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FOLLOW-UP ON PDI INDEX

The response from our customer base to last month's announcement about the new PDI™ Study was overwhelming. Minor changes have been made to the equations which both showed a remarkable improvement in performance and made it workable on stocks, where it appears to also operate quite satisfactorily. We are extending until July 15th the opportunity to receive PDI free by purchasing \$100 worth of historical data. After that day, the entire IBM PC® auxiliary QUICKSTUDY® package will be available free with a purchase of \$250 of history. Traders who depend on studies such as PDI should not let the pre-July 15th low price opportunity pass. We recognize this price increase to be very substantial, but it represents the value we place on the new software which we feel is better than anything currently available. All customers ordering after July 1st will also receive the CSI-TREND™ study defined below.

Although success can never be guaranteed, interpreting PDI readings is very simple if viewed in one of the following ways: A) Hold long positions when index readings exceed 55 or 60 and hold short positions when the index is less than 40 to 45. When the center area is visited use caution, close stops, and be flexible to consider reversing your current position. B) Some users may use PDI to forecast market direction only and C) others may use it to anticipate peaks and troughs. In certain markets using PDI as an overbought-oversold indicator produces promising results.

ENHANCED PDI - A SPECIAL BONUS STUDY

Also incorporated on the new QUICK-STUDY disk is a slight enhancement to PDI in the form of a study called "Enhanced PDI". This study has logic to separate the effects of traders who stay in the market overnight from the floor traders who even

up their accounts before the closing bell. The enhanced PDI has an additional input prompt where the user identifies what we call a "price bias factor". This has the effect of increasing or decreasing the weight given to price relative to the deseasonalized volume and open interest.

A CLASSIC QUESTION - IF IT WORKS, WHY SELL IT?

That's an interesting question I often ask myself, but in fact it's similar to one I had for my more talented mathematics and statistics professors in college, "With your grasp of this complex material, why are you training students to take jobs in industry to earn far more than you?"

Some like to teach, some like to trade and some do both. I find I can't run CSI and trade at the same time, but I can simultaneously develop trading tools (i.e., teach) and operate CSI and get a great deal of satisfaction from both. From my point of view, trading is an emotional exercise and does not mix well with my other two avocations.

Anything a customer learns with CSI's data, software and assistance would be interesting to us, and we are happy to know about customer experiences. We want most for your success to be positive. Knowing this to be the case is our greatest reward.

CSI - TREND (A NEW STUDY)

A new study is planned. Added to the capability offered by PDI and its sister study, CSI-STOP, is our new CSI-TREND Study. Under development at the present time, CSI-TREND will show an index from zero to 100 which will identify whether the market chosen is in a trading or trending posture. When used in conjunction with PDI and CSI-STOP, CSI-TREND may give the trader the confidence to hold on to a profitable position or give information to justify closing an existing position.

It is our wish to make PDI, CSI-TREND and CSI-STOP your premiere trading tools, leaving you with little reason to consider anything else. From a fundamental point of view, only QUICKMONEY will be more informative in your trade decision-making process.

Once the above works are reasonably solid, effort may be concentrated on molding them into one fully integrated package.

DATA RELEASE TIMES

The computer failure we announced last month has kept us busy picking up the pieces, but a by-product of much of the re-work effort is an earlier data release time. We have been regularly releasing all stocks, stock index futures and all commodities and most commodity options before 5:15 PM Eastern Time. Stock options, Mid-America commodities and later-closing and lightly-traded commodity options have been released by 6:15 PM Eastern Time. Users of early closing commodities can access at 4:15 and receive all grains, IMM currencies, Philadelphia currency options, New York Sugar, Palladium, Silver, Coffee, and Orange Juice.

LIGHTNING STORM AFTER-EFFECTS

It has been a month since the catastrophic lightning storm slowed down our progress. We were able to announce the release of the PDI study and CSI-STOP because this was work that was under way far in advance of last month's announcement.

The lightning storm affected many products that have to do with getting the data released each day and other supporting analysis efforts that have to do with internal operations. Another week should wrap up the loose ends caused by the lightning storm, and we will once again move forward with our QUICKQUOTE, QUICK-MARKET ANALYZER, and QUICKMONEY products. We are also planning to install the PDI study on those products which are supported by our intra-day data feed. Users will have the capability to run PDI, CSI-STOP, and CSI-TREND on 15-minute information.

