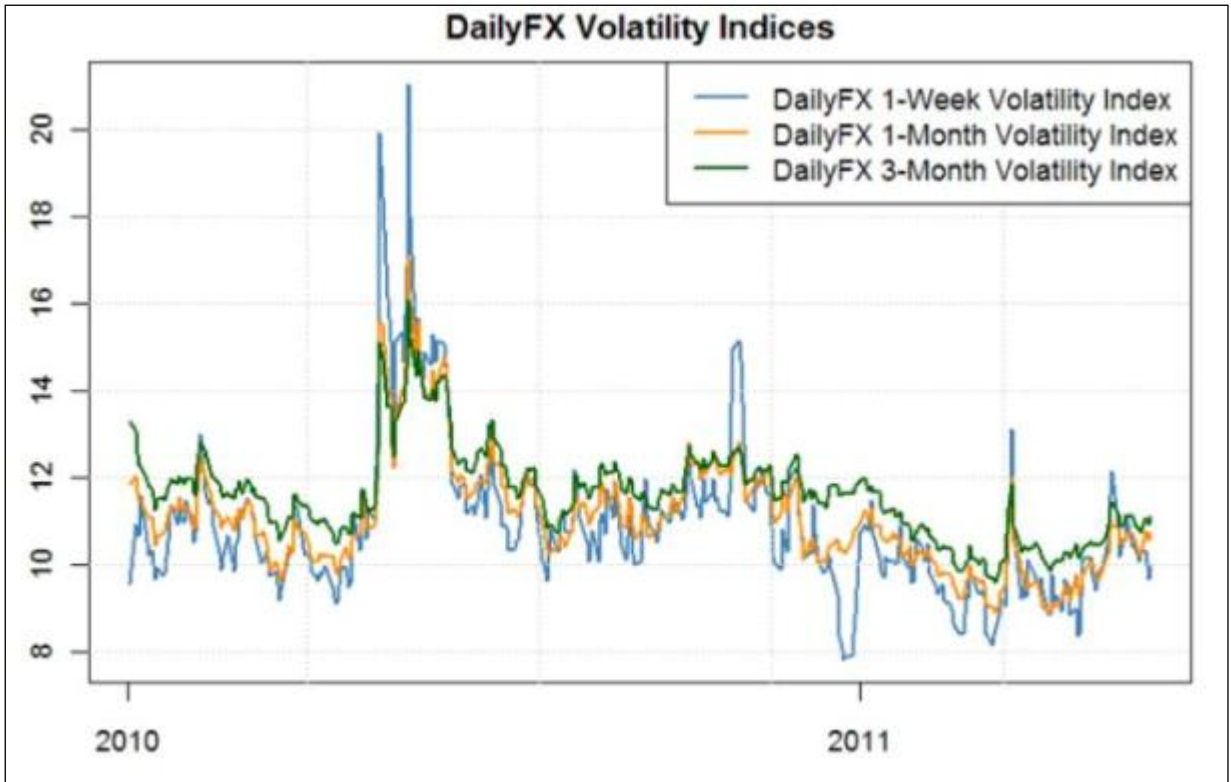
Watch a presentation on how you can use FX [Options risk reversals](#) and [this report](#) in your swing trades.

Risk Reversals

	EUR/USD	GBP/USD	USD/JPY	USD/CAD	USD/CHF	AUD/USD	NZD/USD
1-Week	15.00%	28.85%	62.71%	51.72%	57.38%	25.40%	26.32%
1-Month	1.75%	25.00%	100.00%	64.29%	61.90%	19.67%	22.81%
3-Month	3.28%	16.67%	100.00%	69.49%	69.81%	12.50%	10.00%
12-Month	1.96%	45.45%	100.00%	81.82%	48.00%	64.29%	3.28%

