

Giddy Folks

I'm writing this from the glorious Gold Coast in Queensland, Australia. Sunny one day, perfect the next. It's been another eventful week in the market. Commodities have continued trending and some great profits have been taken off the table. Over 3 grand with Lumber and 2 with OJ....and the stock market had a pretty good week overall too! But what about the E-Minis??? SHOW ME THE MONEEEEEEEY!

Some great correspondence came in this week, including:

Ed sent the following links to replace some of the links that have become obsolete in my Option Simplicity CDs. The problem with any recording, the moment you release something with a website, it becomes outdated!?!?! Thanks for the links Ed!

### **Thompsons Financial Network**

[http://thomson.finance.lycos.com/lycos/iwatch/cgi-bin/iw\\_active](http://thomson.finance.lycos.com/lycos/iwatch/cgi-bin/iw_active)

### **Reuters Institutional holders**

<http://today.reuters.com/stocks/InstHolders.aspx>

Hi Rob,

I have read the chapter on when to get in and out of a bullish stock trade on the web. Get in at the open of the next day after seeing the green line cross above the red line with the green line angled at 2:00 to 12:00 and the red line angled at 3:00 to 12:00 and exit when the green line crosses below the red line. I am confused at what happened in the following scenarios:

A. In essence, to go long you want them both to be at 3:00 or higher with the Green line higher than the Red. To go short you want them both to be at 3:00 or lower with the Green line lower than the Red.

### **Folks, read the following in conjunction with looking at the charts:**

1. For BEN on 10/17/05, the green line crossed over the red line with the green line at 2:15 and the red line at 3:15. This indicates to not trade yet. I should have pulled the trigger because the stock closed the next day at 80.60 (10/18/05) and closed today at 91.64.

**A1. 10/19 was the correct signal due to the angles of the lines. The cross is just the signal to "get ready". The angles have to be correct.**

2. For GOOG on 10/18/05, the green line crossed over the red line with the green line at 2:30 and the red line at 3:30. This indicates to not trade yet. I should have pulled the trigger because the stock closed the next day at 308.70 (10/19/05) and closed today at 395.26.

**A2. 10/19 was the correct signal due to the angles of the lines. (not a bad profit!)**



3. For QQQQ on 11/1/05, the green line crossed over the red line with the green line at 1:30 and the red line at 3:30. This indicates to not trade yet. I should have pulled the trigger because the stock closed the next day at 39.35 (11/02/05) and closed today at 40.15.

A3. 11/3 was the correct signal due to the angles of the lines. (More profits!)

4. For XLF on 10/18/05, the green line crossed over the red line with the green line at 3:00 and the red line at 4:00. This indicates to not trade yet. I should have pulled the trigger because the stock closed the next day at 29.45 (10/19/05) and closed today at 30.89.

A4. 10/18 was the correct signal due to the angles of the lines. (And more profits!)

Is there something else I should be looking at? Am I missing something? Please let me know, I want to make this work for me. Thank you.

Step 1: Crossover

Step 2: Angles of lines

When the angles are correct, you enter. It's ok if it takes a day or two after the cross, but I personally don't like waiting any longer than 3 days.

The following is from a fellow student who wished for his details to be private and confidential. I am sure he won't mind me publishing some of my answers as it will be of great benefit to a lot of others. His name and other details have been omitted of course!

1. I have set forth goals to achieve; they are attached so I am excited to get started.

Well done, this is the first step to your discipline of becoming a successful trader!

A question to all: How many of you who have studied my CDs have created your goal poster??? Those of you who have not studied the CDs, go to the products page on my website and order them now as they will help you immensely!

2. I have designed a plan for me, but not sure the estimate is reasonable, that too is attached for comments.

10% per month IS realistic if you follow the rules! What if you're 50% wrong? Is 5%/month or 60% p.a. ok with you? There would be something drastically wrong if you couldn't get 5% per month in your first year. Maybe aim for 5 this year, then 10 the 2<sup>nd</sup> year and 15 the third. In the Money Covered Calls should definitely help you achieve the 1<sup>st</sup> and 2<sup>nd</sup> year goals. By the 3<sup>rd</sup> year, you'll probably be diversified and therefore trading some strategies/markets that produce a lot higher return.



