



# Aussie Rob's Newsletter



**Aussie Rob News: 32**  
**May 2006**

G'day Folks

This week's quote is: "Most people don't want to do the hard; that's why it's so easy to be successful. There's no competition! Remember short-term pain will equal long term gain and vice versa. It's the hard that makes you great. It's the willingness to do the hard that separates you from your competition, because most of them are only willing to do the easy. Unfortunately, in the long run, the easy always turns out to be the hard. "

**Warren Greshes**

Ya gotta love how true that quote is and how appropriate it is to trading! By doing the hard yards now with your study and papertrading, your trading will become easier. The easy way out, which is what everyone in the Rat Race does, is to simply let someone else manage their funds. That's why their returns are so low.

Doesn't it feel great to know that YOU have control over YOUR financial future!!

**Here's an interesting email that I received from a Broker:**

I use the system everyday as part of my process for recommending trades to clients. It's excellent because I can scan the markets quickly getting an accurate representation of the trend. Not only can I get a quick understanding of the markets my clients have positions in but I also get an early indication of a trend change. Why is this so special? Because it is important to me to be able to get onto a trend early so I can place tight stops and give trade recommendations that risk small amounts but allow me to make large gains.

Thanks,

**Scott Goid**

**Derivatives Dealer**

**Private Clients Advisor**

G'Day Mate, have been using the FOREX in V 4.0. Its great, have already made some good trades following the charts. Is there any chance that you might add some more pairs and even better, would (in future) FOREX allow us to make-up our own pairs ?

Regards

Percy



Great to hear that you've been profitable with my Forex charts Mate! YES, there's a huge chance of more pairs being added soon! Keep an eye on future emails that will announce the additions. Not sure about being able to create your own pairs. Will have to think about that one!

Hi Rob,

Just downloaded 4.1 and generally I like the new features. With every enhancement it gets better and better.

Great, mate, thanks for your thumbs up!

However, because of my big 24" wide screen, I am still having some problems.

My support team are working on how to adapt my Lifestyle Trader to your resolution.

Also, what happened to your weekly watch list? Has it been permanently replaced by the "Options Scan Results"?

Yes, I wrote about that in an earlier newsletter.

Finally, sorry to hear you won't be in Las Vegas this time but hope your foot is healing well. Any chance you'll be at the Money Show in San Francisco in October? Or any where else in the US or Canada?

You'll read about my schedule in the next newsletter.

Regards,

Dave

Vancouver

Rob,

So far I have been using a trade pot of about \$20k. with that I have closed out about \$26k worth of trades and have about \$23k worth of profit on the table as well. As far as I am concerned it is working for me.

Great job Mate!

It was a very shaky start but I have managed to pick and choose more winners than losers.

Yeh, it goes in waves. You have to ride through the bad times to capitalize on the good times.

I seem to have missed a couple of big runs here and there as well. Mainly due to the fact the lines were angled the wrong way first day of the cross and then they go the right way on the second day after the cross.

I'm ok with entering on the 2nd day if the angles are correct.

Also missed a couple because I simply missed them or was at or near my trading limit of open trades. No point trading something on paper if I would not be able to open it in real life.

Definitely

Attached is my paper trading so far.

Technically if I closed all trades now I would be seeing a \$50k profit on top of my starting \$20k. not bad for 2 months work..... seems too good to be true. So unfortunately I am still skeptical until I see this sort of REAL money sitting in my bank account and my resignation letter written



to my boss advising him I get paid more to work 30 minutes a day than for him in 2 months what it takes me to earn in 6 months... so far!

You've proved that it works Mate. You just need to be rock solid and control the emotion once you start trading for real. I look forward to the day that you fire your boss! :-)

Please let me know if my paper trading looks right to you or there are any major mistakes that have skewed my numbers.

Looks good to me Mate!

Thanks. Damien

Hi Rob,

Thanks for the news letters and all the great information that is coming from it. I really like the options scanner and had a few good trades recently. I'll send additional information on that once I sort them out and make return calculations.

Thanks for your kind words and I'm glad to hear that my scanner is working for you.

I have had mixed results with my futures trades, while I did ok with OJ, got badly bruised with Cotton and Coffee. I was probably trading more markets than I should/can track and will resort to baby steps.

You need to find that balance of diversification and ride through the ups and downs as it's all a numbers game! Keep an eye on the Long Term trend!!!