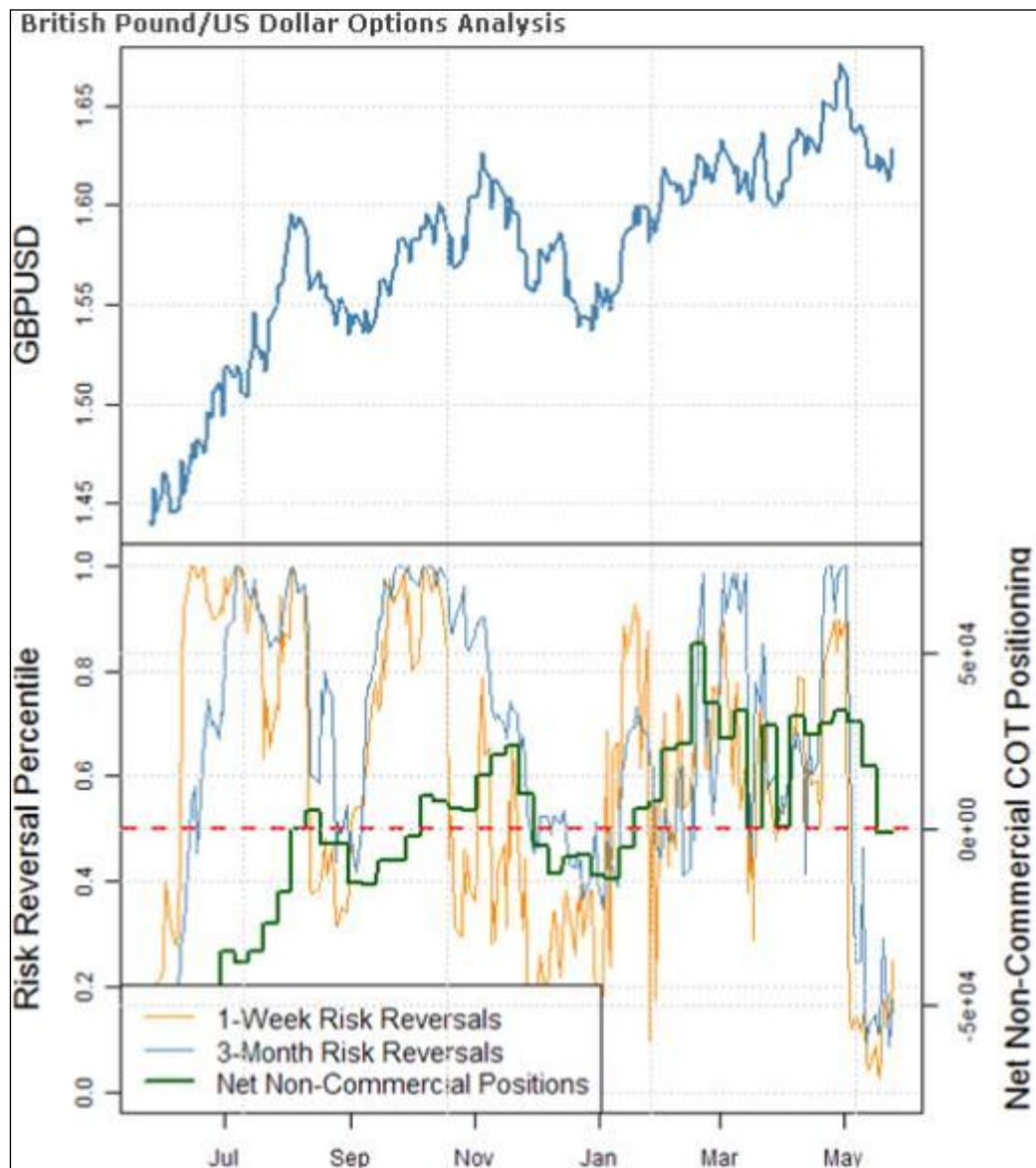
DailyFX Volatility Index Percentiles

Volatility Index	1 Week	2 Weeks	1 Month	3 Months	1 Year
Indices	63.08%	81.54%	87.30%	89.23%	89.23%



