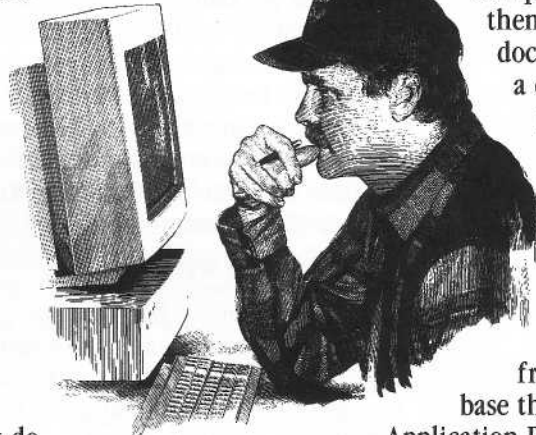


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**When a Format Isn't a Format (and What Difference it Makes to You)**

Every time a hot new trading system comes on the market, the inevitable question among potential buyers is, "What data format does it use?" Although most traders couldn't decipher or personally manipulate the myriad of data formats available, a surprising number can recognize MetaStock's® .DAT and .DOP files or QuickTrieve's® .DTA files, and so on. The subject of formats isn't addressed with relish, but more often with reluctance and resignation. What do you do if that great new software isn't compatible with your current data base? Unfortunately, inconsistencies in data formats can force disconcerting decisions and can lead to expensive mistakes.



to make a format choice for practically any third-party analysis program. This hidden feature permits what might be termed a "format-less format." With it, data is transferred from UA to other programs much like text that is copied to your computer's clipboard and then pasted into another document. The result is a convenient way to process data without regard to data format.

To engage this feature, the third-party software developer would request data from UA's master data base through a simple

Application Programming Interface (API). A series of generic APIs is provided along with UA, which can be used as they are or customized to meet unique requirements. Making such a call will produce the specified time series in a comma-delimited memory image, ready for analytical manipulation. The process of dealing with an internal memory images is quick and reliable and will considerably reduce new project start-up time.

This API is embodied within UA for the benefit of software developers in the areas of economic research, technical-fundamental analysis, brokerage and accounting. The API can be used to produce a master file image that can be driven by the popular software development

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The requirement to conform to specific data formats is an enduring and sometimes cumbersome throwback to earlier times when master files and conversion factors were needed to facilitate access and computation. Although CSI's Unfair Advantage® program's modern architecture eliminates the need for data formats in its own calculations and charting, the software still supports the formats required for most other trading systems.

Recent upgrades to Unfair Advantage (UA) can also eliminate the need

## When a Format...

(continued from page 1)

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**No longer will it be necessary for a user to give up his or her sound and profitable technical market idea for need of reliable information and competent programming support.**

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products of C++, Visual Basic, Delphi, and The Fortran Power Station. Examples using at least three of these options are available through the Edit menu of UA versions 1.52 and later.

The API relieves the software developer of a number of requirements that previously had to be satisfied before beginning construction of a trading procedure. A fairly important element satisfied by UA and the API interface is the requirement of choosing a data vendor who can offer a broad and comprehensible data base. This, coupled with the elimination of a need to make a format choice that may involve complex file structures and master file tables, etc. makes the API a tremendous breakthrough for traders. No longer will it be necessary for a user to give up his or her sound and profitable technical market idea for need of reliable information and competent programming support.

### **What's Wrong With Formats?**

Most commodity file analysis formats used today have some sort of defect. The CSI format can only span two centuries (the 20th and 21st) and number size limitation problems for the CSI format's six price fields of open, high, low, close, noon, and cash cannot accommodate absolute prices that go beyond 131,069. (*Our forthcoming QuickTrieve-like Windows® downloader will accommodate an expanded CSI format that will permit the representation of numbers up to 999,999. Look for announcements of its release in later editions of this Journal.*) Equis' MetaStock for Windows can handle data beyond the year 2000, but at this writing, the interface of MetaStock and the Downloader cannot. Equis is working on it. Because of space limitations, MetaStock format's volume and open interest must be held as either contract level statistics or the total of all contracts, but not both. ASCII is the most flexible of the Unfair

Advantage formats because, with comma or tab character delimitation, just about anything is possible, albeit at a fairly reckless waste of disk space. It should be noted that UA can also address the formats of Excel, Paradox, MS Access, Quatro, Lotus and others. For users of third party analysis products requiring the above formats, UA has an explicit file naming convention which uniquely identifies every file.

### **Detrending for Better Results**

In addition to data format (or lack thereof), the trader must always consider the content and substance of the data being analyzed. The act of detrending long periods of history to simulate and synthesize past market behavior into today's terms and dollars is popular with the statistical and econometric time series analyst. The typical market technician, however, may not recognize its value because the need for detrending does not prominently appear in non-scientific literature. Some traders even see detrending as a tool which would distort past data and compromise derived procedures. This is a serious misconception which will deprive the technician of a badly needed edge or advantage.

