January 1, 1984

Perpetual Contract Equation:

This month, because of numerous customer requests, we are revealing for the first time the precise method by which we calculate the CSI Perpetual Contract. The formula is shown on the reverse side of the enclosed Error Report.

Please note the special treatment of Treasury Bills and the assessment of the average inherent error. Also note that the error caused by the approximations involving $.L_e$ and $.L_d$ are constant throughout the perpetual data base when history orders are filled and that there are generally no incidences where step-function discontinuities will cause false buy and sell signals. This is true because $.L_e$ and $.L_d$ are approximated with the current last trading day of the last contract delivered (or about to be delivered) for the given commodity at the time an order is filled. Only on a daily basis early in the nearest delivery month does the ".05 error rate" (normally 1 to 3 points) become a factor. Please note that the true average error rate of the perpetual calculation is zero and that the "average error" assessment of .05 in statistical terms is actually equivalent to approximately two standard deviations of variability.

New Option Data Base:

CSI will shortly be delivering daily data on all commodity options (including Gold, T-Bonds, Sugar, Philadelphia Currencies, S&P 500, NY Composite Index) and all options on the nine major stock indices forward one year in a format which will include striking price, asking price, bid price, and close. The volume of the given option will accompany the data when it is available.

Release of Stock Data

Over the past month, with some time out for the holidays, we have struggled with the release of the stocks, new commodities, and options. A combination of difficult software problems and hardware malfunctions have delayed the imminent release. We anticipate announcing the availability of the stock data in the next couple of days, but we cannot be sure of an exact date until everything falls into place. To get ready for this event we had to tie together three of our large processors through a self-written local area network, install a new, more complex operating system, and in effect re-write a substantial portion of our system software.

Quicktrieve Customer Subsystem

Many customers have complained that the customer subsystem of Quick-trieve, which is designed to send and receive messages and give orders to CSI, is not operational. In actuality, we do receive your messages, but we have not fully implemented this feature. Please avoid using this subsystem until shortly after the stock data is ready for release.

Opportunity to Earn 24% Return on Service Prepayments

To hedge against possible rising service fees and to receive an addi-tional credit to your account, you may prepay for future service in increments of $100 and receive an additional 2% credit to your account. This is equivalent to an up to 24% annualized simple interest return on your prepayment amount.

If you wish to participate, please fill in the enclosed form and send it with your payment. The way it will work, for example, is if you prepay an additional $100 over and above the amount invoiced, we will give you a credit against your account for $102.

New Access Points:

The number of accounts providing access to CSI's Data Retrieval Service has grown to 50 in recent months. New access points include the Bahamas, Brazil, Columbia, French Antilles, Guam, Hungary, Korea, South Africa, Thailand, and the U. S. Virgin Islands.

All countries are accessible by one or more of the three network services of Uninet, Tymnet, and Telenet - the vendors used by Commodity Systems. The map below shows the countries which can access the CSI Data Retrieval Service.

The following new Tymnet access numbers are now effective. If you are affected, please make the changes "to your Quicktrieve disc" as soon as possible.

Fresno, CA	209-442-4328	Grand Rapids, MI	616-459-2304
Muskegon, MI	616-725-8136	Lansing, MI	517-482-5721
Melville, NY	516-420-1221		