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THURSDAY, JUNE 1, 1989

Boca Raton, Florida

\$10.00

WHAT'S NEW - - -

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UNFAIR ADVANTAGE<sup>SM</sup>

CSI will be closed for voice contact on Tuesday the Fourth of July.

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New Correction File procedure Page 2

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You can now order stocks with numbers higher than 5999 via the Customer Subsystem Page 2

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Investment Software Workshop Page 2

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Additions, Changes and Deletions to the stock data base Page 2 - 3

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New Grain Sorghum commodity contract added to data base Page 3

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<sup>R SM</sup> QUICKTRIEVE and PERPETUAL CONTRACT are registered trademarks and UNFAIR ADVANTAGE is a service mark of Commodity Systems, Inc.

Here is an update on our forthcoming new product. UNFAIR ADVANTAGE performs simultaneously the three most important computer assisted trading functions:

- o Market entry and selection
- o Money management, and
- o Automated parameter improvement

Considering competitive products which mainly address market entry and exit, few such products deal with automated parameter improvement and none that we have seen adequately approach problems of market selection or money management.

The new user of UNFAIR ADVANTAGE will initially want to customize the product to his unique personal situation. UNFAIR ADVANTAGE requires an estimate of the risk capital to be allocated to each stock, future or mutual fund that is held in the user's portfolio. Money management requires more than a knowledge of risk capital. It requires knowing how to spend your investment capital without depleting it and knowing which markets are the superior medium for application.

In running this new product on commodity futures we devised a special blend of perpetual and actual contracts that made it possible to introduce up to seven years of data for any given exercise. Winston Churchill once said, "The further backward you can look, the further forward you can see." There is no question that past data is important but presenting it for futures work was a problem in this application.

What we did with UNFAIR ADVANTAGE was to use three month forward perpetual data for, say, six years and nine months then we appended the most recent three months of an actual contract to the end of the truncated perpetual series which ended three months early. This filled in the full seven years and the prices on the day where the perpetual left off are close to being equal to the prices where the actual real contract begins.

This little exercise has an amazing advantage. All prices in the time series look forward 91 days until the day of the real contract appendage. At that time prices look forward a decreasing number of days until contract expiration. Since traders normally trade two to three months from expiration the alternative to base trading decisions on data that looks at the full length of a two year or more contract series is generally not reasonable. If you trade contracts with only two or three months remaining then you should experiment on the same basis.

To accomplish the required effect and produce a smooth transition for the real series to be appended, we are now offering the 46 PERPETUAL CONTRACT<sup>®</sup>. The 46 PERPETUAL expires on the 10th of the delivery month similar to the 49 PERPETUAL which expires on the 10th of the month prior to delivery. We no longer will be offering the ten month forward PERPETUAL, the item which previously occupied the "46" code.

UNFAIR ADVANTAGE will operate in an unattended mode in conjunction with QUICKTRIEVE<sup>®</sup>. You can set up QUICKTRIEVE to collect your data on an unattended auto-call basis. Once this call is complete, QUICKTRIEVE will distribute your data to your files and branch to the UNFAIR ADVANTAGE system which will in turn process trade recommendations for tomorrows market on up to 500 futures contracts, stocks and mutual funds. With each recommendation there will be a graphic display printed that will track day to day prices and day to day equity performance in dollars. The printed results will all appear without operator intervention. Once complete your computer will then wait for the next scheduled auto run on the next business day.

At the end of the printout a display will rank each of the up to 500 time series according to their profit/risk ratio so that (given finite limited capital) tomorrows market selections can be adjusted according to the greatest possible return on investment.

Next month we hope to have more news on the UNFAIR ADVANTAGE. We will keep you informed.

### ELECTRONIC CORRECTION FILE FACILITY IMPROVED

We have simplified and greatly enhanced the correction file facility offered to QUICKTRIEVE<sup>®</sup> users. A call for the correction file will now deliver just those corrections which pertain to your unique portfolio that is stored on our mainframe at the time of your request.

This means the correction file will be delivered in only a few seconds and can therefore be accessed more frequently. The accessing approach is slightly different however. Since stocks and commodities are now

combined into a single file, the file name must be identified as CORECT, a six character misspelling of the word correct. Please no longer ask for file 1 or 2 because these prompts are no longer operational. Furthermore, when requesting the correction file, it is not necessary to change your user ID to MIS, and when entering CORECT for the file name answer "NO" to the use of the "MIS" user ID.

On your current release of QUICKTRIEVE, if your portfolio does not contain errors for that week you will receive the message "File not yet posted or possible holiday". This message will be modified on the new release of QUICKTRIEVE 4.0 due later this year.

### NOTES FROM CUSTOMER SERVICE

It is now possible to order stock items with CSI numbers greater than 6000 using the Customer Subsystem - section B - Order Hist.Data. Simply place the order as you would with any other commodity or stock. This eliminates the need to enter a separate message for CSI requesting stock numbers over 6000.

### ADVERTISEMENTS ENCLOSED

We have enclosed advertisements for the following products and services: *Relevance III Advanced Market Analysis* designed by R. Maynard Holt; *Market Research Language* developed by Futures Software Associates, Inc. and *Market Optimizer* offered by Market Systems.

CSI accepts advertisements to accompany our News Journal for the sole purpose of defraying postage costs.

### INVESTMENT SOFTWARE WORKSHOP

The Westchester PC User Group Investment SIG has announced a new educational workshop that provides an opportunity for investors to gain hands-on experience with commercially-available investment software products. Participants in the investment software workshop have access to a dedicated PC and software of their choice from a master list of many well-known portfolio management, fundamental analysis, and technical analysis products, including CSI's products. If you are interested in attending one of these workshops, or want more information about the WPCUG Investment SIG, contact Rick Bullen at 914-478-5824, or write to him at 26 Pincrest Drive, Hastings-on-Hudson, NY 10706.

### ADDITIONS TO THE STOCK DATA BASE

5125 CTZ	Citizens & Southern Corp.	890425
5827 DPX	Duplex Products, Inc.	890403
5828 GES	Genisco Technology	890403