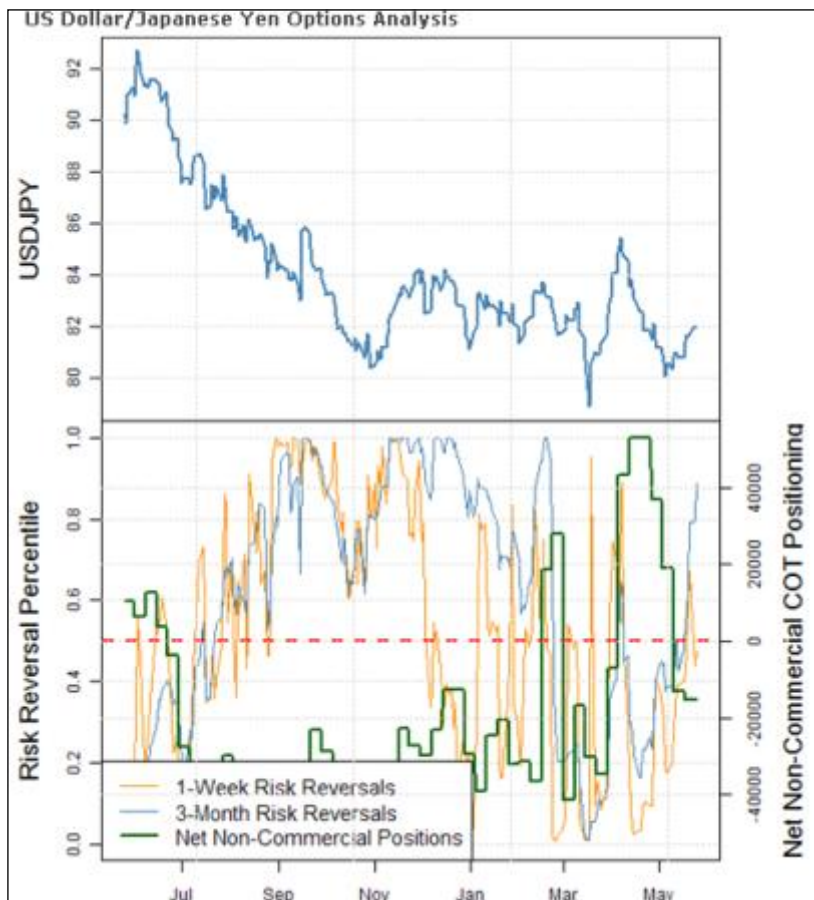
Our views from last week are effectively unchanged: “Our benchmark FX Options risk reversals trading system hypothetically took a EURUSD-short position as of May 13 at approximately the 1.4120 mark, pointing to further declines on the sharp sentiment swing. The most recent CFTC Commitment of Traders report likewise shows that Non-Commercial traders—typically large speculators—scaled back aggressively on EURUSD longs as of early last week.

We have persistently warned that a sentiment extreme may have been developing as traders had grown very heavily net-short the US Dollar. The recent correction from USD-bearish extremes suggests this could be the start of a larger correction and points to EURUSD declines.”



A noteworthy bounce in the GBPUSD prevented our FX Options risk reversals system from going short the GBPUSD, and recent CFTC data shows that trades have completely shed their previous bias. We previously claimed that strongly net-long open interest left risk of declines on deleveraging. Yet Non-commercials are now effectively flat the GBPUSD, giving us little in the way of a short-term trading bias.

It is worth noting that our proprietary Speculative Sentiment Index data (not pictured) has recently shown retail trading crowds flipped net-short the GBPUSD. Said shift gives contrarian signal to watch for short-term strength.

