

Giddy Folks

I'm just back from a great few days in Sydney being trained on my new ARTrader Trading Platform. More on that below....

Some great correspondence came in again this week. For the benefit of our new clients, each week I include a selection of correspondence (the Good, Bad and the Ugly sometimes) as, there are a lot of great questions/comments that can help a lot of people. As I'm sure you can appreciate, I do not have enough hours in the day for one-on-one training so I want my time to benefit everyone, not just a few. My update enables me to achieve this! I am sure that you'll find a few nuggets every week. After all, just one tiny thing can have an exponential effect to your trading.

Rob - thanks. Yes, I know how to buy stocks on technical and fundamental indicators but I was confused about why these options had such high yields.

I answered my question. I tried to write DFJLE today and turned out that it was a "non-standard" option, requiring me to own 20 shares of some other stock besides 100 of DF. That doesn't mean that the option wasn't going to be profitable... just too complex.

[A. Yeh, this can happen. As I mentioned in last week's update, there are some weird things that happen.](#)

I ran down the search list and one by one the options turned out to be non-standard. I was left with a few standard options that returned, well, the good old standard 5%. Will the 3.3 scanner be able to indicate if an option is standard or non-standard?

[A. We will be working on a filter but I can't give you a date on it yet.](#)

You're probably the busiest man down-under but I do have just one more question... how do you calculate the Call Return % column?

Cheers,Oleg

[A. Cash In Divided by \(Cash Out – Cash In\). You see, with Covered Calls your profit is immediate and the cash in is yours to spend immediately. Therefore your Cash Out is your NETT Cash Out. i.e. If you buy a Stock for \\$20 and you sell a call for \\$1, your cash out is really only \\$19 NOT \\$20 because you've immediately bought in \\$1.](#)

Rob...what are the criterion you're using for your Puts and Covered Calls scans?

Tom

[A. Everyone has a different risk tolerance so I have created the scanner for everyone to set it to the way that they feel the most comfortable with. Simply adjust the scanner input parameters to find trades within your own personal risk tolerance.](#)



Hi Rob,

I was wondering if you could tell me why NOT ONE of your picks this week are in the beginning of their run? Old tired dogs with such consistency looks a might strange, don't ya think? I run all of your picks thru an Elliott Wave analysis and the results are horrible. Don't tell me that EW is hogwash because I've been using it too long.

Jim

A. They're not at the beginning of their run as they are not a list of stocks at the beginning of their run! Some of those "old tired dogs" continue to go up and some of those "old tired shorts" continue to plummet! The lists are not created as trading candidates for Monday! My weekly updates explain how to use my Watchlist. Scroll to the 2nd to last page for an explanation. The information is printed there every week.

This next one is a story, not correspondence....

I met with a new friend on Tuesday morning to show him how my software worked. He had been receiving my updates for awhile now and was quite excited about Commodities. That was until I introduced him to Covered Calls and how my Scanner can dig deep into the mysterious option world and find incredible candidates. We only pulled a few for December as there was not much of the month left so we then took a gander at January. WOW, how many great opportunities were there for the taking! The part that impressed him the most was being able to sort the column headers. We sorted by Stock and then saw that at times the candidates that were further ITM (In the Money) actually produced a higher return than those that were closer to ATM (At the Money). How would you ever find these without my Scanner???

Brokerage

As I mentioned above, I have just arrived back from a few days in Sydney being trained on my new Trading Platform, ARTrader. We're now in the process of finalizing the online application, PDS (Product Disclosure Statement) and website. By next week's update we should be ready to accept applications so "watch this space" for the launch. It will definitely be worth the wait...

We will be introducing a new product range called "CFD's" (Contracts For Difference) They enable you to trade without actually owning the underlying, however, you make the same profit as if you did actually own the underlying instrument. No they're not "Options", as much as a lot of you would never think you'd hear me say this, "THEY ARE BETTER THAN OPTIONS!" Better leverage than Options and no Time Value! To keep it simple, it's the same as trading the underlying instrument (Stocks, Indexes, Indices & Commodities etc) but on margin. Virtually anyone can get 2:1 margin from their broker. That means that instead of paying \$400 for Google, you could buy it for only \$200 from your broker. He would finance the other \$200 for you.

NOW READ THE FOLLOWING REAL CAREFULLY:



You will be able to trade a US Stock CFD for only 5% down with financing for the remaining 95%. That means that you could trade a Google CFD for only \$20 instead of \$400 trading the stock. We would provide you the finance at great margin rates for the \$380 balance. This will free up your capital to enable you to trade other opportunities.

How does this affect your bottom line?