Finally, my concern is will this really work?

My software works Mate.

The Commodities module has been producing profits for years.

My Stocks module shows if a stock is bullish or bearish.

My Options module finds high yield Covered Call and Naked Put candidates. When you write Covered Calls, the profit is in your account immediately so it's profitability cannot be questioned. If the money is in your account, then you've banked the profit!

The question is not "will this really work?" the question is, "Will YOU really work?"

So far you are probably in the top 5% of traders as far as discipline goes because you have taken the first step by creating your goal poster. Very few people even take the time/effort to do that and yet it is the MOST important part of trading. You HAVE TO create goals important enough to stop you breaking the rules!

## Newsroom

A "Newsroom" has been added to my website to enable new customers to review back issues of my update. Please take the time to read these as there are some tidbits you might enjoy and more importantly, profit from.

## Options

You little rippa.... I got to see a sneak preview of the options module today and to say that I am excited is the understatement of the century!!! Keep an eye on your inbox next week for a beta download! It's !@#\$% (really) AMAZING!

## Commodities ~ What's Hot

I mentioned the price of Corona going up a few weeks ago, you been keeping an eye on the Peso? Check out both the Daily and the Weekly. A nice long entry was triggered last Friday/Monday and it's screamed up to make new highs this week. No Rocket Science required, just chart pattern recognition!

Beans and Beanmeal.... Ya looked at the Weekly charts lately? :-)

Who is NOT making money outta the E-minis? If you're not, I think you've chosen the wrong profession! Seriously, these charts are AWESOME!

A nice bounce for the Nikkei and the Russell.... Well, what can I say??? This is another classic example of why I say that you should never put all of your eggs in one basket. Spread it around as when some commodities are not trending, others are. The Russell whipsawed for 2 weeks and then off she took like a rocket. Whipsawing is good when it is basing. Sure, you'll lose a coupla bucks at the time but then you'll pick it up ten fold when it takes off! When will it take off?



Hmmm, my charts are good but they're not a crystal ball. The old saying plays true again, "Ya gotta be in it to win it!"...

What did I say last week about Copper? 18460 last Friday to close this week at 19055.

Read what I said about Palladium again! 22635 to 22005 (I think ya owe me another Fosters!) and what about Platinum?

Conservative Traders: Trade in the direction of the weekly trend. Let them base and hold on to ya hat when it takes off! This is why I keep pressing the point of paper trading for 90 days first. You'll get to learn how to interpret the charts and not be afraid of taking small losses when there's a bit of whipsawing. This is the nature of the beast. If you can't handle the heat, stay out of the fire! Paper trading enables you to play in the heat and not get burnt!

Coffee.... Could be getting ready for profit taking.

Lumber.... Long at 31030 and now it's 33890! That's over 3 grand profit per contract! Just in case you didn't read that correctly.... **THAT'S OVER THREE GRAND PROFIT PER CONTRACT!!!!**

Mr Juicy.... Oh no... we have to take more profits off the table. 109 to 122.65... hrmmmm did I hear someone say that equates to over 2 grand profit per contract? AND.... how small is the margin for Mr Juicy????

### **Commodities ~ What's Not**

Aussie Dollar is still falling, thank you very much! I ordered a new bike yesterday so thanks to the drop in the dollar, I can afford to buy some of our outrage "Petrol" as it's called down here. I only paid \$1.12 a litre the other day, certainly better than the \$1.40 I paid a few weeks back. For my American friends, a US gallon is 4 litres. Do your sums on the DownUnder gas prices and you won't feel so bad when you go to the pump next week!

What's going on with the Peso? It's the only currency gaining against the Greenback! All other currencies are producing great shorts. Of course the US Dollar Index is still going through the roof.... No rocket science required on that one! :-)

All of the Energies have continued their gradual "correction" much to the delight of the stock market. As I mentioned last week, "watch those support levels".

Wasn't too sure whether to put the Eurodollar in the "What's Not" or the "Neutral" group this week. Maybe it should be in both as it is sitting nicely for it's next move. Which way do I think it will fall??? Hrmmm..... I'm not a gambling man so I will just wait and see what the charts say! ;-)



Bean Oil short did end up going back down.... Interesting, eh? It's bucking the trend of Beans and Meal.