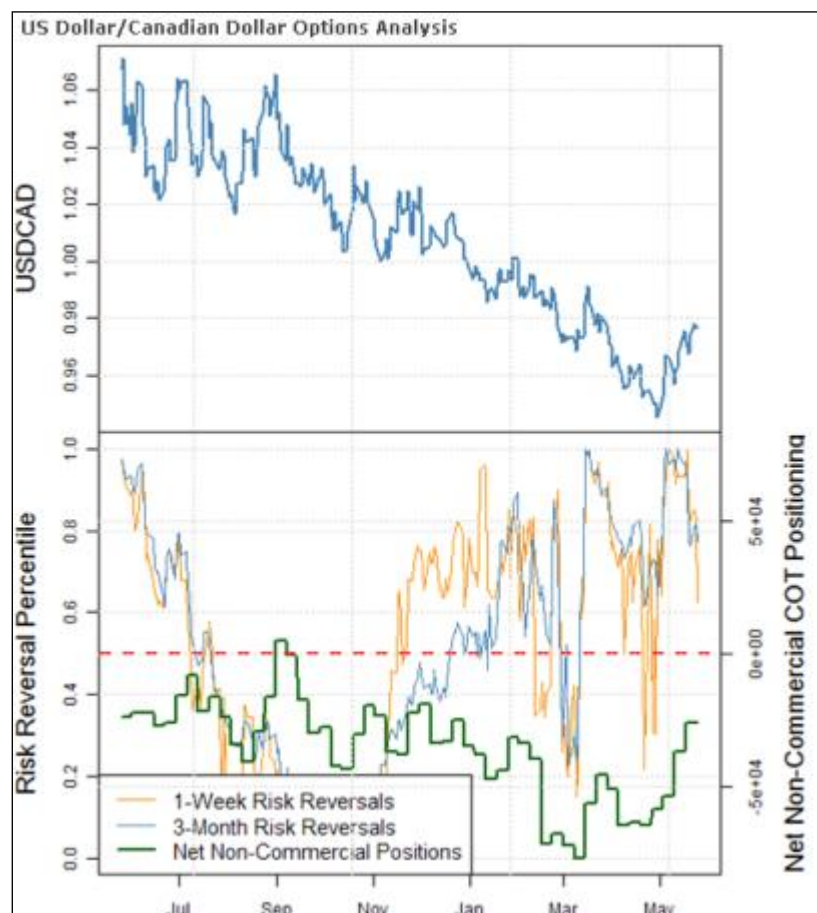


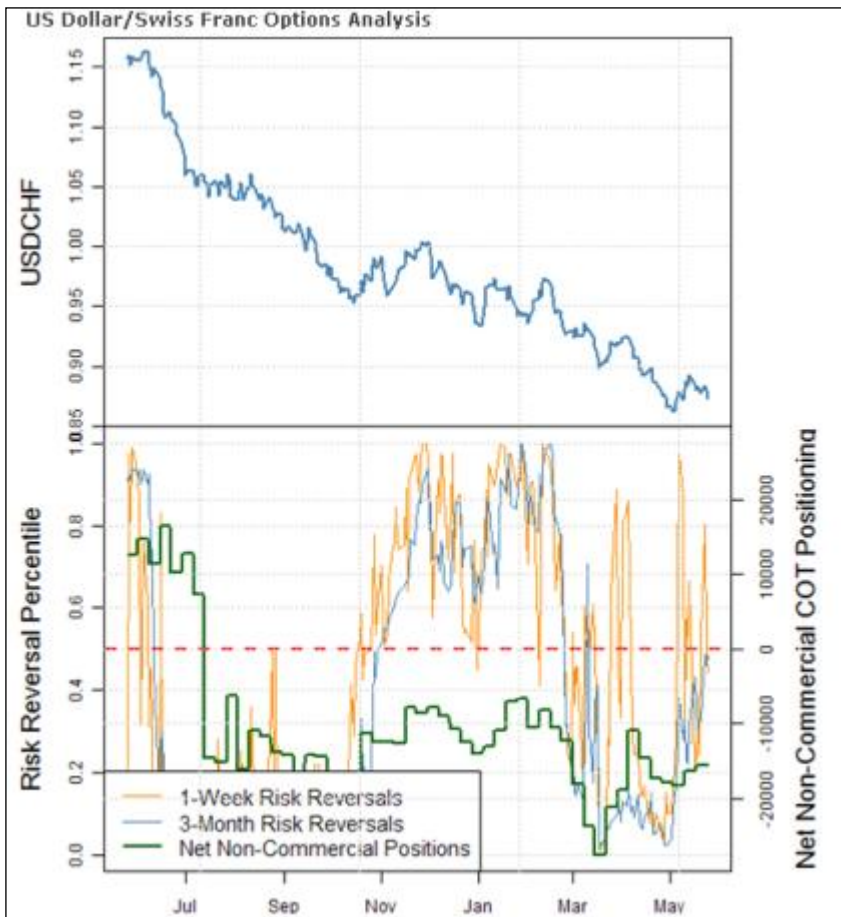
Japanese Yen futures and options trader sentiment continue to show mixed signals for the USDJPY, giving us little conviction in our sentiment-based forecasts. The currency pair remains in a secular downtrend since peaking in late 2007. Yet more recent price action has seen a material shift in FX Options risk reversals, and they trade toward the top of their quarterly range. A continued correction would leave our FX Options risk reversals-based system long the USDJPY through upcoming trade.