One question on the examples you gave in your recent newsletter ( April ) - NABI and CYPB. Are they recent trades that you made? When I checked the stock charts, they are trading around \$6 and \$7. They were trading at the levels you mentioned back in September 05 and then they had big drops. I am wondering that if premiums are high for deep out of the money puts, the market may be saying the stock will drop significantly. Can you shed some light on this?

Thanks. Suresh

Those examples were from earlier trades. As my newsletter stated, "here's some snippets from previous correspondence". They were used as illustrations.

It's hard to say that the higher the premium the more likely that the stock will drop. The higher the premium, definitely means the higher uncertainty! Take a look at FOSL, a current Naked Put trade. When was it last below \$15? It's currently trading at \$16.01 and if it stays above \$15 by expiration (Friday), it'll return over 7%. Not bad for one week, eh! :-) BUT.... That doesn't mean that it won't go below \$15!

I've written before about the Put/Call Ratio, the same arguments can be applied here... People buy puts for one of 2 reasons:

1. They are Bearish: They're speculating that it's going down.
2. Protection: They're protecting their position while they're bullish.



What if a hedge fund loads up on a stock and also loads up on puts to protect their portfolio? Does that mean they're bearish on the stock? Premium will most likely go up due to volume. Market Makers are in the business to make money too! :-)

I wish I had the exact answer Mate but the bottom line with trading is "SPECULATION".... ;-) All we can do as traders is stack as many odds to our favor to try to be on the right side of the trade!

## Upcoming Events

The following dates are for FREE Training Workshops across Australia. They will focus on Stocks, Options, CFDs, Commodities & Forex. I have also scheduled an all-day event for Specialist Options Training to be held on the Gold Coast.

All events are open to your family, friends and associates, however, future Specialist Options Training will be paid events so capitalize on this FREE Inaugural event right now! Spread the word and help your family & friends by sending them the attached flyers for Sydney (Shares, CFDs, Commodities, Options & Forex) and the Gold Coast Specialist Options Training...

People flew in from all over Australia and New Zealand to attend my workshop on the Gold Coast a couple of weeks ago so please don't let travel hinder you in booking as the training will certainly make an exponential difference to your trading.

These events will fill so jump on the phone to book your seat right now: **1300 55 48 58**

## JUNE

**Jun 3 (Sat) SYDNEY ~ Shares, CFDs, Commodities, Options & Forex**

**Where:** Novotel Sydney on Darling Harbour  
100 Murray Street, Darling Harbour

**When:** Saturday 3<sup>rd</sup> June 2006

**Start:** 8.30am for a 9.00am Sharp Start

**Finish:** 5.00pm (Full Day of Great Step-by-Step Education)

**June 10 (Sat) GOLD COAST ~ Specialist Options Training**

**[Come to the Gold Coast for the Queen's Birthday long weekend!](#)**

**Where:** Courtyard Marriott  
Cnr Surfers Paradise Blvd & Hanlan St, Surfers Paradise

**When:** Saturday 10th June 2006

**Start:** 8.30am for a 9.00am Sharp Start

**Finish:** 5.00pm (Full Day of Great Step-by-Step Education)

**June 24 (Sat) BRISBANE ~ Shares, CFDs, Commodities, Options & Forex**

Location to be advised shortly.

## JULY

**July 1 (Sat) ADELAIDE ~ Shares, CFDs, Commodities, Options & Forex**

Location to be advised shortly.

**July 8 (Sat) MT GAMBIER (SA) ~ Shares, CFDs, Commodities, Options & Forex**

Location to be advised shortly.



## JULY Continued

**July 15 (Sat) MELBOURNE ~ Shares, CFDs, Commodities, Options & Forex**  
Location to be advised shortly.

**July 22(Sat) MILDURA ~ Shares, CFDs, Commodities, Options & Forex**  
Location to be advised shortly.

### US & Canadian Training Workshops

I am looking for Licensees to help me book Training Workshops throughout the US and Canada. If being part of that is of interest to you then please take a look at: <http://www.aussierob.biz/business.htm> and then email me and I'll forward you my Licensee structure.

### Options Essentials CDs

I continually get great feedback from clients after they have studied my CDs. They contain a lot of psychology as well as great option information. They were created for all traders, not just options traders as there are elements in them that can help you no matter what you trade. Take the section on the creation of a Goal Poster for example. The reason why most people break the rules is that they have not set goals important enough to stop them breaking the rules. What's worse, most people haven't set any goals at all. Have you? I don't mean just thinking, "Doh, I wanna make a million bucks trading...." I mean, clear, concise, realistic and trackable written down goals.

