



**News.com**

Volume 2 No. 2 December 2007

Futures, Forex, & Stocks

*Magazine*

# The Gambler's Fallacy and Consecutive Days: Size Matters

By: Scott Barrie p.15

## Lan Turner's Hierarchy of Trades

Part 4 of 6 p.11

**Editor in Chief:**

Lan H. Turner

**Editor:**

Scott Barrie  
sbarrie@pitnews.com

**Managing Editor:**

Kimberly Lyon  
klyon@pitnews.com

**National Sales Manager:**

Todd Hendricks  
thendricks@pitnews.com  
800.526.3019

**Art Director:**

Matt Langenheim

**Production Manager:**

Paige Mehlhoff

**Controller:**

Joseph Chambers

**Webmaster:**

Jacob Anawalt

**Website:**

<http://www.pitnews.com>

**Email:**

[magazine@pitnews.com](mailto:magazine@pitnews.com)

# In this issue...



## December 2007 Commodity Trader's Almanac

*By: Scott Barrie*

In the last several issues we have looked at the Industrial Markets—Petroleum is like Crude Oil as well as Metals like Gold, Platinum, Silver, and Copper. All of these...



## Lan Turner's Hierarchy of Trades: Part 4 of 6

*By: Lan H. Turner*

After having been directly involved in the financial world for over fifteen years as a market software developer and trading trainer, I've compiled what I believe to be equivalent...



## The Gambler's Fallacy and Consecutive Days: Size Matters

*By: Scott Barrie*

Last month we discussed the "Gamblers Fallacy": the belief that when an event occurs multiple times in a row, it has to reverse. For example, if a player at a Craps table were to...

**GENERAL DISCLAIMER:**

THE DATA CONTAINED HEREIN IS BELIEVED TO BE RELIABLE BUT CANNOT BE GUARANTEED AS TO RELIABILITY, ACCURACY, OR COMPLETENESS; AND, AS SUCH IS SUBJECT TO CHANGE WITHOUT NOTICE. PITNEWS.COM, ITS EMPLOYEES AND CONTRACTORS WILL NOT BE RESPONSIBLE FOR ANYTHING WHICH MAY RESULT FROM RELIANCE ON THIS DATA OR THE OPINIONS EXPRESSED HEREIN. THE OPINIONS EXPRESSED HEREIN ARE NOT NECESSARILY THOSE OF PITNEWS.COM, ITS EMPLOYEES OR AFFILIATES.

**DISCLOSURE OF RISK:**

THE RISK OF LOSS IN TRADING CAN BE SUBSTANTIAL; THEREFORE, ONLY GENUINE RISK FUNDS SHOULD BE USED. SPECULATIVE VEHICLES SUCH AS FUTURES, OPTIONS, AND FOREX MAY NOT BE SUITABLE INVESTMENTS FOR ALL INDIVIDUALS, AND INDIVIDUALS SHOULD CAREFULLY CONSIDER THEIR FINANCIAL CONDITION IN DECIDING WHETHER TO TRADE. OPTION TRADERS SHOULD BE AWARE THAT THE EXERCISE OF A LONG OPTION WOULD RESULT IN A FUTURES POSITION.

**SEASONAL DISCLAIMER:**

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

**HYPOTHETICAL PERFORMANCE:**

RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.



**Happy  
Holidays!**  
From Gecko Software

# Track 'n Trade 5.0

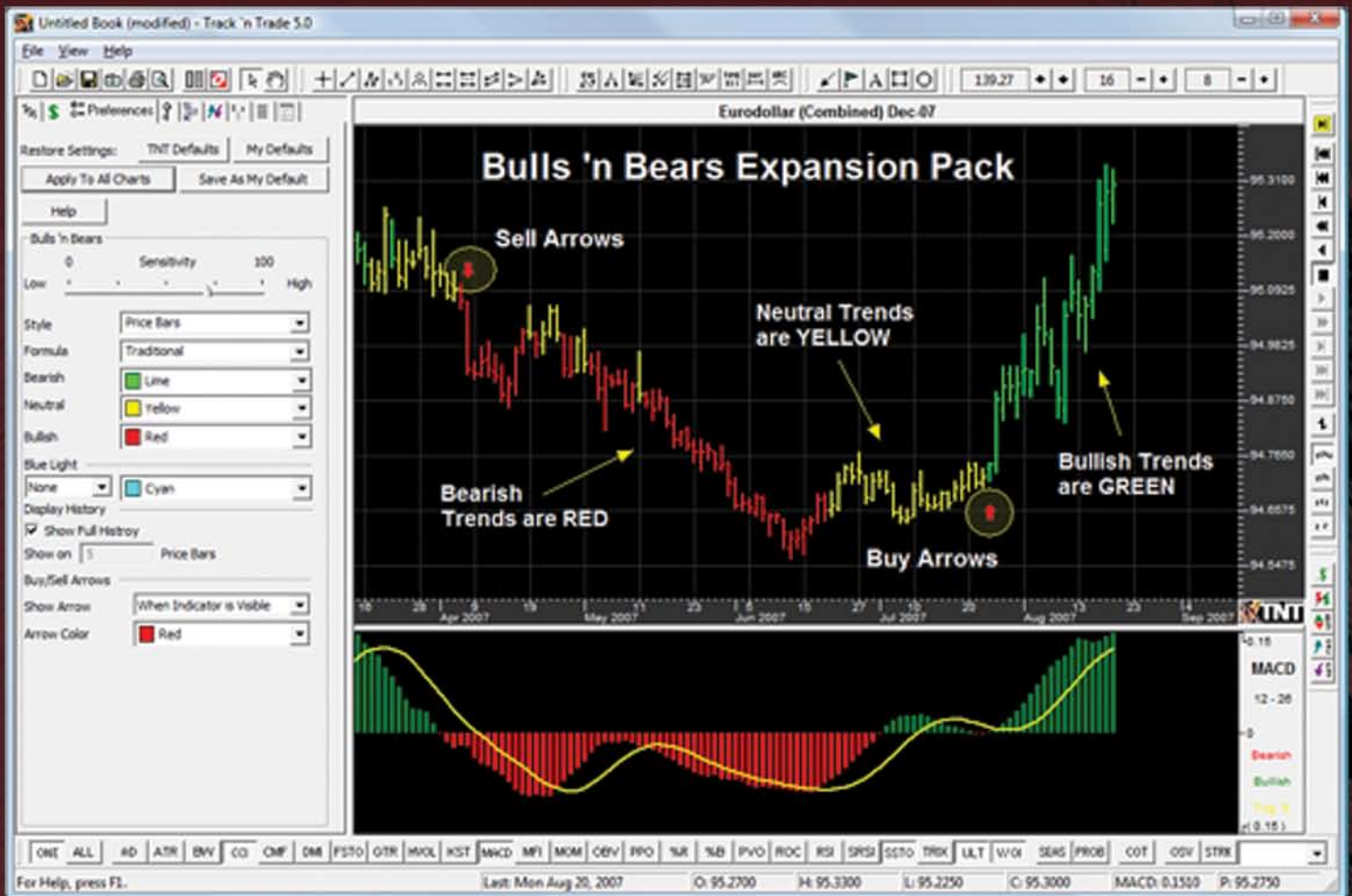
FUTURES

"ACCUMULATING WEALTH ONE TIC AT A TIME"

4 Time Recipient of the  
**Stocks & Commodities**  
Readers Choice Award

## Track 'n Trade 5.0

The new TNT is here. With more indicators, advanced tools, and easier navigation, your wait for the ultimate charting software package is over.



Visit: [www.trackntrade.com/futures](http://www.trackntrade.com/futures) to learn more!  
Or Call Us At: 800.862.7193 (US & Canada) 1.435.752.8026 (International)



December 2007

# COMMODITY TRADER'S ALMANAC View And Review

*By: Scott Barrie*

In the last several issues we have looked at the Industrial Markets—Petroleum is like Crude Oil as well as Metals like Gold, Platinum, Silver, and Copper. All of these markets have been lifted by increasing global demand/consumption during a period when production has remained semi-constant.

In this environment, interruptions—either minor or perceived—tend to throw delicate supply and demand balances out of balance resulting in higher prices. The constant growth of demand/usage from rapidly growing nations—like China and India—has put great pressure on the world's commodity markets. These “ugly, red headed step children” of the investment world a

few years ago are now considered growth industries.

The weakness in the US Dollar has also served to push most physical assets higher as well. As the US Dollar declines in value relative to foreign currencies, the cost of many commodities—like Petroleum and Metals as well as Grains and Meats—decrease for foreign purchasers because of the weaker Dollar, stimulating demand.

Though it is difficult (or impossible) to tell if increasing global demand and a weaker US Dollar are responsible for each other, they appear to be feeding off of each other macro-economically, creating a cycle which has pressured many commodity markets—ranging from Corn to Crude Oil. However, one market segment

which has not been discussed and may benefit from this market cycle is Livestock.