On the flipside, CFTC Commitment of Traders data actually shows Non-commercial traders are net-short the USDJPY (long the Japanese Yen). Said mixed signals water down our otherwise modestly bullish bias.

Our analysis is unchanged from last week: “Our benchmark breakout-style risk reversals trading system hypothetically went long the USDCAD from May 4 at approximately the C\$0.9595 mark, and an important shift in sentiment points to further gains. We have long argued that extremely one-sided Non-commercial futures positioning warned that a USDCAD short-covering could force substantive strength. A continued shift towards bets on and hedges against USDCAD would point to further rallies.”

CFTC Commitment of Traders data has grown progressively less net-long Canadian Dollar (short USDCAD). A continued short covering could produce further USDCAD strength.



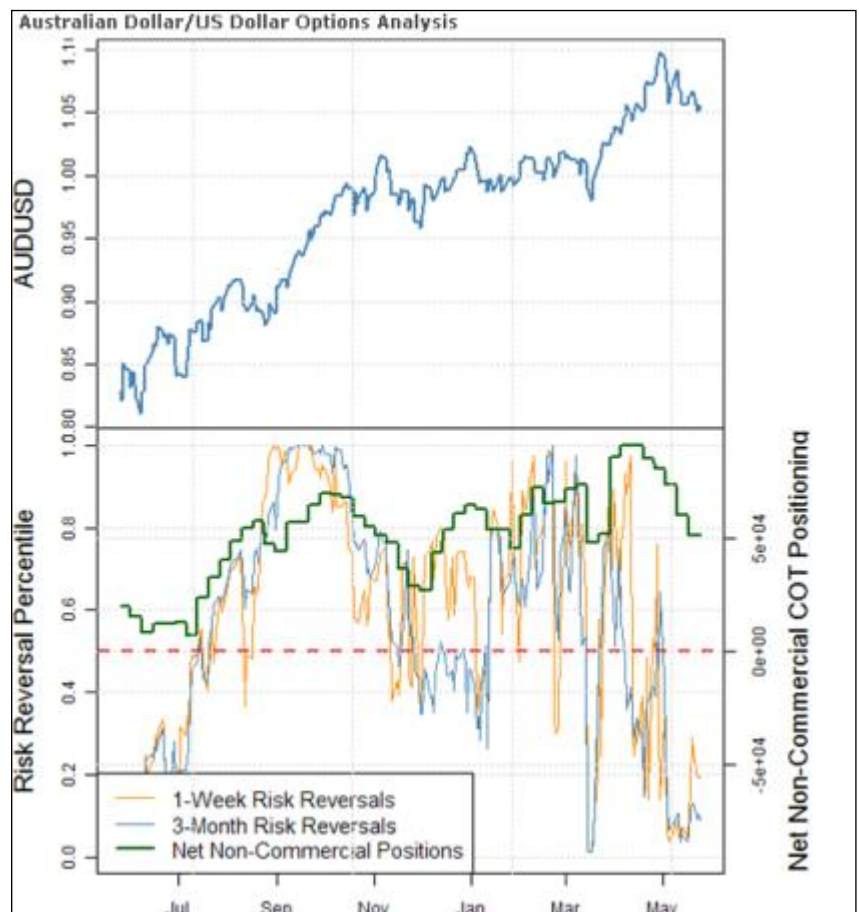


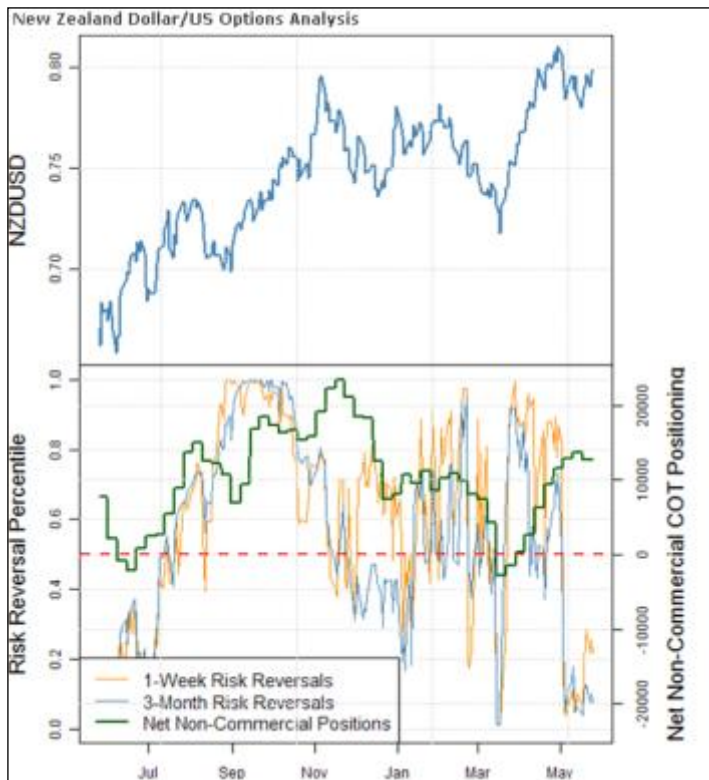
Our analysis is effectively unchanged from last week: “Aggressive week-to-week shifts in FX Options risk reversals make it difficult to establish a lasting bias in the USDCHF pair. Our benchmark FX Options risk reversals system hypothetically went short USDCHF on March 17 near the SFr 0.9165 mark and closed it as of May 6 near 0.8790. Risk reversals subsequently spiked higher on the short-term US Dollar correction but have since declined. All the while, CFTC Commitment of Traders data shows that speculators have modestly pared their bets on Swiss Franc strength (USDCHF weakness).

We will wait for a more lasting shift in sentiment before taking an aggressive stance on the USDCHF. All else remaining equal, its strong downtrend favors continued weakness. “

Our FX Options risk reversals trading system hypothetically went short AUDUSD from May 12 near the 1.0680 mark, as a strong shift in market sentiment suggests the pair may have set an important top. CFTC Commitment of Traders data continues to show Non-commercial traders have further covered AUDUSD long positions. A continued deleveraging could force further AUDUSD losses.

The fact that we have seen multi-year peaks amidst record-long positions in the AUD and since pulled back suggests that this is the reversal we have been waiting for.