THE CRB INDEX FUTURES CONTRACT COMMENCED TRADING ON JUNE 12 IN SPITE OF DESIGN FLAWS

Anyone considering trading this new contract should be aware of certain weaknesses in its construction before taking positions in the market. The following may give you some help if you

ecide to trade it.

1. Watch for the coincident expiration of CBT grains and some Canadian grains and note whether the expiring grain contract is greatly under-priced or over-priced with respect to the grains that remain trading up to eleven months forward. If the expiring grain contract is much lower in price than the other grain contracts, then the CRB base (cash) index is likely to jump on the day following expiration. Perhaps you can benefit from this design defect.

2. Four of the 27 commodities used in the CRB Index are Canadian grains, and since CRB doesn't bother to convert the trading units from Canadian dollars to U.S. dollars, the index will have somewhat of a tendency to reflect the rate of exchange between U.S. and Canadian dollars rather than the price of the Canadian products.

3. Canada has certain holidays, such as Dominion Day, etc., which we don't have in the U.S. For lack of information, on a Canadian holiday the index effectively (because of its omission) uses the previous day's close price (of the Canadian Commodities) to produce the index average. If, on the day of the holiday, the U.S. grain markets were to advance significantly, for example, then the day following the holiday the Canadian grains would catch up by also advancing significantly, giving the index a delayed reaction jump in value.

The above are some subtle points which were brought to the attention of the CFTC by CSI before the CRB Index was given approval as a futures contract. They considered the above points but granted approval anyway. We want our customers to know about the weaknesses just in case you are considering this new market for a speculative position.

It is our understanding that the CFTC staff recommended against granting approval of the CRB Index as a Futures market but in spite of this the CFTC Commissioners voted four to one to permit trading.

IBM 3 1/2 INCH FLOPPY SUPPORT

CSI plans to support the new IBM 3 1/2" floppy disk for your historical data requirements. Please call us with your

order. Data prices will remain the same initially, but the minimum purchase requirement is subject to change.

\$500

CSI QUICKPC SALE

\$500

Financial Micro-Data has asked me to announce a sale on their QUICKPC that, even if you have a PC, you won't want to pass up. They are offering their \$1295 model QUICKPC for \$500, substantially below their cost.

Financial Micro-Data hardware is being shipped with increasing frequency, but in an attempt to get the product out at an even faster rate this brief sale is scheduled.

There is a catch, however. To make the sale possible, FMD had to team up with CSI. For a one year prepayment of daily data usage and a \$700 allotment of historical data CSI will reimburse FMD for the loss they must take on every PC sold. Please read the sale details on the enclosed offer.

4th of July

DATA SALE

In addition, we are having a 4th of July data sale that you won't want to ignore. This is your opportunity to investigate FDI over an extensive period to bolster your confidence in its usefulness. You can combine this sale with the QUICKPC sale introduced above.

ADVERTISING INSERTS

It should be made clear to customers that the products represented by inserts which accompany our newsletter are not recommended by CSI and are nothing more than advertisements. Please act on such solicitations with the same awareness and suspicion you would attach to any purchase. We accept the advertisements to defer postage costs and to supplement the cost of our service. We will not comment on any advertiser.

CSI COMMODITY #42 SUGAR

Starting with the January 87 contract, this CSI commodity number will be Sugar

#14. The September and November 86 contracts are Sugar #12.

COMPUTRAC TAG VIII

Tim Slater has asked that we insert a notice of their newest conference in New Orleans on September 19-21, 1986. For more details, please call 1-800-535-7990.

NOTES FROM CUSTOMER SERVICE

The following are error messages that have been encountered when using the IBM version of QUICKTRIEVE. The explanations and solutions refer only to QUICKTRIEVE programs. All error numbers are also referenced in the DOS manual's appendix under "Messages" and refer to "Basic" error messages. Most error messages are followed by a line number. Please note the line number and the portion of the program you are in when reporting problems to CSI. This will help us in determining where the problem is and its solution quickly. The following listing presents the error number, the line number, the portion of the program where the error message appeared and the explanation or suggested remedy.

ERROR 5 LINE 1135 - During distribution-- There is a price in the data that is larger than allowable. The data will need to be corrected by CSI and re-collected.