***Given the global “macro economic” factor pushing prices... the next several months may push Cattle prices higher, while Lean Hog may come under pressure.***

Meat prices are a function of supply and demand. As we will explain this month, certain patterns—in slaughter, especially—tend to influence prices. Specifically, how slaughter patterns move in conjunction with the natural “breeding and feeding” cycle to push Livestock prices. Given the global “macro economic” factor pushing prices, we will show how the next

several months may push Cattle prices higher, while Lean Hog may come under pressure.

## HOG MARKET OVERVIEW

Wilber the pig in the book Charlottes Web was a “spring pig” meaning he was born in the spring, will be fattened during the summer and fall, and be turned into a cured (and hopefully honey glazed) Christmas Ham.

Sows usually birth (farrow) during the spring, hence the reason why Wilber the pig was a “spring pig.” Typically farrowings are the greatest in the spring months and slaughter tends to be the greatest in the 4th quarter. The typical influx of supply due to the slaughter of spring pigs tends to pressure Hog futures—especially the nearby February contract—during December. This can be seen by the fact that February Hog futures have declined in 13 of the last 15 years from the first trading day of December through to the 8th to last trading day of December.

The decline in February Hogs is not only on an absolute basis

### HYPOTHETICAL PERFORMANCE RESULTS February Hog Futures Cents/Pound Changes Enter Approximately December 1st / Exit Roughly December 20th

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
12/1/2006	64.42	12/19/2006	62.73	1.70	\$680.00	65.38	12/14/2006	61.70	12/15/2006
12/1/2005	67.95	12/20/2005	65.15	2.80	\$1,120.00	68.30	12/2/2005	64.00	12/16/2005
12/1/2004	75.90	12/21/2004	73.10	2.80	\$1,120.00	77.72	12/2/2004	70.55	12/9/2004
12/1/2003	56.65	12/19/2003	53.30	3.35	\$1,340.00	57.00	12/2/2003	50.90	12/19/2003
12/2/2002	54.33	12/18/2002	51.23	3.10	\$1,240.00	55.17	12/3/2002	50.35	12/10/2002
12/3/2001	54.02	12/19/2001	52.65	1.37	\$548.00	55.05	12/4/2001	51.00	12/12/2001
12/1/2000	57.02	12/19/2000	56.70	0.32	\$128.00	59.92	12/11/2000	56.40	12/19/2000
12/1/1999	56.35	12/21/1999	55.95	0.40	\$160.00	57.90	12/6/1999	54.75	12/14/1999
12/1/1998	38.23	12/21/1998	28.27	9.96	\$3,984.00	38.30	12/4/1998	26.07	12/16/1998
12/1/1997	60.23	12/19/1997	59.48	0.75	\$300.00	61.45	12/12/1997	58.92	12/19/1997
12/2/1996	78.78	12/18/1996	75.45	3.33	\$1,332.00	79.20	12/13/1996	74.80	12/11/1996
12/1/1995	48.75	12/19/1995	49.67	-0.92	(\$368.00)	51.00	12/13/1995	48.15	12/12/1995
12/1/1994	34.53	12/20/1994	37.80	-3.27	(\$1,308.00)	39.40	12/16/1994	34.35	12/12/1994
12/1/1993	46.88	12/21/1993	45.80	1.08	\$432.00	47.15	12/14/1993	45.65	12/16/1993
12/1/1992	44.03	12/18/1992	43.20	0.83	\$332.00	44.20	12/14/1992	42.60	12/3/1992

			In points	In \$'s		In points	In \$'s
# Trades	15	Total P&L	27.60	\$ 11,040.00	Max Draw	-4.87	(\$1,948.00)
# Win	13	Avg. P&L	1.84	\$ 736.00	Avg. Draw	-1.27	(\$508.53)
# Loss	2	Avg. Win	2.45	\$ 978.15	Min. Draw on Win		
% Win	87%	Avg. Loss	-2.10	\$ (838.00)		-2.90	(\$1,160.00)

but also on a relative basis to the April futures as well. An old livestock trading joke is that one not only needs to guess the right direction of the market but also be in the proper contract month.

The normal slaughter pattern of increases in the second half of the year and decreases in the first half, tends to create supply gluts around year-end, pressuring the February contract in December. This same dynamic tends to be supportive for the April and June futures, as the market begins building in the potential for limited supplies, especially in April due to decreasing slaughter rates as well as potential transportation problems.

This dynamic can readily be seen by the fact that April Hog futures have increased relative to February Hog futures in 14 of the last 15 years from early December through first week in January. The only year which has not seen April gain relative to February 2006, saw a minor loss of only -0.025 cents/lb or 1 tick on the spread.

As we enter into December, and year end, traders should be watching the Hog market for a break in prices as the normal breeding and feeding cycle, which dictates slaughter, takes hold. With the USDA predicting a record Hogs and Pigs Inventory (as of September 1), coupled with the largest farrowings since 1998, the future for Hogs looks bleak, even in this macro economic environment which favors higher commodity prices.

However, the same can not be said for Cattle!

## Cattle Market Overview

The normal—or typical—slaughter pattern in the Cattle market is radically different than that of the Hog market. Unlike Hogs, which tend to see increased slaughters going into year-end, Cattle tend to see diminished slaughter rates.

One of the main differences between Cattle and Hogs is that Hogs are usually raised in-doors and in more temperate climates than Cattle. Cattle are fattened outside in yards, and usually

## Day in the Life of a Hog

**A sow (female) has a gestation of roughly 114 days (or 4 months). After the pigs are birthed (“farrowed”), they are usually weaned from the teat after 3 or 4 weeks, when they reach 10 to 15 pounds.**

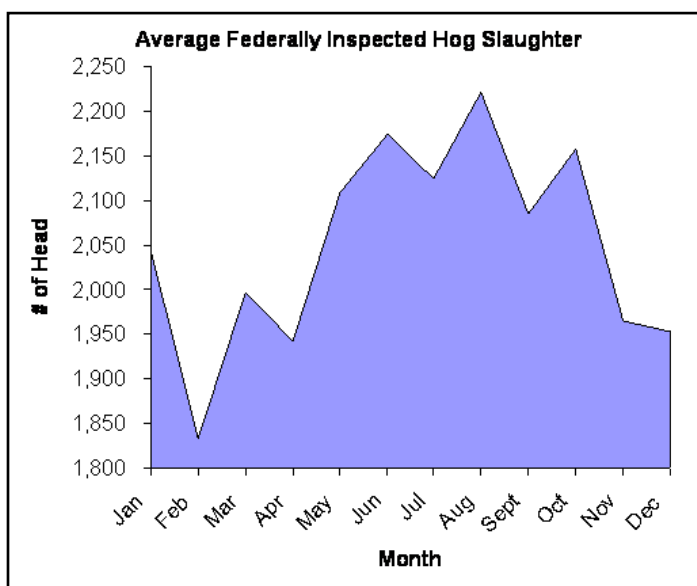
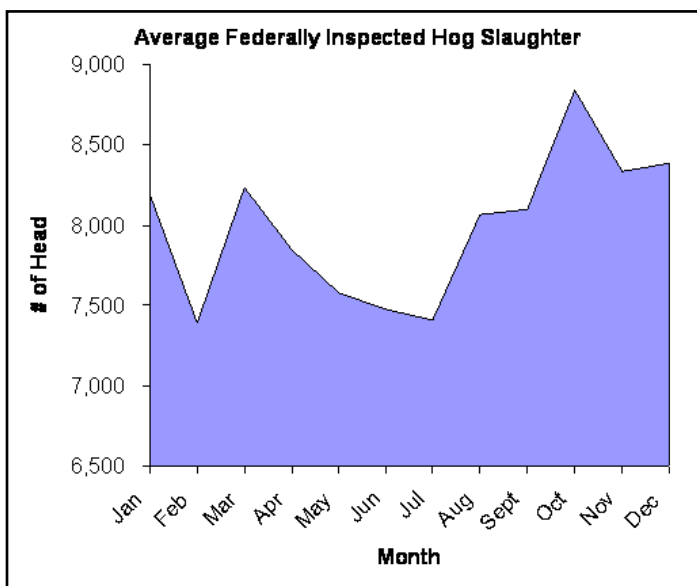
**For the next 8 to 10 weeks, the pigs are in the grower stage and are fed a strict diet to build muscle ton, and promote weight gain and general health. Typically, by the time the Hog has reached at least 50 pounds, it usually begins the finishing process.**

**After the Hog has basically matured, growers begin setting the stage for finishing the animal and bringing it up to a normal slaughter weight of about 250 pounds. As the animal matures, growers change diets and feed mixes which will result in a maximum amount of prime meat at slaughter.**

**Typically, Hogs are brought to slaughter between 38 and 52 weeks after farrowing—or 10 to 12 months—which is why slaughter tends to be the greatest in the winter, as “spring” or January through March pig crops are slaughtered during October through December.**

the peak in slaughter comes during the height of summer, while during the winter months, slaughter tends to be very light.

