CSI TECHNICAL JOURNAL

In This Issue

CSI's Global Database Brings International Markets Into View

Among the most unique and valuable characteristics of the CSI Data Retrieval Service are the wealth, scope and longevity of data reserves available to every subscriber. When a user downloads daily updates to his private data bank, information on virtually every sector of the world economy is captured. The opportunities seem endless to users of CSI's Unfair Advantage® data warehousing system and QuickTrieve® data retrieval software.

CSI's extensive worldwide coverage increases the depth of trading opportunities for every trader and contributes to the evidence necessary to support market exposure decisions. Including data from both open outcry and computerized trading sessions, the database offers international investors the information needed to make informed choices and provides the analysts with a global point of reference for viewing the markets.

The most popular commodity markets in the CSI Database are those traded here in the U.S. These include the New York and Chicago Mercantile exchanges and the Chicago Board of Trade (CBOT®). Each exchange traditionally offered a unique set of commodities or investment instruments, but in recent years, a greater overlapping of tradables has occurred. For example, in the U.S. alone, futures

contracts for foreign currencies can be traded at the Chicago Mercantile Exchange (CME), the Financial Instrument Exchange (FINEX), the MidAmerica Exchange and the Philadelphia Board of Trade (PBOT).

This expanding and overlapping marketplace increases both accessibility and liquidity of trades. The MidAmerica Commodity Exchange was the first to offer futures trading opportunities in smaller contract sizes, providing the ability to trade on a smaller budget with less exposure to risk. Moving in the same direction is the Chicago Mercantile Exchange with their newly introduced downsized S&P 500 contract.

CSI offers daily updates on the myriad of competing markets around the world, such as the French Marche a Terme International de France (MATIF), the German Deutsche Terminborse (DTB) and the U.K.'s London International Financial Futures Exchange Ltd. (LIFFE). An emerging new market now becoming popular is the South African Futures Exchange (SAFEX), which is experiencing increasing volume and was recently added to CSI's daily summary data feed. Similarly, Brazilian commodity markets are showing greater volume and Australian markets are becoming more prominent. CSI supports some 50 worldwide commodity exchanges.
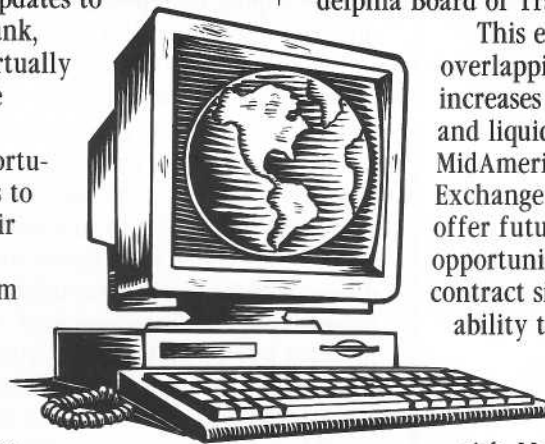
CSI not only maintains futures data from nearly every market on earth, but we supply cash prices for the underlying commodities as well.

CSI is regularly on the job capturing statistics from the first day of trading for most futures contracts, so that historical data is available on new markets of interest. The market that caught us by surprise is the Singapore rubber contract which trades in U.S. dollars. Statistics reach back to November 1996 on this recently added market. This contract joins another rubber contract that has been trading in Singapore dollars since April 1981. CSI not only maintains futures data from nearly every market on earth, but we supply cash prices for the underlying commodities as well.

CSI was among the very first companies in the world to capture summary end-of-day market data on the futures markets for dissemination to traders, computer-to-computer, in modem form. We began in the late 1960s when there were fewer than a dozen worldwide markets traded. Our attention to the world scope of markets has us adding about 150 new commodities or cash markets to our daily feed each year.

The markets never cease to supply an interesting mix of diverse products to trade. Japan has some exotic examples: There is a cocoon market that represents the raw material for silk and a silk market where trading in silk can be supported in its more finished state. This is not unlike trading crude oil, which is eventually transformed into gasoline and other refined products in time-spaced steps, or soybeans, which is transformed into soybean meal and oil, or Corn, which is essentially a raw material in producing live hogs and pork bellies. Relationships like these give the producer and the speculator a multitude of interesting and fruitful opportunities to explore.

The U. S. commodity markets have been trying very hard to move toward an electronic form of trading where trades can be handled by computer bidding without a pit. GLOBEX,® which is an international electronic trading system operated by the Chicago Mercantile Exchange in the U.S. and the MATIF in France, is a successful example of an effort to competitively span the globe with continuous trading. GLOBEX not only facilitates continuous after-hours trading, but also links investors on three continents. According to the MATIF, about 57 GLOBEX terminals are now operated around the world.

Like the CME, the Chicago Board of Trade has also established major international connections. The CBOT-LIFFE Link is a system in which benchmark bond futures and options contracts of the U.S. and Europe can be traded by investors at both the CBOT and the London International Financial Futures Exchange during their own market hours. An important aspect of the Link is that the contracts are pit-traded in traditional open outcry sessions at both exchanges, allowing far greater time-related liquidity and opportunities to control risk.

The CBOT also maintains after-hours computerized trading through its Project A system. LIFFE uses a similar system known as Automated Pit Trading (APT) which is currently a 45 minute session following regular trading each day. Most exchanges have something unique to offer and each has its own way of reporting its intercontinental or after-hours trades. Whenever possible, CSI quotes the data in the exchanges' "official" format, deferring to the exchanges themselves to determine when the 24-hour trading day begins and ends.

