

# CSI NEWS

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**THE PERPETUAL INDEX<sup>tm</sup>:** CSI has added something new to our service. Customers can now draw down on both a historical and a daily basis an Open-High-Low-Close index of each commodity, in place of, or in addition to, the price of the commodity. We call this new capability the "Perpetual Index", because it is based upon the Perpetual Contract after it is formed into an index. The Perpetual Contract allows you to study the price behavior of a given commodity, but it is difficult to compare one commodity with another. The Perpetual Index, on the other hand, removes the trading units, such as cents per pound, dollars per ounce, or points per dollar, etc. and produces a dimensionless quantity. This results in giving the user the opportunity to compare the price movement of gold with orange juice, for example, or wheat with lumber. Such comparison could indicate a clear choice between taking a position in one or the other. This capability should be a tremendous advantage for the CSI user who may wish to choose between two opportunities, both of which look very attractive from a speculative point of view. Comparing the price movement of the index of any pair of commodities gives the user immediate information as to which commodity is the better opportunity.

Both historical and daily updates to such data can be ordered from CSI, but we may need as long as a week to fill your order. The Perpetual Index comes in two forms - the three month forward Perpetual Index uses a delivery month code of 50, and the six month forward Index uses the delivery month code of 40. The Perpetual Index is an index for each given commodity, as opposed to something like the CRB Index, which is designed for the entire commodity universe. The Perpetual Index uses a base period that will be the same for all commodities.

Although not available until some date in the near future, we plan also to offer the Perpetual Index for commodity groups, such as grains, meat products, metals, financials, world commodities, etc. In addition, we plan to have a Perpetual Index for the overall commodity industry. Our next Newsletter will address these additional important points.

**CSI SERVICE PRICE REDUCTION FOR FORMER "SPECIFIC" CONTRACT USERS:** In collecting daily data, many customers have differentiated between "Specific" and "Generic" contracts. "Specific" contracts are commodity contracts that require identification of the delivery year, in addition to the delivery month. "Generic" contracts are contracts that refer to the month only. In arranging portfolios, Generic contracts were favored in the past because a customer could achieve an automatic roll-forward in his portfolio without calling our office. This is still the case and is recommended for users who know which contracts are likely to be considered by him for a given commodity and how many contracts should be collected at one time. The Specific contract user has had to either call this office or make a change with the Customer Subsystem to add or delete a contract. To encourage use of the Customer Subsystem, where the user can add and delete from a portfolio without calling our Customer Service Department, we will no longer charge the \$6.00 surcharge for Specific Contract users. Therefore, users of Specific contracts should notice a decrease in the amount billed each month.

Users of the Customer Subsystem are cautioned not to delete any Generic contracts from their portfolios. The reason for this is that if you have identified March, June, September, and

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December as candidates, for example, and you wish to stop receiving the September contract earlier than the roll-forward date, our system will substitute in its place the December contract, which may not be what you wish. If you have Generic contracts and you wish to use the Customer Subsystem for making changes, you will have to call our office to have your entire portfolio constructed on a Specific contract basis.

Users of the Quicktrieve Customer Subsystem can add, or delete, or change their own portfolios. Please use it for this purpose. Please do not send us a message to add, delete, or change your portfolio, as this method is prone to error. Please use the Customer Subsystem's Message capability for messages only.

LONG DISTANCE CALLERS TO THE CSI SERVICE: Many users of the long distance lines to reach CSI have complained that the modem answers the phone, but the computer does not recognize the connection. This problem was the result of a faulty cable on one of the rotary lines for long distance and has been corrected.

CONNECTING TO THE CSI SERVICE THROUGH UNINET WITH VERSION 3.0 FOR THE APPLE: An extra long wait loop in the Apple program caused a one minute delay before a connection was established through Uninet. We have corrected the problem on the 3.0 disc. If your situation is such that you require the use of the Uninet service and would like to avoid this one minute wait, call our office for a new copy of Quicktrieve.

TYMNET ACCESS TO CSI WITH 800# IN-WATS SERVICE: If you have had trouble reaching CSI with our 800 number during the past month, this was caused by an inadvertent table change at the Tymnet main office. The problem has been corrected, and you can resume use of their 800 number for Tymnet. All three services (Telenet, Tymnet, and Uninet) can accommodate 800 number IN-WATS access. If you are a rural user and use one of these numbers, it would be desirable to have all three stored on your disc for best service and a minimum of trouble in gaining access. If you do not have all three numbers, call our office for the 800 numbers and the associated passwords required.

NEW QUICKTRIEVE-COMPATIBLE SOFTWARE SUPPLIER: Norman R. North, of N-Squared Computing, (503/873-5906) announces the availability of the Stock and Futures Analyzer for the Apple. The price for this software product is \$295. We have not reviewed his current product, but we saw a demonstration disc of it before it became Quicktrieve-compatible and were impressed with its operation. The address is 5318 Forest Ridge Road, Silverton, OR 97381. Call Mr. North for details.

SOFTWARE EXAMINATION OF THE CHARTIST: Bill Pope of Nexus Research has released a new version of his Chartist software for the IBM P.C. We reviewed his package and found it to be very user-friendly with an abundance of market analysis software. It is completely Quicktrieve-compatible, offers screen capability, a screen printer dump, and if you own a plotter, it can drive the pen plotter hardware. The charts are very clear and sufficiently large to accommodate in-depth study. It supports a demand index, de-trending directional movement, an RSI calculation, momentum calculation, a stochastic analysis, a flexible spread program, an on-balance volume calculation, and others. He charges \$695 with a 45-day money-back guarantee. I have known Bill Pope for many years and can recommend him for his honesty and integrity. He also has a very superior talent for programming. You may contact him at: P.O. Box 1024, Dillon, SC 29536 (803/774-7006).

CSI'S POLICY ON SOFTWARE STUDY: CSI will, from time to time, inspect Quicktrieve-compatible products and provide you with a cursory review of products which have caught our attention. Those we write about, in general, are products where studies and analyses can be performed. In general, we only look at products where the user is obliged to interpret the given results to make his own trading decisions. We do not recommend, nor will we ever recommend vendor products which will attempt to predict the future or identify market turning points ahead of the current date. We are not convinced that short term price models or price following models can be profitable without the introduction of a long term cyclic background and the possible introduction of near term economic conditions. We ask that you exercise great caution when considering any such products.