The lack of slaughter during the winter months—especially December through March—tends to be supportive of Live Cattle prices. The first two weeks in January tend to be especially strong in most years, as slaughter plants shut for the holidays, and transportation becomes a problem during the Holidays, an



effect which is felt in early January. This is evidenced by the fact that February Live Cattle futures have increased in 12 of the last 15 years from the end of December through the first two weeks in January.

***This dynamic can readily be seen by the fact that April Hog futures have increased relative to February Hog futures in 14 of the last 15 years from early December through first week in January. (chart 2)***

Traders should keep an eye on the Cattle market in general however, as 2008 may be a good year for this market. Pasture land may well be encroached upon in many areas as Wheat and

other crops become extremely profitable for the first time in years. Cattle prices may well be pressured higher due to higher feed costs—from skyrocketing Soybean and Corn prices—as well as from higher fuel costs which directly translates into increasing costs for feedlots, which means higher steak prices at the supermarket shelf.

Both Cattle and Hogs may benefit from the general increase in demand from developing nations and economic growth, as well as the weaker dollar. After all, if the incomes in China and India—as well as other developing nations—increase, their populations may begin to eat more meat, which is usually the case.

### Technically Speaking

Technically, the Cattle market is in a longer-term secular uptrend, evidenced by higher highs and lows and increasing momentum on the longer-term charts, which is promising. On a shorter term basis, this market is consolidating and appears poised for an upside break-out (coinciding with the seasonal

### HYPOTHETICAL PERFORMANCE RESULTS Long April Hogs: Short February Hogs Enter Approximately December 2nd / Exit Roughly January 8th

Entry Date	Entry Price	Exit Date	Exit Price	Closed P&L (pts)	Closed P&L (\$)	High Price	High Date	Low Price	Low Date
12/1/2006	3.20	1/8/2007	3.18	-0.03	\$ (10.00)	3.25	2.58	12/1/2006	3.20
12/2/2005	2.68	1/6/2006	3.58	0.90	\$ 360.00	3.58	1.98	12/2/2005	2.68
12/2/2004	-2.75	1/7/2005	0.89	3.64	\$ 1,456.00	1.02	-2.75	12/2/2004	-2.75
12/2/2003	2.60	1/8/2004	3.48	0.88	\$ 352.00	3.78	1.48	12/2/2003	2.60
12/2/2002	4.63	1/8/2003	6.30	1.67	\$ 668.00	6.45	4.62	12/2/2002	4.63
12/3/2001	3.09	1/8/2002	4.94	1.85	\$ 740.00	4.94	2.57	12/3/2001	3.09
12/4/2000	-0.84	1/8/2001	1.54	2.38	\$ 952.00	1.56	-0.94	12/4/2000	-0.84
12/2/1999	0.12	1/7/2000	2.08	1.96	\$ 784.00	2.13	0.05	12/2/1999	0.12
12/2/1998	3.59	1/8/1999	4.14	0.55	\$ 220.00	7.17	3.59	12/2/1998	3.59
12/2/1997	-2.84	1/8/1998	-1.25	1.59	\$ 636.00	-0.57	-3.50	12/2/1997	-2.84
12/2/1996	-4.93	1/8/1997	-1.60	3.33	\$ 1,332.00	-1.60	-5.13	12/2/1996	-4.93
12/4/1995	-0.14	1/8/1996	0.60	0.74	\$ 296.00	0.61	-1.02	12/4/1995	-0.14
12/2/1994	1.82	1/6/1995	2.21	0.39	\$ 156.00	2.22	-0.50	12/2/1994	1.82
12/2/1993	0.52	1/7/1994	2.39	1.87	\$ 748.00	2.54	0.26	12/2/1993	0.52
12/2/1992	-2.75	1/8/1993	-0.53	2.22	\$ 888.00	-0.54	-2.84	12/2/1992	-2.75

			In points	In \$'s		In points	In \$'s
# Trades	15	Total P&L	23.95	\$ 9,578.00	Max Draw	-2.32	\$ (928.00)
# Win	14	Avg. P&L	1.60	\$ 638.53	Avg. Draw	-0.50	\$ (201.47)
# Loss	1	Avg. Win	1.71	\$ 684.86	Min. Draw on Win		
% Win	93%	Avg. Loss	-0.03	\$ (10.00)		-2.32	\$ (928.00)

Past performance is not necessarily indicative of future results – see disclaimer. Data compliments of Gecko Software, Inc.

**HYPOTHETICAL PERFORMANCE RESULTS**  
**February Live Cattle Futures Cents/Pound Changes**  
**Enter Approximately December 28th / Exit Roughly January 16th**

Entry	Entry	Exit	Exit	Closed	Closed	High	High	Low	Low
Date	Price	Date	Price	P&L (pts)	P&L (\$)	Price	Date	Price	Date
12/28/2006	92.55	1/17/2007	92.55	0.00	\$0.00	94.25	1/10/2007	91.05	1/16/2007
12/29/2005	96.40	1/17/2006	96.55	0.15	\$60.00	97.05	1/5/2006	93.85	1/11/2006
12/30/2004	87.82	1/14/2005	91.32	3.50	\$1,400.00	92.75	1/11/2005	87.40	1/6/2005
12/30/2003	76.17	1/15/2004	77.85	1.67	\$670.00	78.50	1/12/2004	71.17	12/31/2003
12/30/2002	78.72	1/15/2003	79.35	0.62	\$250.00	82.00	1/8/2003	78.38	12/31/2002
12/28/2001	70.85	1/15/2002	71.65	0.80	\$320.00	71.75	1/15/2002	69.70	1/4/2002
12/28/2000	77.87	1/16/2001	81.07	3.20	\$1,280.00	81.07	1/16/2001	76.05	1/9/2001
12/30/1999	69.60	1/14/2000	70.82	1.22	\$488.00	71.47	1/11/2000	68.72	1/5/2000
12/30/1998	60.48	1/15/1999	63.20	2.72	\$1,088.00	63.83	1/15/1999	59.45	1/5/1999
12/30/1997	66.35	1/15/1998	65.45	-0.90	(\$360.00)	66.85	1/15/1998	63.63	1/5/1998
12/27/1996	64.80	1/14/1997	65.97	1.17	\$468.00	66.25	1/14/1997	64.03	1/8/1997
12/28/1995	66.75	1/15/1996	66.27	-0.48	(\$192.00)	67.05	1/4/1996	65.25	1/11/1996
12/29/1994	71.27	1/16/1995	72.72	1.45	\$580.00	73.82	1/9/1995	70.92	1/12/1995
12/30/1993	73.30	1/14/1994	74.35	1.05	\$420.00	74.50	1/12/1994	72.27	1/6/1994
12/29/1992	76.27	1/14/1993	79.62	3.35	\$1,340.00	80.65	1/11/1993	76.02	12/30/1992

			In points	In \$'s		In points	In \$'s
# Trades	15	Total P&L	19.52	\$ 7,812.00	Max Draw	-5.00	(\$2,005.99)
# Win	12	Avg. P&L	1.30	\$ 520.80	Avg. Draw	-1.42	(\$528.74)
# Loss	3	Avg. Win	1.74	\$ 697.00	Min. Draw on Win		
% Win	80%	Avg. Loss	-0.46	\$ (184.00)		-5.00	(\$2,005.99)

Past performance is not necessarily indicative of future results – see disclaimer. Data compliments of Gecko Software, Inc.

tendency) if the 99.00 level is violated to the upside basis the February futures.

***The lack of slaughter during the winter months—especially December through March—tends to be supportive of Live Cattle prices.***

The picture does not look as good for the Hogs, however. Longer-term, this market appears to be consolidating making lower highs despite the most recent swings, which show a pattern of higher highs and lower lows.

Shorter-term things are looking a bit brighter. After declining since mid-September, Hog prices have rebounded 38.2% of the decline, making a series of short-term higher highs and lows.

However, with momentum and stochastics both approaching signs of being “over-bought,” traders might wish to approach any rallies in this market with extreme caution—despite the fact that most down Novembers see above average December advances.

**Conclusion**

So far this year we have seen multiple situations where supply and demand have come out of balance and sent prices skyrocketing or plunging. Crude Oil has been the picture of this dichotomy, with prices surging and breaking as the supply/demand situation changes. However, traders should take note that the bulk of the price advances have been during times of the year when historically prices have gone higher on demand pulls, and the few relatively minor declines have been during times of the year when prices usually break.

The Corn market—which shot higher last year on the ethanol story and came back to reality this year as a result of record

acreage—has been behaving almost textbook-perfect according to its normal (or typical) trading cycle. Prices rallied when supply was at risk (planting) and have broken as the crop became more known, and now are increasing again as the demand pull supports prices going into harvest.