Detrending helps the analyst deal with economic factors such as inflation and market volatility. Ignoring inflation is not wise, and for longer term series is downright wrong. The forces that affect the supply and demand of products have changed very little over the years. Similarly, weather patterns and their effects are repeated annually and the relationships between crops has remained constant over decades into the past. Detrending brings the pricing of products into today's terms causing an equal weighting of profit performance over time. In addition, the act of detrending tends to uniformly introduce

## CSI Pricing Policy Change

today's market volatility into the past.

Failure to detrend an inflation-sensitive time series will force an artificial overweighting of the time series' recent history. In a non-detrended environment, if recent market behavior is not sustained, decisions based upon such improper weighting will produce flawed results. This is so because the non-detrended past would be progressively watered down as it becomes further distant, rendering an analysis of the more distant past insignificant. In other words, relatively large losses or gains in the simulated past will appear insignificant in today's terms unless detrending is imposed. Due to the significant visibility detrending adds to all long-term time series, the ability to detrend all continuous series has been included in the latest versions of UA. We urge all UA users to consider applying the detrending transformation to longer term continuous series if they plan to "bet" that a market's characteristic signature will repeat.

As we move forward with UA, which may be one of the more exciting new concepts in data vending to surface in years, we have been reassured that we are moving in the right direction by customers, traders, software developers and reviewers. Our competitors have expressed a great deal of interest in the product as well. We wish to thank everyone for their interest and/or support. ♦

*Bob Pelletier*

From time to time it is necessary to review receipts and expenses to decide how best to remain competitive while supporting a high quality of products and services. More than a decade ago, we were perceived as a higher priced service, but computer automation and increased business have permitted us to reduce prices. For the past several years, CSI has consistently charged less than most data suppliers in providing our services to the financial community.

We have found that our pricing policies for domestic markets are in line with expenses and require no changes, so most users will not be affected by any price change at this time. However, due to the high cost of maintaining our ever-expanding overseas data base, we must pass along the higher costs to users of those markets.

Effective immediately, One-Year Prepaid Custom Portfolios that involve data for offshore markets (outside North America) will be priced \$13 per month higher than those holding only North American Markets. Under the new policy, current subscribers who have prepaid for a year of updates on up to 100 commodity contracts (or 1,000 stocks or combinations thereof) will not be affected until the end of their current subscription term, regardless of portfolio content. Upon annual renewal, those with overseas stocks or commodities will be offered an opportunity to renew at the higher rate, or to engage a month-by-month service contract. CSI's rates for Unfair Advantage updates, fixed-content portfolios and for custom portfolios paid on a month-by-month basis will not be affected.

We hope this price change will not represent an inconvenience or hardship, as it reflects a necessary adjustment to accommodate the much higher cost of capturing offshore data. ♦



## Tech Talk

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*Each month in this column, CSI's Technical Support staff addresses questions about our software and data retrieval service that may be of interest to many users. Here is a sampling from users of Unfair Advantage.*

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**Q.** *I am having difficulty downloading data with Unfair Advantage via the Internet from Europe. After the initial contact with the server, nothing happens. What do you suggest is the problem?*

**A.** We have recently received a few e-mails such as this from off-shore users of UA. One came from Australia, one from Denmark, one from France, and two from the Bahamas. Our many other overseas customers report no such problems. Perhaps the nodes that service the individual countries are experiencing queuing problems or heavy traffic. You might check with your local service provider and ask what they can do for you. We are in the process verifying that our server is not the problem. If the problem persists, please let us know.

**Q.** *I would like to use direct-dial access as a backup for my Internet connection, but when I tested the direct-dial method, I was unable to get a complete download. What can I do to improve the connection?*

**A.** You don't have to do anything. We switched to a different protocol for direct-dial data transmissions, which has greatly improved results using the same software. Please try again for a better outcome.

**Q.** *We have been checking the CSI data we received through Unfair Advantage and are concerned to find that, in many instances, the close value is higher than the high, or lower than the low. We expect that the closes might be equal to the high or low, but why would they be outside the range?*

**A.** During the initial setup of UA, you are given the choice of expressing data in 1) exchange released form where

settlement prices are often outside of the high or low range, 2) a form where highs and low are compromised to include the out-of-range settlement and 3) a form where the settlement is forced to lie within the high low range. In this last case, the settlement is reduced to be the high or increased to be the low whenever it lies outside the range. When you answered the question about "data presentation" during initial setup you obviously selected choice number 1.

You can select adjusted presentation form 2 or adjusted presentation form 3 by pulling down your View menu and re-selecting your choice. Whenever the settlement is out of the high-low range, choice number 2 leads users to falsely believe that trades could have been executed above the actual high or below the actual low when this was clearly impossible during the actual trading day. Similarly, when you select option number 3, the settlement is lost and you have no way to calibrate your equity position at the end of the day because equity is based on settlements, not the last trade of the day.