Cocoa: See what has happened with each of the last two times it has tried to go up? See how the green line has gone up but the red line has gone down? What does this mean? It means the buyers have taken control trying to push the price up while the sellers are still selling. This is why the angles of the lines are so important. If they are not in harmony, there is a battle going on. I don't know about you but I don't like sticking my nose in-between a fight. I did that in my early days when I was in the Army. I tried to break up a fight and my nose was rearranged. I have since learnt to keep my nose out of battles. The market is exactly the same, if the buyers and sellers are at war, let them fight it out and only step in when you know who the winner is. How can ya tell? When the lines are in harmony! Take a look at Cocoa's chart and you'll see exactly what I mean.

Cotton.... Could be getting ready for profit taking.

### **Commodities – Neutral**

Wasn't too sure whether to put the Eurodollar in the "What's Not" or the "Neutral" group this week. Maybe it should be in both as it is sitting nicely for it's next move. Which way do I think it will fall??? Hmmm..... I'm not a gambling man so I will just wait and see what the charts say! ;-)

Corn closed at the same level as last Friday so it will be interesting to see which way down it goes too! A few experts have been saying for weeks to go long.... If you had followed their advise, you woulda been "Long and Wrong"... Again.... Forget about the experts, you are now your own advisor..... the charts don't lie!

Wheat is taking a rest too!

**New to Commodities:** Please and I mean PLEASE.... Do not get carried away with the incredible profits that are coming from some of these commodities. The market has been around for some time now and it will probably still be around in 90 days time. Always, and I mean ALWAYS paper trade something new for at least 90 days before using real money! You can get whipsawed around, sorry, I should have said, YOU WILL GET WHIPSAWED AROUND and a lot of people cannot handle that happening, however those who follow the rules and paper trade first, understand that whipsawing is part of the game. You will have losing trades, probably more losing trades than winning trades, however, in the long run, my commodities module has been producing consistent profits over time! Be disciplined and play by the rules so you'll be in the game for the long haul. If not, YOU WILL get wiped out. I'm not saying that to scare you out of trading commodities, I saying that because I want you to be in the game long enough to be able to enjoy the profits! Follow the rules and paper trade! *"End of lecture"*



## Aussie Rob's Watch List

The whole idea of my Watch Lists is for you to keep an eye on my previous Watch Lists to find trending stocks to put into your own Watch Lists.

I run 5 different scans and then select the stocks that appear in 4 or 5 of the scans. As of next week, I'll include those that are on 3 scans too and list them accordingly.

5 Scan:	Bullish ( <b>Green</b> )	Bearish ( <b>Red</b> )
4 Scan:	Bullish ( <b>Blue</b> )	Bearish ( <b>Blue</b> )
3 Scan:	Bullish ( <b>Black</b> )	Bearish ( <b>Black</b> )

The Bulls outnumber the Bears this week! 25:21 This is the first time that the Bulls have outnumbered the Bears since the ARLT launch!

### Bullish List

AIRM  
BNT  
C  
**CHRWD**  
**CNA**  
CPTS  
**DRY**  
EQS  
**ESCL**  
GILD  
GLDB  
**HRL**  
IFO  
LAZ  
**MPWR**  
MTXX  
NMTI  
OZRK  
**PWEI**  
RTSX  
SKYW  
TNM  
TOMO  
TRAD  
**UTIW**

### Bearish List

AEF  
CAW  
COGN  
CTAC  
FS  
GPJ  
GPW  
**HEW**  
IMM  
KMP  
MFM  
MLS  
MVL  
MWR  
NCL  
NCOG  
PEGS  
PMO  
POP  
RBA  
REVU



# Aussie Rob

A WORLD LEADER IN TRADING SOFTWARE & TRAINING

Well that's it for another week, keep an eye on your inbox for ARLT V3.2... exciting stuff!

AVEAGREATWEEKEND and we'll catch ya's in the market next week!

Kind Regards

The Aussie Rob Team

[www.aussierob.biz](http://www.aussierob.biz)

*"Everything's EASY when you know how!"*