If you seriously want to become a more successful trader you need to step up to the plate and start doing things different to what you have done in the past, afterall, if you keep doing what you have been doing in the past, your future will simply mimic your past.

Go to <http://www.aussierob.biz/cdoffer.htm> and order a copy of the CDs right now before the 50% off promotion ends! You can never learn too much, turn off the TV and spend that time constructively educating yourself!

**Think about this...** *We save and save to educate our children for their future however we do not spend the money to educate ourselves. The importance of educating yourself is to be able to make more money that can be used towards our children's education.*

### Naked Put Results

One of the Naked Put strategies that I teach is to sell puts one week prior to expiration. I like running a scan on the Thursday (one week prior to expiration) and then sell the puts on the Friday. This means that I am in the trade for a maximum of 6 trading days.

I ran a scan on Monday the 15<sup>th</sup> of May, which I would normally do on the previous Thursday but I was too busy getting ready for my Gold Coast Training Workshop.

Here are the results of each of the trades that came up in my scan. Remember, these trades were for 1 week only as option expiration is the 3<sup>rd</sup> Friday of the month; in this case Friday 19<sup>th</sup> May 2006.



This was the week that the market took a huge correction too! Ya gotta loooooove selling deep In-The-Money Puts!

Stock	Stock Price	Strike	% Return	Expiration
MED	13.25	12.50	17.67	16.15
HOM	10.80	10.00	17.39	12.26
VIA	38.14	32.50	12.37	37.55
FOSL	16.09	15.00	10.66	18.07
PEIX	37.88	35.00	10.22	29.57
NTES	22.03	20.00	6.71	21.32
JAS	14.78	12.50	6.60	15.60
FARO	16.16	15.00	6.49	16.29
ZOLT	32.25	30.00	6.44	30.33
CTRP	45.94	42.50	6.40	48.60
SIL	16.06	15.00	6.34	14.61
XING	9.05	7.50	6.25	8.12
PEIX	37.88	30.00	6.25	29.57
HPQ	31.63	30.00	5.99	32.02
CNTF	14.51	12.50	5.82	13.79
LTXX	5.56	5.00	5.68	7.24
BRCB	5.56	5.00	5.68	5.96
RRGB	43.15	40.00	5.56	43.33
DKS	42.20	40.00	5.11	38.92

You will see above that PEIX came up twice, depending on your risk tolerance; you would have only traded one of them. Aggressive traders would have sold the 35's while the conservative traders would have sold the 30's.

Book now for the upcoming Options Specialist Training Workshop on the Gold Coast so you can learn step-by-step how to trade Naked Puts ~ Imagine trading just one week a month!

15 winning trades and only 3 losers! YAHOOOOO

### AussieRob FX Trader

Have you set up your demo account yet? FREE streaming data and FREE streaming charts. Set it up now by going to: [http://www.aussierob.biz/forex\\_demo.htm](http://www.aussierob.biz/forex_demo.htm)

You'll instantly receive an auto reply with your User Name and Password. Then go to: <http://www.aussierob.biz/downloads.htm> to download the software and see how addictive FOREX trading can be. Remember, it trades virtually 24 x 7 so if you get the urge to trade at 3am, you can jump on your computer and get your trading fix.

**Attention New FX Traders:** The AussieRob FX Trader is a totally different program to Aussie Rob's Lifestyle Trader with different User Names and Passwords. Your ARLT User Name and



Password will only work for ARLT, NOT FX Trader! Likewise, your FX Trader User Name and Password will only work on FX Trader, NOT ARLT!

FX Trader is an online trading platform that enables you to place both paper and real trades. It also contains extremely advanced real-time technical charts.

### **Brokerage ~ Aussie Rob Financial Services**

Don't forget one of the great advantages of trading through Aussie Rob's Financial Services is not only the low, low commissions but the cutting edge Trading Platforms with FREE real time streaming data and charts. I seriously suggest that you check out our services at:

<http://www.aussierob.biz/brokerage/index.htm>

Well that's it for today.. I look forward to seeing you, your family and friends at one of my new Training Workshops real soon!

Until next time...

Kind Regards

Aussie Rob

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