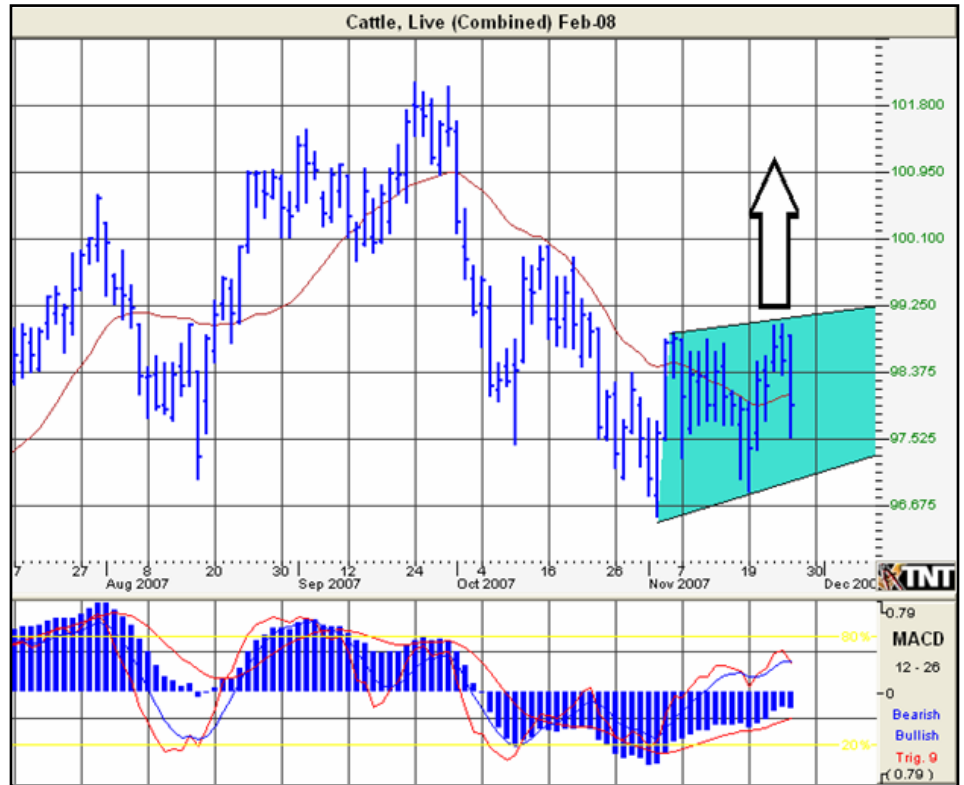
---

**The weaker US Dollar as well as the growing prominence and affluence of China, India, South America, and most of Asia should result in increasing global demand for Livestock.**

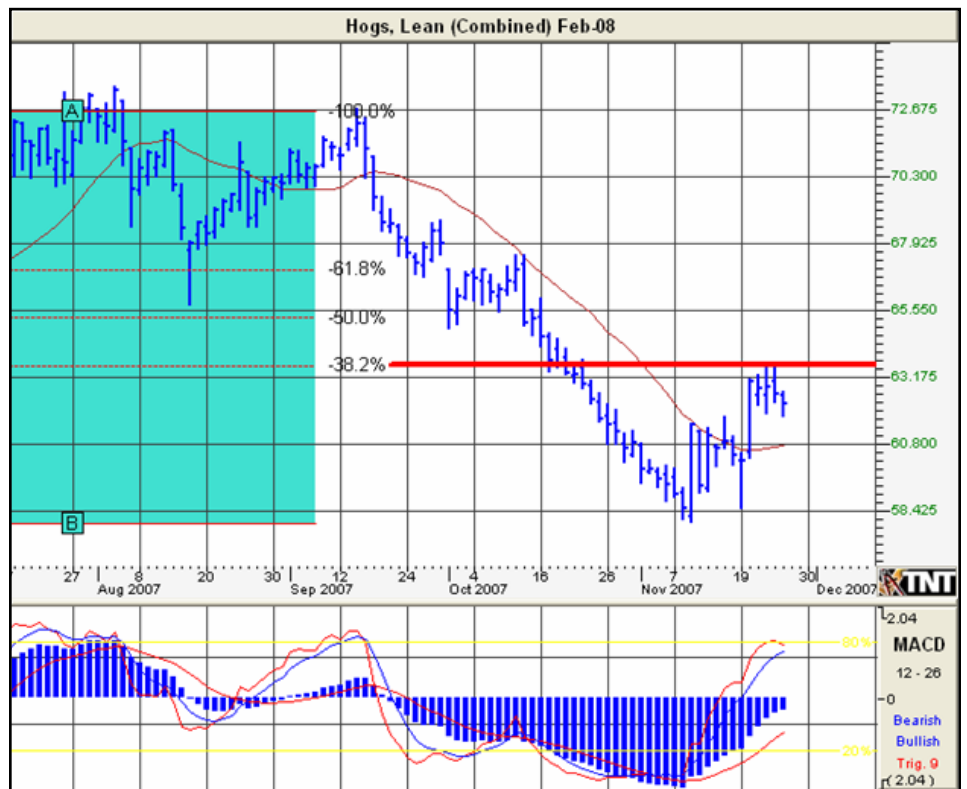
---

Traders may wish to look at livestock as well in the coming weeks and months, as this segment could really explode. The weaker US Dollar as well as the growing prominence and affluence of China, India, South America, and most of Asia should result in increasing global demand for Livestock. Couple these same factors with any small interruptions in supply, and the balance between supply and demand, which has so far kept prices in check, could tip and see Cattle and Hog prices skyrocket.

*Scott Barrie is a well respected speaker, author, and editor of PitNews Magazine. His firm, Commodity Futures and Equity Analytics, offers newsletters and consulting services for Individuals, Funds, and Brokerages involved in both Speculation and Hedging. For current research and products available from Scott Barrie and CFEA visit [www.CommodityAlmanac.com](http://www.CommodityAlmanac.com)*



Charts courtesy of Track 'n Trade 5.0 Futures.  
Visit [www.TracknTrade.com](http://www.TracknTrade.com) for a FREE Trial!



Charts courtesy of Track 'n Trade 5.0 Futures.  
Visit [www.TracknTrade.com](http://www.TracknTrade.com) for a FREE Trial!

# Lan Turner's Hierarchy of Trades

Part 4 of 6 "Count, Measure, Setup, Trigger, and Follow Through"

**By: Lan Turner**  
President & CEO  
Gecko Software, Inc.



This is the fourth part of a six part series on Lan Turner's Hierarchy of Trades. If you missed the first three sections, go back to the previous versions of the PitNews.com Magazine to get caught up on our discussion.

**A**fter having been directly involved in the financial world for over fifteen years as a market software developer and trading trainer, I've compiled what I believe to be equivalent to Maslow's Hierarchy of Needs for the "would-be-trader."

## Lan Turner's Hierarchy of Trades:

- **Fundamentals**—such as the seasonal nature of a commodity
- **Cycles**—such as the psychological buying and selling habits of traders
- **Technical Analysis**—such as Fibonacci, Gann, and recurring price patterns
- **Oscillating Indicators**—such as MACD, Stochastics, and CCI
- **Entry & Exit**—such as proper follow through, the skill of entering and exiting the trade

I've encapsulated this hierarchy of needs in a simple, easy mnemonic to help us remember to stay on the right path:

**"Count, Measure, Setup, Trigger & Follow Through."**

If we remember to follow these five simple steps, it will help us stay on the straight and narrow path to financial success.

During the previous two sections, we established the foundation for my Hierarchy of Trades, and we've also discussed the Fundamental nature of markets, so in this month's discussion, we're going to focus on market cycles.

## Technical Analysis

Technical analysis is the study of price behavior. All known factual information regarding production and consumption are reflected by price. Therefore, technical analysts believe the behavior of price yields more pertinent information of market direction than studying the fundamental reasons behind price

movement.

Technical Analysis is a very large concept, with experts dedicating their entire trading careers to the study and implementation of such techniques. To try and cover every aspect of technical analysis in this article would be impossible, but I will attempt to touch on what I feel to be some of the most important key aspects of beginning technical analysis, and it will hopefully help to enlighten you to the opportunities for further education and training techniques by industry leaders.

As mentioned before, it is the fundamental nature of a market that drives the long-term trend of any given market, but it is the technical side of trading that drives the short term trends. Where the technical analysts portray areas of support and resistance, and therefore draw their lines on the chart, significantly affects the short term market trend and momentum.