A typical daily download of futures data with Unfair Advantage obtains more than 4,000 time series on world markets. The statistics are captured and distributed in a one-minute Internet download. The data can then be analyzed, charted and manipulated

QuickTrieve 4.07
Beta Version Released

A Beta Test version of QuickTrieve v.4.07 is now available through CSI's Internet web site. The primary change from v.4.06 is support of the revised CSI (QuickTrieve) format, which can now accommodate a greater range of price data (up to 256,000). This upgrade should allow traders following the ever-rising stock indices to view non-truncated data series for most markets. Like QT v.4.06, this is a DOS program.

Please note that this is an upgrade, not the complete program. You must have an existing QuickTrieve version 4.0 or greater installation in order to use the upgrade. Please also bear in mind that this is a Beta Test version which may be subject to yet undiscovered problems. We recommend you back up and preserve a copy of your current QuickTrieve directory (or at least have the original install disks for your current version of QuickTrieve) before replacing it with the test version.

The Beta Test 4.07 upgrade is available to current QuickTrieve users free of charge from the CSI home page. To download, use your own Internet browser to reach our web site: http://www.csidata.com

From the home page, select Patches/Updates...QuickTrieve version 4.07

Download and execute the compressed, self extracting file: qt407.exe (1341k) in your current QuickTrieve directory. Please report any problems to our staff at (techsupport@csidata.com). ✦

CSI's Global Database...
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to uncover the latest impressive world market opportunity. In the early days of commodity trading (pre-1970), when less than a dozen markets were addressed, one often had to wait months for the next fast-moving market to emerge. In our current global and highly liquid economy, major market moves can appear every two or three days to the diligent observer. CSI's data products and software provide the resources needed to make such discoveries. These programs are provided with printed and electronic specification sheets covering all available markets. The listings include trading months, the value of unit price moves, contract size and other details which can assist you in your trading.

You might say that it is great to have information on all of these markets, but wonder where you would go to trade them. There are many reputable brokers out there who would execute trades for you and advise you on which tradables are available to citizens of your specific country. The 1997 Futures Source Book lists well over 300 brokers and introducing brokers who can book trades. A random sampling of the listings turned up some familiar and not-so-familiar names such as Refco, Lind-Waldock & Co., Salomon Brothers, Alaron Trading and Infinity Brokerage Services. Futures Magazine is a fairly good source of information on brokers and international investment opportunities (*Futures subscription dept.*: 319-277-6341).

So whether you are interested in foreign currencies, currency cross rates, New Zealand Bank Bills, Crude Palm Oil, the EuroTop 100, the IBOVESPA Index, Feed Peas, Grade A Milk, Rough Rice, LIBOR, Two Year T-Notes, Palo Verde Electricity, the NASDAQ 100, Maebashi dried cocoons, or the Baltic Freight Index, etc., etc., CSI can keep you informed. From Amsterdam to New Zealand, nearly all domestic and overseas commodity exchanges are available through both CSI's Unfair Advantage and QuickTrieve. The unique and valuable characteristics of the CSI Data Retrieval Service bring unprecedented visibility to the endless opportunities available to the global investor. ✦

Bob Pelletier

Holiday Schedule

CSI will be closed for voice communication on Monday, September 1 for the Labor Day holiday. U.S. exchanges will be closed, but data from open exchanges will be available as usual.

Tech Talk

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 of questions received this month.

Q. *I like the fact that I can view back-adjusted data files with Unfair Advantage, but, when I write the same files for viewing with another program, they won't chart. How can I view these back-adjusted files outside of UA's environment?*

A. Back- and forward-adjusted files may contain negative values, which Unfair Advantage can handle with no problem. Many market analysis programs cannot read negative numbers, however. After all, stock and commodity prices can never "go negative" in the real world. Several algorithms for creating continuous series with UA can create these problematic negative integers. Fortunately, the solution is fairly simple.

Within UA's portfolio manager screens for creating back-adjusted files, you have the option of "detrending" the data. Use of this feature may eliminate negative values from the resulting time series, while adding better visibility to the lessons of the past. Switching from back-adjusted to forward-adjusted may also make the negative numbers go away. Another (less preferred) method within UA is to raise all values above zero. In the View menu's User Settings, choose General (application preferences), then click the check-box that says "Raise all continuous contracts above zero." At least one of these methods should alleviate the problem you are having with charting back-adjusted UA data in a third-party analysis program.

Q. *In creating charts with Unfair Advantage, my Seasonal Index data does not load. I get a "run time error" each time I try. What causes this?*

A. UA probably has insufficient data to produce the seasonal study. The program requires a file of two or more years to produce a one-year waveform of + or - 3. sigma readings. Even with two years, you will have offered insufficient information to produce a reliable waveform for evaluation, although the error message will be eliminated. We recommend using 10 years or more whenever you create a seasonal index study.

Q. *Does CSI have plans to add user-defined studies to UA?*

A. As a matter of fact, a new "scripting language" which allows for user-generated analysis is currently in the works for Unfair Advantage. We expect to have a Beta version available before the end of the year. We are actively seeking suggestions and ideas on this program from our customers on what this module should include. Please email your suggestions to techsupport@csidata.com.

Q. *How can I get QuickTrieve v.4.07 without accessing it through the Internet?*

A. At this time, v.4.07 is available only as a beta test version, and only through the Internet. We have chosen this means of distribution to accommodate faster revisions in case of problems and to limit distribution expenses for what is not yet an official CSI product.

Q. *What should I do if the Beta Test version of QT 4.07 doesn't work on my computer?*

A. Please contact our technical support staff with details of the problem and then restore the backup version of your old QuickTrieve. However, since the changes made to accommodate this numeric increase were relatively minor, we expect few problems to emerge. ✦