ERROR 5 LINE 1170 - During move program-- You are trying to move a daily file with total volume into a weekly file of total volume. Use average volume and open interest.

ERROR 6 LINE 1110 - Converting from Computrac to QUICKTRIEVE-- The C-trac file contains a number too large. Enter C-trac and correct.

ERROR 6 LINE 8200 - Converting to ASCII files-- Check the data disk master file to see that all constants are correct for the file being converted.

ERROR 51 NO LINE # - If on a hard disk, could be a bad copy of the copied QTRIEVE floppy disk. Try to boot the floppy, if bad call CSI, if it boots try to re-copy to hard drive.

ERROR 52 ANY LINE # - Something has been improperly entered in the "Change default program names" (ex: line 36 collecting data: the communications port has been improperly changed. Be sure it reads COM2: or COM1:).

ERROR 53 LINE 1106 - When deleting files-- A file has been deleted using DOS rather than QUICKTRIEVE. Enter "Display data disk catalog" choose expanded listing, exit, then try to delete again.

ERROR 53 LINE 19050 - Problem with Computrac files or may have inadvertently created a C-trac master file (by using "convert file types"). To check, access DOS and type: Dir \master, if present type:REN \master \omaster.

ERROR 63 LINE 47 - Floppy user using drive B to both read the collected history and distribute to the data file - Put disk with collected data in drive A.

ERROR 64 ANY LINE - Some change has been made to file names in the "Change default program names"-- Check manual for listing and correct.

ERROR 68 ANY LINE - When collecting data or printing files-- Internal modems set up as COM2 or COM1 must have the com port setting in QTRIEVE set to correspond. Many times, more than one serial device will have been set up in the same com port. QTRIEVE is then unable to determine which device to access.

ERROR 70 ANY LINE - Attempts were made to write to a write protected floppy.

ERROR 71 ANY LINE - Drive door open or disk not in drive.

ERROR 72 ANY LINE - Bad disk or bad disk drive.

SOFTWARE BRIEF

As you may know, there are one or two dozen software vendors who make use of or exclusive use of CSI data retrieval formats. Without providing recommendations we will, from time to time, announce product scope and significant enhancements for such

vendor wares. This month we would like to identify the characteristic features for Relevance III, a Holt Investment Advisory product.

Relevance III is a comprehensive (commodity, option & stock) and non-copy protected program for the IBM PC/XT/AT and compatibles which features:

- (1) State of the art automation - unattended printing of commercial quality daily, weekly and monthly charts with up to 15 indicators below each chart (8 1/2" or 14" width);
- (2) A daily market report and printout of data and indicators in a user selected format;
- (3) High resolution color graphics with automatic weekly/monthly charts and indicators;
- (4) Daily forecast and printout of tomorrow's high and low;
- (5) Fibonnacci ratio and sequence cycle analysis;
- (6) Built-in note pad and library of user selected screen images;
- (7) 15 technical indicators including: %D, %D-slow, modified RSI, MACD, GANN Angles, GANN resistance levels, RSI, %R, three moving averages, and OBV.

The package is priced at \$295 and may be purchased through Relevance III Software, 888 Lakemont Drive, Nashville, TN 37220 or Call Mr. Holt at (615)329-4112.

USER GROUPS

The following is a list of some CSI customers interested in forming a user group. If you wish to contact one of them, please feel free;

Craig Edwards
33 Pebblewood Trail
Naperville, IL 60540

Matthew Van Bredow
RR 3, Beamsville
Ontario, Canada

Don Clark
4460 Zocalo Cir.
Thousand Oaks, CA 91360

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ADDITIONS TO THE COMMODITY DATA BANK

COMMODITY NUMBER: 101
COMMODITY NAME: CRB INDEX FUTURES
SYMBOL: CR
EXCHANGE: NY FUTURES EXCHANGE
UNIT OF MEASURE: \$5/point
CONTRACT SIZE: \$500 x Index
DELIVERY MONTHS: 3,5,7,9,12
CONVERSION FACTOR: +2
FIRST DAY ON FILE: 860612

ADDITIONS TO THE COMMODITY OPTION DATA BANK

COMMODITY NUMBER: 105
COMMODITY NAME: CANADIAN DOLLAR
SYMBOL: C2
EXCHANGE: IOM (Chicago)
DELIVERY MONTHS: 3,6,9,12
CONVERSION FACTOR: +4
FIRST DAY ON FILE: 860618