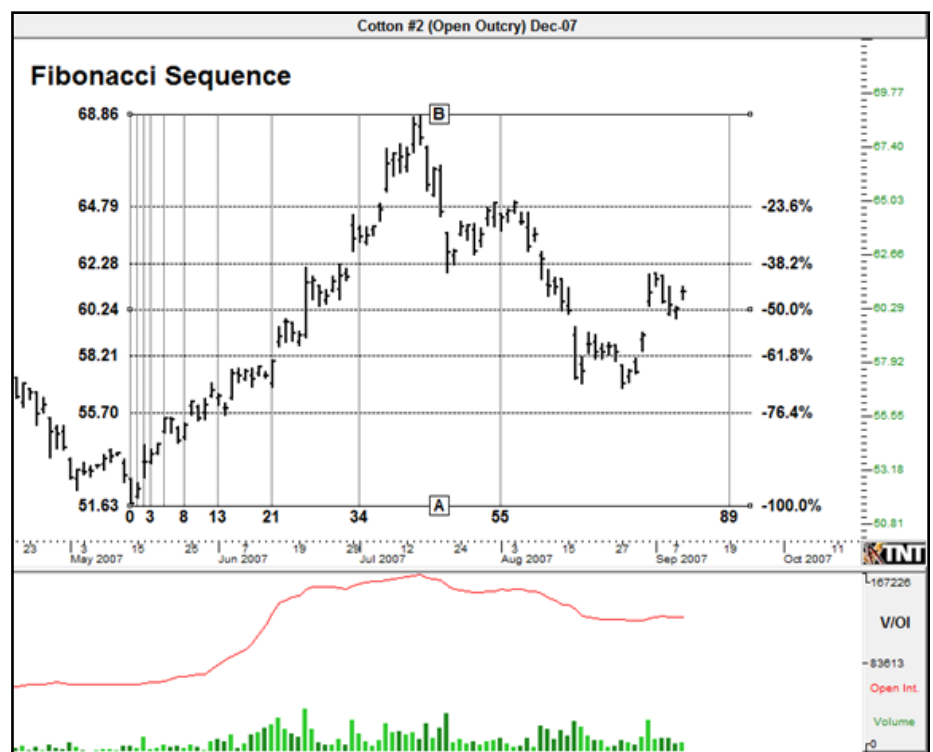
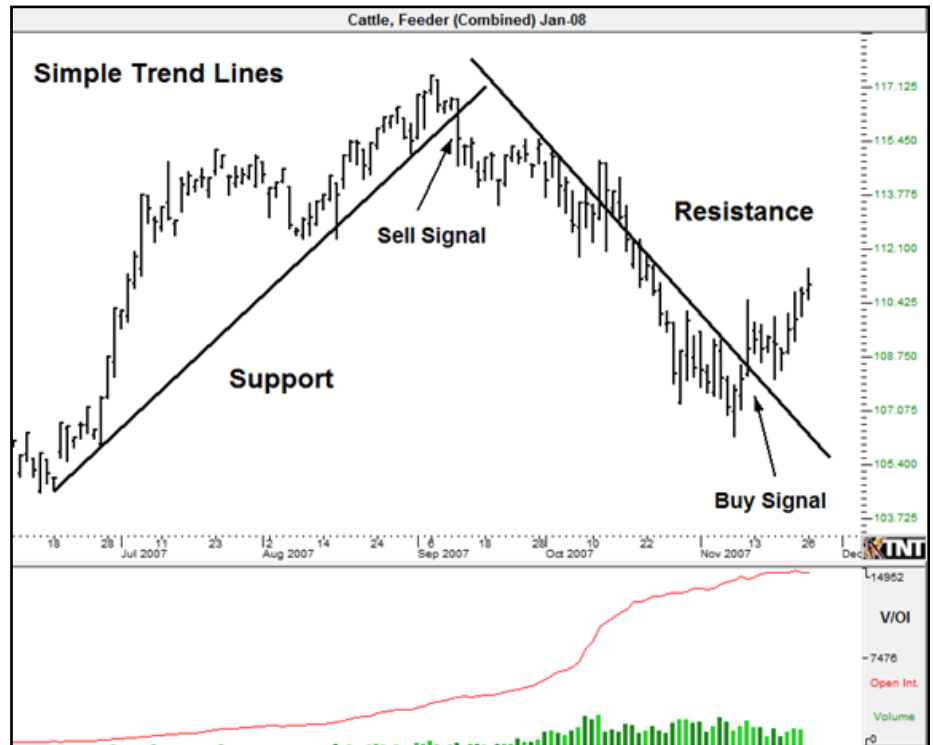
---

***As mentioned before, it is the fundamental nature of a market that drives the long-term trend of any given market, but it is the technical side of trading that drives the short term trends.***

---

Technical analysis is the study of price behavior, and it is for this reason that technicians basically ignore or rarely take into account the fundamental nature of any given market. This of course causes great distrust by a large faction of the trading community. Fundamental traders almost exclusively consider only the fundamental nature of markets, while the technician almost exclusively only considers price. This fracture of the two divided camps of trading often times breaks into an almost religious fervor over trading style and technique.

As you can see by my Trading Hierarchy, it is key that we use both Technical Analysis of the market as well as fundamental.



Charts courtesy of Track 'n Trade 5.0 Futures.  
Visit [www.TracknTrade.com](http://www.TracknTrade.com) for a FREE Trial!

As it relates to our pyramid of trading, I want to focus on the part of technical analysis that helps us measure market cycles and movement through time. The tool best used for this purpose is known as the Fibonacci sequence, or in mathematical terms, a formula represented by the letters Phi. This formula is

better known as and often called “the golden ratio, or the golden mean.”

The Fibonacci sequence is a simple mathematical representation that has been adapted to the financial markets through a series of measurement and projection tools known as the Fibonacci ruler, arc, and timelines. Several other tools are also derived from this mathematical phenomenon, such as the ABCD projection tool as well as the Andrews Pitchfork. Each of these tools has its advantages in helping to identify and pinpoint the natural tendencies of the financial market which repeats itself time and time again.

---

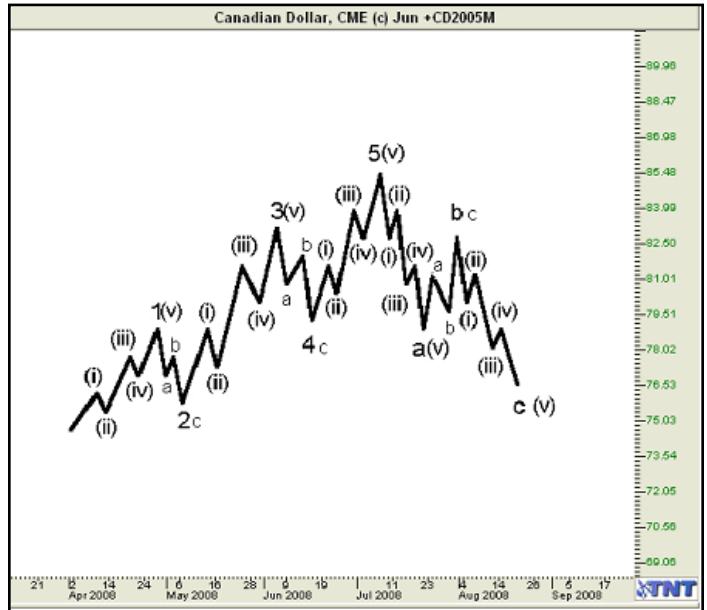
***As it relates to our pyramid of trading, I want to focus on the part of technical analysis that helps us measure market cycles and movement through time: the Fibonacci sequence.***

