

CSI NEWS

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SUPPLEMENTARY APPLE QUICKTRIEVE SYSTEM: CSI has finished development of a supplementary Quicktrieve disc which will distribute your data files for commodities or stocks to the Dow Jones Market Analyzer format and to the Visicalc format. This supplementary disc can be obtained from CSI for a price of \$20, if you have an interest.

INTRODUCTION OF NEW PERPETUAL CONTRACTStm: CSI has introduced three new Perpetual Contracts, one of which was presented in the last Newsletter. These three contracts include a Composite Perpetual Contract, identified as our "51" Contract, which computes the average Open-High-Low-Close for all contracts of a given commodity. We have also introduced two Perpetual Contracts which make the assumption that the delivery month of a given commodity will stop trading on the 10th of the month prior to delivery. Using this concept, all commodities are traded in an identical way. The purpose of these new Perpetual Contracts is to compensate for the highly variable delivery date of government financial instruments. Because it was developed for such things as T-Bills or T-Bonds, we knew that users would be interested in using these contracts for all other commodities also. Therefore, users may order history and add to their daily portfolios the "49" Perpetual, which is like a three month Perpetual, for a commodity which is assumed to have its last trading day for all contracts on the 10th of the month preceding delivery. The "48" Perpetual (the other new Perpetual) is similar to the six month Perpetual with the early last trading day rule in effect. In actuality, the "49" Perpetual is similar to a four month Perpetual and a "48" Perpetual is similar to a seven month Perpetual when the resulting prices are compared. These Perpetuals remove the single shortcoming that users have observed when the exchange makes a drastic change in the last trading day from one month to the next, because CSI usually introduces the last trading day on the first of the month. If there was a change in the Perpetual reading, it was normally noticed by users when data for the first of the month was collected.

PROGRESS ON PERPETUAL INDICEStm:

Very shortly, all users of the CSI service will have the luxury of comparing like or unlike commodities for their profit opportunities and the capability to compare commodities which are economically substitutable with the industry group of which they are a part. With this approach, a trader need not purchase a system from an advisor and be required to follow 30 markets to make a profit with the advisor's system. The Perpetual Index will separate and permit the ranking of all commodities according to their own merits, enabling the user to easily choose the market in which to place his next trade. You can now identify the five or ten best opportunities in the 30 commodity group.

CSI has developed a dozen industry indices and an index for each of the more than 100 commodities available from our data bank. You may compare commodities with each other and with the index group, and you may track the CSI Composite Perpetual Index which follows 28 U.S. commodities. The CSI Index is based on the newly introduced "48" and "49" Perpetual Contracts described above. In addition, CSI will also be offering a CRB look-alike index which will track the same commodities used by CRB but with a different base year. We have submitted two articles to Futures Magazine which discuss the matter of how to design an index and the subject of how to use an index to support technical analysis. As soon as the article (or articles) are published, we will send each subscriber a reprint for his

examination.

If you become interested in using our Perpetual Index, please call our Customer Service Department for more written material and details on availability.

ADVERTISEMENT INSERTIONS: Two postcards are included this month as paid advertisements. One is offered by Peter Aan, who offers a four week trial on a trading system. He can be reached at 817/465-5105. The other offers a demo disc from The Investor's Toolkit, and they may be reached at 312/496-0305. Finally, Tim Slater, of Compu Trac, announced some new features for the Apple and IBM PC versions of his software:

FOR THE APPLE: New features in the Apple program just mailed to members include a new fast fourier transform study, a pattern recognition program called Lindahl, Wiggle, and a speed resistance line program. Also available is a complete bookkeeping/portfolio program for stocks.

FOR THE IBM: To be released in mid-November, the program will support the HP Plotter and the Epson LQ-1500 Printer. Added to the studies is a portfolio/optimization utility which allows the user to test his system against historical market data. The IBM program will now run on most IBM compatibles.

Both versions will also process CSI's new Composite Perpetual Indextm and CSI's data on twelve industry indices.

ERROR REPORT FOR MONTH OF OCTOBER:

Our October Error Report includes some errors missing from the September Error Report. We recorded more errors than usual because stocks are now added to the report. This report also includes many contagious errors in Perpetual and Nearest Future calculations, which are, of course, computed from the base data. Most of the errors are in understating the High or in overstating the Low. We have had some personnel changes and during a short period in the middle of October, most of the errors were uncovered due to failure of personnel to compare the several services we use to verify our data.

We regret the length of the Error Report and hope that it won't be too inconvenient to correct the commodities in your data base. Most errors were corrected very soon after the data was released from 3:00 PM to 5:00 PM on the date affected, and most are errors of less than five points. It is quite possible that you may have collected the data after the error was corrected.

Another contributing factor to the size of our Error Report is CSI's new policy of calling the exchanges whenever any one of the four services used by CSI to gather their data has a discrepancy. Quite often, we have found that all four services could be in error. Even though many of the errors are only one or two points off the mark, they will be shown on the Error Report.

Please be advised that in the Error Report we have adjusted highs and lows to accommodate settlement prices which would have been outside the high-low range.

Sincerely,

Bob Pelletier

Robert C. Pelletier
President

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