ADDITIONS TO THE STOCK DATA BANK

STK #	SYM BOL	COMPANY NAME	1st DAY ON FILE
5457	NCB	NCNB Corp.	05/29/86
5458	LLC	LLC Corp.	06/05/86
5459	BOR	Borg Warner	06/06/86
5461	TCB	Texas Commerce Bkshrs	06/06/86
5462	FTR	Fruehauf Corp.	06/11/86
5463	CPQ	Compaq Computer Corp.	06/17/86
5465	CRO	Chromalloy American	06/19/86

NEW INDEX:
5455 NHB NYSE Beta Index 05/22/86
(no options)

CHANGES TO STOCK FACT SHEET

5006 MSE Massey Ferguson changed its name to Varity Corp. and its symbol to VAT.
5728 CVX Cleveland Electric merged with Toledo Edison and the new company name is (CX) Centurion Energy

DELETIONS FROM STOCK FACT SHEET

5004 BRY Beatrice Foods Co.
5706 ARE Arlen Realty Development

Due to low volume and lack of customer demand, the following Stock Index Options have been deleted. We will continue to carry the parent index price.

5129 XOC Over the Counter Index
5366 XAM AMEX Market Value Index
5367 XCI Computer Tech Index
5368 XOI Oil Index
5417 OCX OTC 250 Index
5491 NDQ NASDAQ 100 Index
5492 XAI Airline Index
5494 PSE Pacific Technology Index

STOCK SPLITS FOR MAY & JUNE

STK #	COMPANY NAME	SPLIT	DATE OF SPLIT
5136	Viacom International	2/1	860527
5166	Merek & Co.	2/1	860527
5109	Ford Motor Co.	3/2	860603
5171	Pepsi Co.	3/1	860604
5214	Owens Illinois	2/1	860617
5256	Woolworth	2/1	860602
5259	Archer Daniels	3/2	860603
5283	C.R. Bard	2/1	860602
5329	Ryder Systems	2/1	860602
5337	Beverly Enterprise	2/1	860617
5350	Transworld	3/2	860602
5359	Masco Ind.	2/1	860623
5398	Ethyl	2/1	860602
5454	Zenith Labs	2/1	860619
5621	Pacific Thesis Corp.	2/1	860610
5635	Ahmanson	3/2	860611
5754	General Re Corp.	2/1	860616

TYMNET PHONE NUMBER CHANGES

AL	Anniston	205/236-3342
CA	Fairfield	707/447-4160
CA	Napa	707/257-1990
CT	Westport	203/454-2701
FL	Miami	305/599-2900
FL	Miami	305/599-2964
FL	Panama City	904/769-0709
FL	Vero Beach	305/569-8207
IN	Muncie	317/284-7821
IN	Terre Haute	812/232-0112
KS	Leavenworth	913/651-8094
LA	Monroe	318/388-8810
MI	Muskegon	616/739-3453
MO	Joplin	417/781-8718
NC	Greenville	919/758-0102
OH	Mansfield	614/526-0686
OH	Warren	216/392-2542
TN	Jackson	901/423-1244
TX	Baytown	713/420-3389
TX	Midland	915/561-8401
WA	Auburn	206/735-3975
WA	Vancouver	206/696-9305
WI	Racine	414/553-9044

TYMNET PHONE NUMBER ADDITIONS

AR	Hot Springs	501/623-3576
MI	Battle Creek	616/965-3901

TELENET PHONE NUMBER ADDITIONS

HI	Dahu	808/528-0200
HI	Other Islands	808/272-5299

TELENET PHONE NUMBER CHANGES

NC	High Point	919/889-7494
TX	Amarillo (1200 Baud)	806/373-0458

S & P 500 WITH ENHANCED PDI

Shown below is a one year chart of the S & P 500 for CSI's "49" perpetual, a chart of the PDI, and a chart of both. Of course future success cannot be guaranteed, but as can be seen, this market could have been played using all three PDI rule interpretations: (1) Be long the market when PDI is above 58 and short below 42, (2) Trade in the general direction of the PDI index direction, and (3) Anticipate reversals when PDI falls from a peak above 90 and sell when PDI rises from a trough below 10. Please use PDI in conjunction with CSI-STOP and CSI-TREND.