---

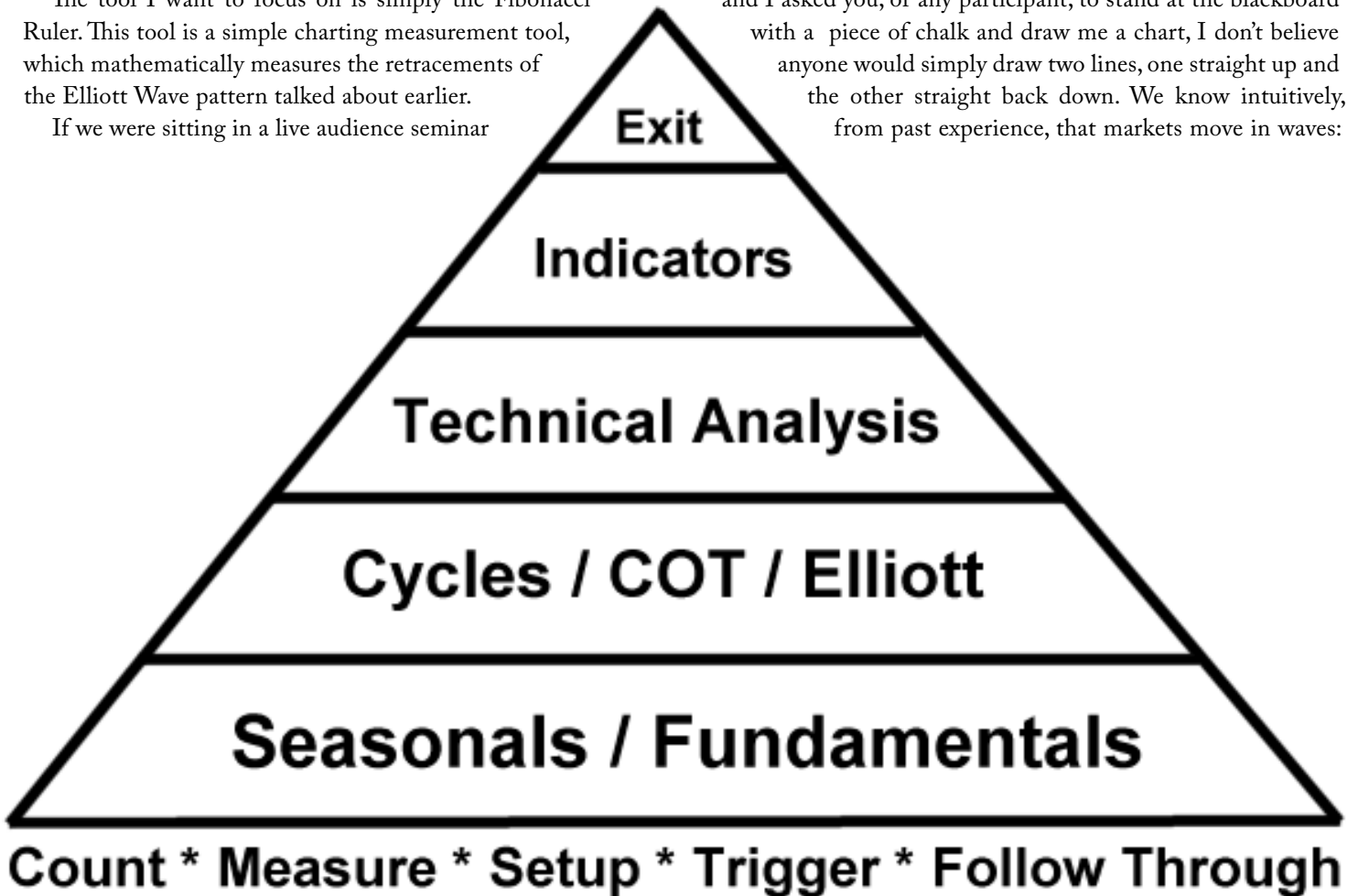
The tool I want to focus on is simply the Fibonacci Ruler. This tool is a simple charting measurement tool, which mathematically measures the retracements of the Elliott Wave pattern talked about earlier.

If we were sitting in a live audience seminar

and I asked you, or any participant, to stand at the blackboard with a piece of chalk and draw me a chart, I don't believe anyone would simply draw two lines, one straight up and the other straight back down. We know intuitively, from past experience, that markets move in waves:



Charts courtesy of Track 'n Trade Futures.  
Visit [www.TracknTrade.com](http://www.TracknTrade.com) for a FREE Trial!



two steps forward, one step back, two steps forward, etc. Well, one step back of two steps forward is 50%. This is the first step and the simplest of a Fibonacci measurement.

Markets have a tendency to retrace half or 50% of the last minor move, as well as the last major move, and if we want to get really specific, markets actually have a higher degree of tendency to retrace back to the golden mean, a distance of 61.8% of the

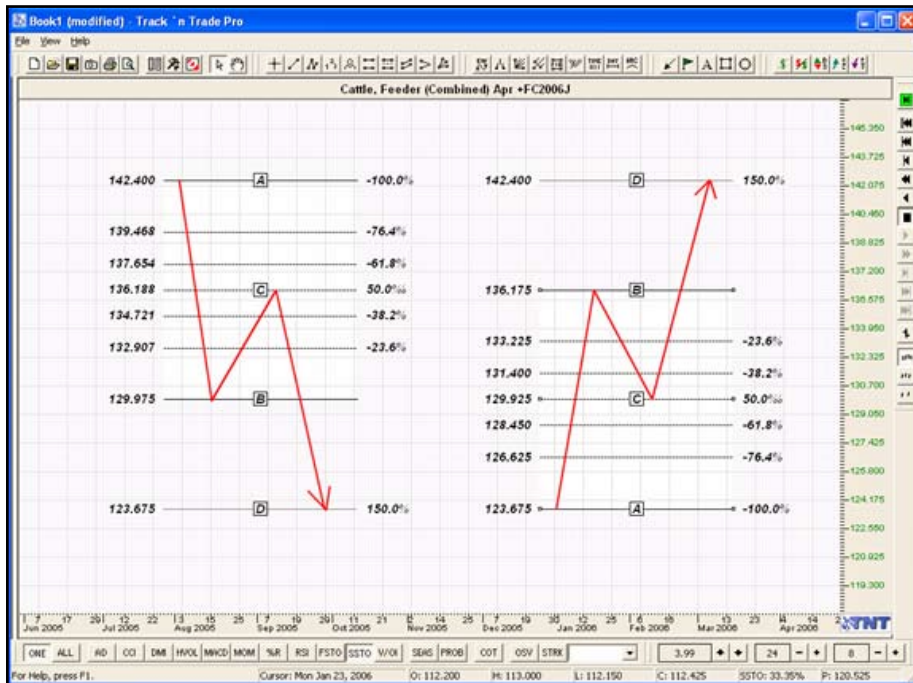
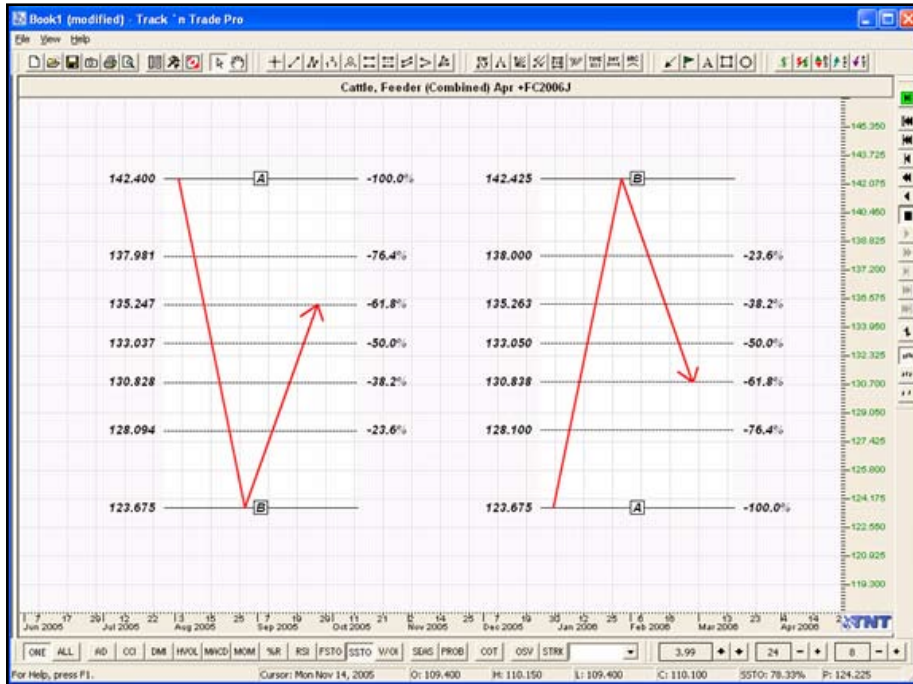
last minor or major move.

As markets move through the natural ebb and flow of the Elliott Wave formation, we use the Fibonacci ruler to “measure” the retracements of those individual market cycles, or pull backs.

---

***We know intuitively,  
from past experience,  
that markets move  
in waves: two steps  
forward, one step back,  
two steps forward, etc.***

---



The only way we make money in this trading is to buy low and sell high. By counting the Elliott Waves, and measuring the pullbacks against the Fibonacci ratio, we can begin to see a picture of a market that is starting to make sense, a market that is forming tradable relationships between advancing trends and retracing trends. In the trading industry, we have a number of mnemonic devices that help us remember techniques to keep us on the straight and narrow. One such mnemonic is “Buy the Valleys, sell the Rallies.” To accomplish this particular goal, one must understand the cycles of market movement, be able to measure the ebb and flow, and be able to determine when a market is in the valley or at the rally point. It’s through the use of a combination of tools such as the Elliott Wave and the Fibonacci Ruler that we are able to derive these points throughout a long term trend.

*Lan H. Turner is the president of Gecko Software, Inc., developers of the award winning Track ‘n Trade, Stocks, Futures & Forex software applications. You can find them on the web at [www.GeckoSoftware.com](http://www.GeckoSoftware.com)*

Charts courtesy of Track ‘n Trade Futures.  
Visit [www.TracknTrade.com](http://www.TracknTrade.com) for a FREE Trial!