Only with a product like UA can you get data in the clean form that represents events as they actually occurred (option 1). Most, if not all, CSI competitors have forever lost the ability to do this because they defaulted to either choice 2 or choice 3. They now have no way to recover from this flawed policy decision.

**Q.** *When I select any continuous contract for my UA portfolio, I can choose to switch contracts based on a date, volume or open interest. The date selection is pretty simple, but would you please explain the criteria used for rolling based on volume or open interest?*

## Market Statistics Update

**A.** The first day the volume (open interest) of the contract coming into view has a value exceeding that of the contract in force, the system will roll forward. Please note that volume and open interest are released a day late, so the actual rolling will occur on the day the volume and open interest are publicly known, not the previous day when the threshold was actually passed. Once the rolling occurs, there will be no regression in the contract followed, even if the earlier contract should again surpass the later in volume or open interest. If, for example, UA moved to the June contract from the March contract because volume for the June exceeded volume for March, then the next day the March volume overtakes the June, the software will force in place the June contract. No reverse rolling will occur.

**Q.** *Although I have unlocked the full history provided and successfully updated my UA database through the Internet, I am unable to view an existing chart. I select Open from the File menu, but, upon browsing for a file and selecting it, I get an "Unexpected File Format" error message. How can I see the data?*

**A.** In order to graphically display a contract, it must be created (use **new**, not **open** on the file menu) or tagged for "Chart" format in your portfolio before the portfolio is built. The Portfolio Manager gives you the option of "Chart" format as well as several other types of files, any and all of which are accessible to you. Charts are normally re-created each time they are viewed, but, if you create a chart with UA and save it, you can later open it through the file menu as you described. ♦

### DELETIONS FROM THE STOCK DATA BASE

15141	AMCS	Amisys Managed Care Systems Inc
18036	CRAU	Anthony (C.R.) Co
3693	APG	Aprogenex Inc
7029	AVE	Avemco Cp
2172	BELD	Belden & Blake Energy Cp
1842	BCMPY	Bell Cablemedia Plc ADR
12733	BEVT	Bevtyme Inc
18419	BEVTP	Bevtyme Inc Pfd. Series C
4089	CSBC	Central & Southern Holding Co
1022	CRM	Corimon S.A.C.A. ADR
4660	DANS	Danskin Inc
7841	ENG	Destec Energy Inc
8591	EBCP	Eastern Bancorp Inc
12413	EIPM	EIP Microwave Inc
3184	ELB	Eldorado Bancorp
12954	ESIX	Enterprise Systems Inc
4433	EROI	Ero Inc
12423	ESEX	Essex Cp
1301	FB	Falcon Building Products Inc Cl A
4938	FUS	First USA Inc
15133	GCREF	GCR Holdings Ltd
18336	IMPR	Imprint Records Inc
1915	IMMI	Inphynet Medical Management Inc
4442	KLRT	Kleiner's Inc
9213	MNPI	Microcom Inc
18346	MIAMP	Mid Am Inc Cum. Conv. Pfd. Series A
7427	NEC	National Education Cp
18348	NBCFP	Nationsbank (South Atlanta, GA)
2625	NROME	Noble Roman's Inc
12586	NOXOQ	Noxso Cp
12101	NYNCY	Nynex Cablecomms Group. Plc ADR
12465	GOSHB	Oshkosh B'Gosh Inc Cl B
5116	PEL	Panenergy Cp
4486	PRNI	Premiere Radio Networks Inc
15206	PRNIA	Premiere Radio Networks Inc Cl A
7496	PMP	Prime Motor Inns L.P.
9477	PROP	Production Operators Cp
5393	PVN	Providian Cp
13095	PSY	Public Storage Properties XIX Inc
13092	PSU	Public Storage Properties XVI Inc
13093	PSV	Public Storage Properties XVII Inc
13094	PSW	Public Storage Properties XVIII Inc
1688	REDI	Reddi Brake Supply Cp
3480	RDL	Redlaw Industries Inc
3322	SJSB	SJS Bancorp Inc
1543	SNOW	Sled Dogs Co
6506	IMF	Smith Barney Disciplined Small Cap Fund
9210	STLC	Streamlogic Cp
3647	TENXF	Teecomm Electronics Inc
12878	TERAW	Tera Computer Co Wt
1608	IBET	Trans World Gaming Cp
13116	TGB	Triple A & Government Series 1997 Inc
15423	TPPPF	Triple P N.V.
6834	USRX	U.S. Robotics Cp
5548	USH	USLife Cp
6875	VFI	Verifone Inc
7704	V	Vivra Inc
15047	WFFIE	Western Fidelity Funding Inc
4584	WINR	Winthrop Resources Cp