An important reversal in FX Options sentiment warns that the New Zealand Dollar could continue lower against its US namesake, and our benchmark FX Options risk reversals system went short as of May 17. Yet CFTC Commitment of Traders data has held up—suggesting that speculators are not quite yet willing to let the NZDUSD reverse further. We remain overall bearish, but it will be important to watch for a larger shift in NZDUSD sentiment.

About FXCM Inc.

FXCM Inc. (NYSE: FXCM) is a global online provider of foreign exchange (forex) trading and related services to retail and institutional customers worldwide.

At the heart of FXCM's client offering is No Dealing Desk forex trading. Clients benefit from FXCM's large network of forex liquidity providers enabling FXCM to offer competitive spreads on major currency pairs. Clients have the advantage of mobile trading, one-click order execution, and trading from real-time charts. FXCM's UK subsidiary, Forex Capital Markets

Limited, also offers CFD products with no re-quote trading and allows clients to trade forex, oil, gold, silver, and stock indices on one platform. In addition, FXCM offers educational courses on forex trading and provides free news and market research through DailyFX.com.

Trading foreign exchange on margin carries a high level of risk and may not be suitable for all investors. DailyFX has taken reasonable measures to ensure the accuracy of the content herein, however, does not guarantee its accuracy, and will not accept liability for any loss or damage that may arise directly or indirectly from the content and your use of the charting indicator and EAs herein. In addition, the content herein, including, but not limited to, the charting indicators and EAs is provided as general market commentary and does not constitute investment advice.

Read full [risk disclaimer](#).

Contacts

DailyFX
Kiana Danial,
646-432-2449
Financial Public Relations
kdanial@fxcm.com

FXCM Inc.
Jaclyn Sales,
646-432-2463
Vice-President,
Corporate
Communications
jsales@fxcm.com

Learn to Trade FOREX on FXCM's Award Winning Platform

The advertisement includes a screenshot of the FXCM trading platform interface. Below the screenshot are several award logos: a trophy for "Winner e-FX Awards 2009 & 2010 Best retail platform", a globe for "GLOBAL FINANCE BEST FOREIGN EXCHANGE PROVIDER AWARDS 2010", and a star for "THE STOCKS 10 FINALIST Best Forex Broker". At the bottom, the FXCM logo and website URL www.fxcm.com are displayed.

FXCM is a registered Futures Commission Merchant and Retail Foreign Exchange Dealer with the Commodity Futures Trading Commission and is a member of the National Futures Association. NFA # 0308179

Risk Warning: FX Trading on margin carries a high level of risk, and may not be suitable for all investors. By trading, you could sustain a total loss of your deposited funds. FX Trading products are only suitable for those customers who fully understand the market risk.

Welcome to the Classified Section of the Pitnews.com Magazine. All listings below are "clickable".

FX Trading Platform



Track 'n Trade Forex Live

Company: **Gecko Software**
 Website: **www.TracknTrade.com**
 Market: **Forex Trading**
 Phone: **(800) 862-7193**

High Finance is a FOREX live trading platform. Trade the currency market with the best tools and the easiest order placement available! Free data for active traders.

[Click here](http://www.TracknTrade.com) for a **FREE 14 DAY TRIAL!**
www.TracknTrade.com

Futures Software



Track 'n Trade Futures Live

Company: **Gecko Software**
 Website: **www.TracknTrade.com**
 Market: **Futures & Options**
 Phone: **(800) 862-7193**

This amazing charting software package gives you the ability to analyze commodity markets technically with various tools, unique market calculators, and customizable indicators.