# The Gambler's Fallacy

## and Consecutive Days: Size Matters

*By: Scott Barrie*

Last month we discussed the “Gamblers Fallacy”: the belief that when an event occurs multiple times in a row, it has to reverse. For example, if a player at a Craps table were to roll seven “7s” in a row, many people believe the odds of rolling eight in a row are 166,000 to 1. We would have a 159,000 to 1 chance that the guy will not roll a 7 or 11 on his next roll. However, the dice have no “memory,” as one roll does not affect the next one, and the odds of a “7” (or 11) are 8 in 36, regardless of the number of consecutive rolls before hand, as each roll on a fair die is independent.

The marketplace may not be as fair as dice, and definitely the “odds” are not as fixed as the cycles of the market are always changing. However, as analysts and traders, we can learn a few things from the die example and the “Gambler Fallacy.”

First and foremost, when we are examining data, we should look for the overall pattern as well as the smaller pattern, as we are not necessarily sure which one is driving the market (or foreshadowing it). For example, when we have 6 up days in a row and reversal, do we count the reversal of an up day as: 6 up and 1 down, or 5 up and 1 down, or 4 up and 1 down, etc. Each

of these patterns (or hypothesis) are true, as 6 up days in a row also contain a pattern of 5 up in a row, as well as 4, 3, 2, and 1! Is 6 or 7 in a row very different from 4 or 5?

In some cases, the aforementioned may be true, and 6 up in a row could be substantially different than 3 up in a row; however, in other cases they may not be. The difference, the deciding factor which may bring about a semblance of predictability—at least until the cycle changes—is the magnitude of the move

## Size Matters, Measure Magnitude

In most Jackie Chan movies, he defeats a larger opponent due to his incredible skill in the martial arts (not to mention his great acting ability as the man deserves an Oscar for some great movies like the Rush Hour chronicles). But in the markets, very few of us can control our actions and circumstance the same way that Mr. Chan can when directing/producing a movie. Very few people can pull off the stunts that he can, and in the market marketplace the number is even fewer!

The marketplace may well be an action movie, with evil villains out to get us and the only recourse we have as mere mortals incapable of flying out stretched back kicks (like Jackie Chan) is that we can measure, study, and analyze our opponent. But of course, our opponent (the market) can and will change its style, and our battles are not pre-scripted. As such, we need to look not at the number of days in concession, but instead the magnitude of change—or the size of a move without a correction.

As the old Japanese saying goes “No Tree Grows to the Sky,” traders are often fond of quoting that the “trend is your friend until it bends or ends.”

## Bend or End

Most speculators are taught from the get go—from the popular press as well as from many other non-mainstream source such as “Courses,” “Powerful Money Manuals,” and the like. That trend following is the way to riches in the markets. The success of the likes of Richard Dennis (Turtle fame) as well as many others (like the owner of the Boston Red Sox’s) stand testament to Trend Following. For the average small speculator (like you and me), this may not be the case. We need to take advantage of the “bend or end” of the trend.

## Scary Large Moves

Most participants in the markets take the accepted logic at face value. However, this article (as well as this publication) is not written for those who wish to follow the herd, like sheep to slaughter. For when the market (and public opinion) move to an extreme, that extreme is usually wrong—at least over the short-term, long enough to “shake” the shorter term traders out of their positions. This contrarian logic is why most traders (futures, options, day, and forex) lose money according to all available public data.

Large moves in the market represent a collective acceptance of the prevailing logic of the trend of the market. Sometimes, these moves tend to continue as the prevailing trend is correct and acceptance en mass of it simply serves to perpetuate it. In most cases, however, large moves tend to appear as the result of capitulation, with traders desperately jumping “on board” just before a correction, which tends to shake them off—and keep the statistics of most small speculators being losers alive and well.

EURUSD Data Following a -0.0250 Consecutive Decline				
Date	Consecutive Loss	1 Day Later	2 Days Later	3 Days Later
02/25/00	-0.0295	-0.0032	-0.0105	-0.0011
05/31/05	-0.0295	0.0087	0.0044	0.0048
05/06/04	-0.0287	-0.0012	-0.0039	-0.0016
06/08/04	-0.0274	0.0059	-0.0027	-0.0042
01/15/04	-0.0274	-0.0025	0.0207	0.0271
03/01/04	-0.0270	-0.0010	-0.0014	0.0160
09/06/00	-0.0264	0.0010	-0.0072	-0.0131
03/12/03	-0.0264	-0.0037	-0.0156	-0.0145
07/22/02	-0.0259	0.0065	0.0158	-0.0016
01/25/04	-0.0258	0.0185	0.0007	-0.0050

EURUSD Data Following a +0.0250 Consecutive Advance				
Date	Consecutive Gain	1 Day Later	2 Days Later	3 Days Later
09/04/03	0.0260	-0.0040	0.0118	0.0104
10/05/05	0.0262	-0.0055	-0.0066	-0.0113
05/18/03	0.0268	0.0056	-0.0015	0.0050
07/11/05	0.0270	-0.0148	-0.0158	-0.0199
01/03/06	0.0279	-0.0009	0.0035	0.0031
08/31/05	0.0282	0.0042	0.0036	0.0039
09/22/00	0.0289	-0.0039	0.0045	0.0049
01/20/04	0.0296	0.0075	-0.0056	-0.0183
01/05/01	0.0299	-0.0112	-0.0145	-0.0210
05/26/00	0.0299	-0.0059	-0.0035	0.0042

For example, since 1999, the Euro (EURUSD) has seen 10 moves in excess of -0.0250/USD without a correction on a closing basis—meaning that the EURUSD has lost in excess of -250 pips on a closing basis consecutively without a down-day. On average, following such a move, the EURUSD has gained the following day +0.0029 (+29 pips).

---

---

**Since 1999, the EURUSD has advanced on consecutive days without a break (or down day) in excess of +0.2500 10 times.**

---

---

The US Dollar has been in a major downtrend since 1999 (i.e. EURUSD has been advancing), and as such the data representing advances may show the tendency for reversals of fortune more accurately. The data since 1999 clearly shows that

large EURUSD consecutive advances (in excess of +0.0250), tend to see major and accurate reversals, as even established trends show major reversals upon occasion—especially when they get ahead of themselves.

Since 1999, the EURUSD has advanced on consecutive days without a break (or down day) in excess of +0.2500 (+250 pips) 10 times. Following these 10 occasions, the EURUSD has declined by an average of -0.0029 (-29 pips), on 7 of the aforementioned 10 occasions.

By differentiating the pattern and including a point size, a consecutive move—or a multiple days in a row like 3 up, or 3 down—can be measured, without overlapping a pattern. The pattern being measured is a dual one, of at least 2 days in the same direction and a move in excess of +/-250 “pips.”

Traders will notice when looking at the charts of the various moves that the weakest moves in the opposite direction of the consecutive days tend to occur when the moves to get to +/-250 points take fewer days—such as 2 day -295 pip decline seen on February 25, 2000, which saw prices continue lower over the



Charts courtesy of Track 'n Trade 5.0 Futures.  
Visit [www.TracknTrade.com](http://www.TracknTrade.com) for a FREE Trial!



Charts courtesy of Track 'n Trade 5.0 Futures.  
 Visit [www.TracknTrade.com](http://www.TracknTrade.com) for a FREE Trial!

next several days. However, the +/- moves take longer, like the 4 day decline of -295 pips on May 31, 2005, the corrections tend to be more powerful.

As such, when looking at consecutive moves in the market, as a general rule the longer it takes a market—like the EURUSD—to move a significant amount in one direction, the more likely the resulting correction will be more powerful. For example, traders may wish to pay close attention to +/- 250 pip consecutive moves in the EURUSD which took 3 or more days to complete, as the reversals are usually stronger and more consistent.

The general theme is that a consecutive move in the markets by itself appears to have no predictability, as the market does not keep score with up or down days, but by the amount of movement in price. Large movements, especially without a correction, tend to see reversals. The trick is to measure them and act when the historical odds favor going against such moves.

As speculators, we do not have to trade every day, all the time. We have the choice to sit on the sidelines and wait for certain situations where we believe the “odds” are in our favor, and act

only on those. Such action punctuated by periods of inaction may be the difference between successful speculation or not.

*Scott Barrie is the author of the Commodity Almanac's Seasonal Strategies Newsletter and the 2007 Commodity Trader's Almanac. He is also the Editor of Pitnews Magazine.*

*Scott has traded/worked on the floors of the major Chicago Futures/Options Exchanges as well as managed a private fund and done risk management and compliance for several large banks, brokerages, and clearing firms.*

*Currently, Scott is working on a new Forex website and Annual Service, providing traders a statistical view of the FOREX Market – both spot and futures based. Readers can preview this service at [www.FXAnnual.com](http://www.FXAnnual.com).*

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 30-Day Trial**  
**Price: \$197**  
**Data: \$19.95/month**

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

**TRY NOW »**

**MORE INFO »**



### TNT High Finance Forex Trading Platform

**Free 30-Day Trial**  
**Price: \$497**  
**Data: FREE (Active Traders)**

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.

