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VOL. IV NO. 3 * *

TUESDAY, MARCH 1, 1988

Boca Raton, Florida

\$5.00

WHAT'S NEW ---

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The staff of Commodity Systems, Inc. would like to wish everyone a HAPPY EASTER. We will be closed Good Friday, April 1, 1988.

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Additions to the Stock Database

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Changes to the Stock Database, several stock have new historical start dates

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Stock Splits

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Financial Micro-Data computer sale - See the enclosed flyer

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MORE IDEAS ON PORTFOLIO DIVERSIFICATION

Last month our News Journal explained how one might use a modified Martingale system to determine the required number of units of investment margin capital to be used in the next trade. In the event that a losing run of trades forces the per trade investment requirement to increase, the user could minimize risk still further by choosing different commodities for each of the recommended multiple units to trade.

We mentioned briefly in the last News Journal how corn could be traded off against Treasury Bonds by using a multiple contract count in corn that would produce an equivalent return for, say, one contract (unit) of Treasury Bonds. This is an important consideration, but the idea can be carried a step further by mixing the commodities to enter when a multiple unit trade is required.

Risk can be reduced through diversification, so long as the commodities traded are independent. This can be accomplished by avoiding multiple opportunities in the same commodity industry, and avoiding opportunities between industries where prices are correlated. Diversification is generally not achieved when many long or many short positions of several same-industry commodities are held simultaneously.

Clearly, there is a limit to the level of diversification one can achieve because dollar denominated products often move in harmony, but to some degree metals move independently of grains; financial futures are independent of energy products; meat futures are independent of coffee, cotton and cocoa, etc. It is substantially easier to say what is correlated than what is not, but the suggested procedure is to give consideration to what commodities are to be

combined rather than blindly accepting all computer generated "opportunities". The individual has an important role in trade decision making and he should not be afraid to reject computer generated recommendations that may amplify risk exposure.

Money management is something all traders can improve upon, but an important part of management is keeping risk low. Don't overspend capital reserves and invest only what can be afforded should a loss occur.

ADVERTISEMENTS ENCLOSED

We have enclosed advertisements for the following products: The EPDCH Trading System by John Ehlers; TRADEFINDER by Trade Inc. and System Writer by Omega Research. CSI accepts advertisements to accompany this News Journal for the sole purpose of defraying postage costs.

ADDITIONS TO THE STOCK DATABASE

5266 GSF	ACM Gov't Securities Fund	880121
5559 FRP	Freeport McMoran Res Cp Dep	
	Units	880126
5819 TSP	Telephere Int'l Inc.	880126
5990 WYSE	Wyse Technology	880126
5991 GNMR	Gen Mar Industries	880126
5601 IFL	IMC Fertilizer Group	880126
5809 HSN	Home Shopping Network	860513
5820 FAI	First Australian Prime Inc	880210
5238 TTF	Thai Fund	880217
5821 TFX	Teleflex Inc.	880218
5460 PSF	Prudential Strategic Fd	880218

DELETIONS TO THE STOCK DATABASE

5460 BCW Becor Western Inc. had a leveraged buyout - went private
7580 SHU Shoe-Town Inc. had a leveraged buyout - went private

CHANGES TO THE STOCK DATABASE

5772 SHE Shearson Lehman Brothers changed its symbol to SLH
5406 ERC ERC Int'l start date 870401
5645 Y.i Is now Y
5326 TIE TIE Communications is on the American Exchange
5654 OJ Is Orange-Co not Orange Co.wi
5815 WDC Western Digital Corp. start date 870102

CHANGES TO THE STOCK DATABASE Cont.

5096 HLY Holly Sugar Corp is now on NASDAQ Exchange symbol HLY
5238 CVN Computervision Corp. acquired by 5022 PRM Prime Computer Inc.
7176 ETX Entex Inc. was acquired by 5705 ALB Arkia Inc.
7212 FLT Fleet Financial Group changed name & symbol to FNG Fleet Norstar Financial
7642 TIX Timeplex Inc. was acquired by 5035 UIS Unisys Corp.
5815 WDC Western Digital Corp start date is 870102

6030 FBIOX Fidelity Select Biotech Por start date is 860313
6027 FBALX Fidelity Balanced Fund start date is 870119

The following stocks have new start dates of 770103:

5387 WCI Warner Communications
5058 TRW TRW Inc.
5181 XRX Xerox Corp.
5180 WY Weyerhaeuser Co.

The following stocks have new start dates of 870311:

5967 LMED Lypho Med Inc.
5968 SUNW Sun Microsystems
5969 TATE Ashton-Tate
5970 MSFT Microsoft Corp.
5599 TER Teradyne Inc.
5598 GRB Gerber Scientific Inc.
5600 MKC Marion Laboratories

The following mutual funds have new start dates of 860102:

6005 DRBDX Dreyfus A Bond Plus
6006 DRTAX Dreyfus Tax EX Bond Fund
6007 DREVX Dreyfus Fund
6008 DRLEX Dreyfus Leverage Fund
6009 DREQX Dreyfus Growth Opportunity
6010 DRTHX Dreyfus Third Century

The following mutual funds have new start dates of 860102:

6031 FHIGX Fidelity Hi Yield Muni Fund
6032 FMBDX Fidelity Municipal Bond
6033 FTRNX Fidelity Trend Fund

The following mutual funds have new start dates of 861121:

6028 FIEUX Europe Fund
6029 FPBFX Pacific - Basin Fund