[Click here](http://www.TracknTrade.com) for a **FREE 14 DAY TRIAL!**
www.TracknTrade.com

Educational Websites



CommodityTradingSchool.com
 Email: thedean@commoditytradingschool.com
 Phone: **(800) 258-1179**
 Learn to trade the futures and options markets **FREE** today! [Click here](#)



CommitmentofTraders.com
 Phone: **(800) 862-7193**
 Learn to apply Commitment of Traders reports to your trading. Examples using Track 'n Trade Pro. [Click here](#)



Personal Investor's Hour
www.personalinvestorshour.com
 Phone: **(800) 862-7193**
 Learn from the best in the business, listen

Educational Websites



TradeMentors.com
 Phone: **(800) 862-7193 Ext. 4**

Gain access to THE HOTTEST EDUCATIONAL SOFTWARE ON THE MARKET period. [Click here](#)



StockAnnual.com
 Phone: **(800) 862-7193**

StockAnnual.com was designed to discover and exploit recurring historical market patterns. [Click here](#)



TheWall.PitNews.com
 Phone: **(800) 862-7193**

Open forum for traders, visit today to share your trading ideas and post charts. [Click here](#)



CommodityAlmanac.com
 Email: scott@commodityseasonals.com

Excellent Source for Fundamental, Technical and Seasonal Analysis. Learn more about Newsletter Services. [Click here](#)



ChartBook.com
 Phone: **(800) 862-7193**

Free Forex Quotes and Charts online. Apply indicators easily, great charts. Check it out! [Click here](#)



ThePitMaster.com
 Phone: **(800) 862-7193**

Great site for beginning futures and options traders. Free education on option strategies and more! [Click here](#)



WhyTradeFutures.com
 Phone: **(800) 862-7193**

Learn why you would want to trade the futures market. Compare the Futures market to the Stock Market. [Click here](#)



PitNews.com
 Phone: **(800) 862-7193**

Get all your current Forex, Futures and Stock news in one place! [Click here](#)

Welcome to the PitNews.com Estore.
Below are products featured from the online store, click on them to learn more.

Charting Software



Track 'n Trade 5.0
Futures Charting Software

Free 14 Day Trial
Price: \$197
Data: \$19.95/month
*Get Adv. Tools Plug-in Free when you buy TNT5

This amazing charting software package gives you the ability to analyze commodity markets technically with various tools, unique market calculators, and customizable indicators.

[Learn More](#)

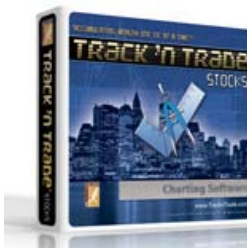


TNT Live Forex
Forex Trading Platform

Free 14 Day Trial
Price: \$297
Data: FREE (Active Traders)

High Finance is a FOREX real-time live trading platform. Trade the currency market with the best tools and the easiest order placement available! Free data for active traders.

[Learn More](#)



TNT High Finance
Stocks Charting Software

Free 14 Day Trial
Price: FREE with data
Data: \$29.90/month

Track 'n Trade High Finance Stock Trading Package allows a trader to monitor, track and chart the popular stock market, giving the trader intra day snapshots and price activity throughout the day.

[Learn More](#)

Futures Education

Fibonacci & Elliott Wave Course



Learn how to use these tools in your trading! This course has in-depth training and includes step-by-step instruction in this course and 2 CD Set!

[Learn More](#)

Price: \$197

Stop Loss Secrets

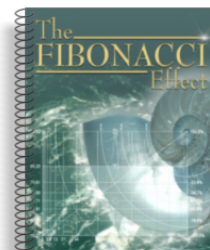


It seems that we spend 90% of our time studying and trying to figure out the best timing techniques for market entry, but we spend very little time actually learning the techniques of exiting the market. Getting into a market is easy, but getting out of the market, with a profit, is the true test of a traders skill.

[Learn More](#)

Price: \$99

The Fibonacci Effect



Learn how, and what to count, and how and what to measure, and how to read each new setup, and how to set up a trigger, then how to follow through with the final exit strategy. Stop watching your portfolio shrink, and start doing something about it? Learn what you can do, in the next 10 days, to protect your wealth!

[Learn More](#)

Price: \$199