**TRY NOW »**

**MORE INFO »**



### TNT High Finance Stocks Charting Software

**Free 30-Day Trial**  
**Price: FREE with data**  
**Data: \$29.90/month**

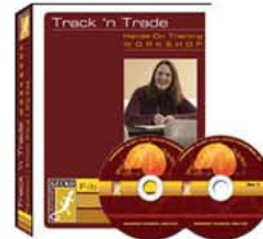
Track 'n Trade High Finance Stock Trading Package allows a trader to monitor, track and chart the popular stock market, giving the trader intra day snapshots and price activity throughout the day.

**TRY NOW »**

**MORE INFO »**

## 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!

**MORE INFO »**

**Price: \$197**

### 10 Steps to a Successful Trade!



The 10 Steps Course, written by Lan H. Turner, gives you a step-by-step guide, showing you the process of breaking down a chart into its fundamental pieces.

**MORE INFO »**

**Price: \$147**

### Risk & Money Management CD



In the Risk & Money Management CD Course, by Lan H. Turner, you will learn how to lower your trading risk with risk and money management techniques.

**MORE INFO »**

**Price: \$67**

### Indicators CD Course



The Indicators Course on CD, By Lan H. Turner, comes packed with tips and tricks on trading with Indicators - hours of videos and examples!

**MORE INFO »**

**Price: \$67**

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

## Futures Education

### CTS Commodity Webinar Set



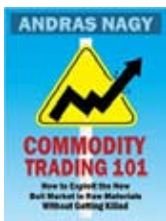
The Commodity Trading School Webinars CD Set covers numerous trading methods used by today's top traders. Also they cover everything from technical analysis concepts to option strategies.

[MORE INFO »](#)

**Price: \$197**

## Trading Books

### Commodity Trading 101

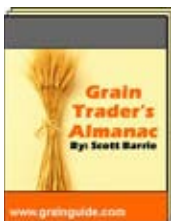


**by: Andras Nagy**  
A Commodity Trading Primer in the new age of oil and gold bull market, explaining Options and Futures Spreads from a former Chicago Board of Trade floor trader.

[MORE INFO »](#)

**PDF: \$31.25**

### Grain Trader's Guide

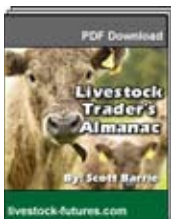


**by: Scott Barrie, CFEA**  
The Grain Trader's Almanac is a practical trading reference for producers, purchasers, and speculators in the grain futures markets. Don't trade the grains without this valuable information!

[MORE INFO »](#)

**PDF: \$64.95**

### Livestock Trader's Guide



**by: Scott Barrie, CFEA**  
Futures trading can be difficult... let the Livestock Almanac help you to understand how changes in supply and demand effect prices.

[MORE INFO »](#)

**PDF: \$64.95**

## Newsletter Services

### The Beast Newsletter



**Newsletter Based on Technical Analysis**

The trading method "The Beast", by Paul Brittain, is the end result of over 15 years of market analysis and trading.

[MORE INFO »](#)

**Price: \$99/month**

### O&F Trade Recommendations



**Newsletter Based on Options, Futures, & Forex**

Minimum of 6 Options Trades per Month and 2-4 Weekly Futures and Forex Trades. Complete market info for the trade including tick values and option expiration.

[MORE INFO »](#)

**Price: \$99/month**

### Big Mac Daddy Newsletter



**Newsletter Based on Swing Trading**

The Big MacDaddy Newsletter, by Paul Brittain, is a swing trading method. Receive positions for the next day the night before the trade is to be executed.

[MORE INFO »](#)

**Price: \$99/month**

### Commodity Almanac Newsletter



**Historically Accurate Seasonal Trade opportunities:**

Statistically significant seasonal trades in the most liquid futures contract. No back month, illiquid opportunities presented, only the very best trade analysis!

[MORE INFO »](#)

**Price: \$19.95/month**

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

## FX Trading Platform



### Track 'n Trade High Finance

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 for a FREE 30-DAY TRIAL!](#)**  
**[www.TracknTrade.com](http://www.TracknTrade.com)**

## Futures Software



### Track 'n Trade Pro 5.0

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 for a FREE 30-DAY TRIAL!](#)**  
**[www.TracknTrade.com](http://www.TracknTrade.com)**

## Educational Websites



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



**CommodityAlmanac.com**  
 Email: **scott@commodityseasonals.com**  
 Excellent Source for Fundamental, Technical and Seasonal Analysis. Learn more about Newsletter Services. [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](#)

## Educational Websites



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

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



**Personal Investor's Hour**  
**www.personalinvestorshour.com**  
 Phone: **(800) 862-7193**

Learn from the best in the business, listen to the market trading gurus. [Click here](#)



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

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



**TeachMeCommodities.com**  
 Phone: **(800) 562-1663**

In this website we will teach you all the basics and more. Includes strategies and technical analysis [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](#)



**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](#)



**PitGuru.com**  
 Phone: **866-907-5360**

PitGuru.com links you directly to the top floor traders to give you insight and advice your broker only wishes he knew. [Click here](#)

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

## Brokerage Firms



**Company:** Alaron Las Vegas  
**Website:** [www.alaronlasvegas.com](http://www.alaronlasvegas.com)  
**Email:** [info@alaronlasvegas.com](mailto:info@alaronlasvegas.com)  
**Phone:** (800) 935-6492

Alaron Las Vegas specializes in futures and options trading, relying on our experience in trading the markets. We diligently provide our clients with whatever form of service they require, whether it be Full Service, Deep Discount, or Online Trading.



**Company:** Acuvest  
**Website:** [www.acuvest.com](http://www.acuvest.com)  
**Email:** [futures@acuvest.com](mailto:futures@acuvest.com)  
**Phone:** (951) 693-9600

Experienced futures professionals offering state of the art services to Trading Advisors, Fund Managers, Individual Traders and Investors.

Training & trading with an amateur will only assure you of becoming one..." - John L. Caiazza, President



**Company:** Absolute-Futures  
**Website:** [www.Absolute-Futures.com](http://www.Absolute-Futures.com)  
**Email:** [jack@OhioCommodity.com](mailto:jack@OhioCommodity.com)

We offer online commodities and futures trading to beginning traders as well as the advanced trader. Contact us today with any questions or if you're ready to get started in trading! A Professional Commodity Broker is here to assist you NOW!



**Common Sense Capital**  
The Common Sense Way to Trade

**Company:** Common Sense Capital  
**Website:** [www.CommonSenseCapital.com](http://www.CommonSenseCapital.com)  
**Email:** [kirk@commonsensecapital.com](mailto:kirk@commonsensecapital.com)  
**Phone:** (877) 857-0948

Structured to educate as well as execute is more than just a byline. At CSC, we incorporate the lessons taught within David Duty's "Common Sense Commodities" course through Live Webinars, e-mailed updates and a client/ student forum which is second to none.



**Company:** O&F Futures, Options, & Forex  
**Website:** [www.odomandfrey.com](http://www.odomandfrey.com)  
**Email:** [info@odomandfrey.com](mailto:info@odomandfrey.com)  
**Phone:** (866) 636.6378

O&F is a firm dedicated to helping you become a better trader in Futures, Options, and Forex Markets. Learn from years of experience and bounce your own trade ideas off of a real trader. The question really isn't why trade with us but rather WHY wouldn't you trade with us!



**Company:** Orion Futures Group, Inc.  
**Website:** [www.orionfutures.com](http://www.orionfutures.com)  
**Phone:** 1-888-769-9399

Orion Futures Group is a client friendly commodity futures firm that puts the needs of the client ahead of its own. We are dedicated to providing the best service available in the industry today and to provide its clients with the tools that can assist them in becoming more successful in their commodity trading. We want to help you learn and we want to help you trade!



**Company:** Paragon Investments Inc.  
**Website:** [www.pii trader.com](http://www.pii trader.com)  
**Email:** [trade pro@pii trader.com](mailto:trade pro@pii trader.com)  
**Phone:** (888) 452-8751

Paragon Investments, Inc. is an Independent Introducing Brokerage firm offering service to customers throughout the U.S. and around the world. Services include Full Service and Discount Brokerage, Online Trading, Institutional Trading, and Managed Commodity Accounts.



**Company:** VIP Futures  
**Website:** [www.vipfutures.com](http://www.vipfutures.com)  
**Email:** [info@vipfutures.com](mailto:info@vipfutures.com)  
**Phone:** (800) 516-1663

VIP Futures, is a NFA Member and CFTC Registered Futures and Forex Brokerage Firm. Founded in 1998, VIP Futures has been providing customers from around the world access to the major Futures exchanges and the Forex Market.