If Google goes up \$5, here's 3 different profit scenarios:

1. Stock: Buy Google @\$400
Google goes up \$5
You therefore make \$5 on a \$400 invest = 1.25%
2. Stock Margin: Buy Google on margin for \$200 down (Margin finance \$200 balance)
Google goes up \$5
You therefore make \$5 on a \$200 investment = 2.5% (less margin interest)

And here's the real exciting scenario:

3. Stock CFD: Buy Google CFD for \$20 down (Margin finance \$380 balance)
Google goes up \$5
You therefore make \$5 on a \$20 investment = **a whopping 25%** (less margin interest)

Commodities

The deal with Commodities is even better as we can arrange 97% financing with Commodity CFDs. The contract value is worked out by ((Quantity) x (Price))/ tick size multiplied by the margin (3%). For example:

Long Dec Crude @ 59.50
Tick Size is 0.01
Margin is 3%

$$59.50/0.01 \times 3\% = \$178.50$$

Compare that with trading Crude futures with around \$4,000!

The profit or loss that you may incur can be worked out by looking at the commodity and the 'tick' (price movement) it trades to.



As per the above example, if you buy 1 Dec Crude @ 59.50 and it goes up to 61.40, then you have made 190 ticks or in dollar terms, \$190 ($61.40 - 59.50 / 0.01 = 190$)

What's that as a % return? \$190 profit on \$178.50 margin? A tad bit better than having to outlay the margin for a futures contract, eh! ;-)

This will be fantastic for those who want to diversify but do not have enough capital to trade 20+ different commodities. Now you could be able to trade more of the signals that ARLT generates instead of having to cherry pick them.

Bullion

Gold and Silver are treated different to the other Commodities. They only require a 1% margin!
Gold CFDs: 10 ounce minimum (If Gold was \$500, you would only require \$50 per contract)

Imagine being able to trade 10 Gold CFD contracts for only \$500? The current Gold Long trade was entered at 471 and Gold closed on Friday at \$530. That's a 59 pt move so far. Do the math and tell me if you think you make money out of this! ;-)

Silver: 1,000 ounce minimum (If Silver was trading at \$9, you would only require \$90 per contract) How much has Silver gone up this last couple of months? MORE INSANE PROFITS!

FOREX

Yes, FOREX will be available with a 3 Pip spread on the major currency pairs!

AND....

ARTrader will have real time streaming data for Stocks, Commodities & FOREX as well as real time streaming charting facilities time frames down to 1 minute. Fully customizable for Scalping, Day Trading, Swing Trading and even Position Trading!

There will be some people who will still prefer to trade the underlying stock and underlying futures contracts so I haven't forgotten you either. An arrangement has been made with 2 different firms to manage these too!

So folks, between Aussie Rob's Lifestyle Trader and the ARTrader Trading Platform, we have everything that a trader could ever want to enable them to trade all markets with awesome pricing! Speaking of pricing, there will be no extra charge for the streaming data or streaming charts!!!



Commodities ~ What's Hot

Great profits are about to be taken off the table with the Aussie Dollar as a long exit has just been triggered.

The Pound is still steaming ahead

The Swiss has broken out of it's holding pattern. It doesn't really excite me because it is a counter trend trade (going against the long term trend – see weekly chart). But eh, what do I know, I'm only human, the charts certainly tell the story without emotion!

Oats are still performing well by adding 100 pts this week!

Rice is heading north. Take a look at the weekly and you'll see that it has a long way to go before it hits strong resistance.

Soybean Meal is still heading north

It's now time to take those awesome Nikkei long profits off the table!

The metals are still shooting to the moon. Great profits accumulating with Copper, Gold's gone up 23 bucks this week, Palladium's long is going great, Platinum has been tough to trade as it continually braids (lines crossing each other) but it's still going up and Silver.... Well what can I say in addition to "extreme profits are flow'n"!!!

Remember how Bullion (Gold and Silver) only require a 1% margin? What kind of insane profits could ya be making when you start trading with ARTrader through Aussie Rob Financial Services? :-))))

OJ has just created a new high and triggered a long entry. Will be interesting to see what happens now as it's in virgin territory.

Sugar continues to go up and up and up. Must be all those festive candies (or lollies as we call em) that everyone's making. Speaking of great tasting stuff, can someone please email me some Key Lime Pie as I'm having withdrawals down here! ;-)

Commodities ~ What's Not

Great profits with the current Yen short. The lines have crossed but they're virtually on top of each other so a great exit strategy is to utilize a Sell Stop. In other words, place an order to sell if the Yen rises X amount. If it doesn't, then you're still in the trade making more short profits as it looks as though it's gunna continue to go down. Will it? Who knows but learn to set up your trades to manage different possibilities, like using Sell Stops.



What goes up, must eventually come back down, like what we're now seeing with the Peso. Great Long profits have just been taken off the table and now we're go'n short. Conservative traders might pass on the short as it is a counter trend trade.

USD Index has no idea what it wants to do atm. Wait for it to break out.

Last week I said, "Energies have been all over the place but Propane looks to be setting up another nice short." Pretty much the same this week. Crude tried to go up but the bulls were not too strong while Propane is trying it's darnest (wow, I've just created another new word) to go short.

A couple of bucks profit was taken off the table with the Wheats (long) and now they've set up another short! Make it on the way up and then make it on the way down again. YAHOOOOO!

Soybean Oil is producing a great short.

As I mentioned earlier, great long profits are about to come off the table with the Nikkei long. Not only has it produced a long exit, it has produced a short entry. Conservative traders would be hesitant as it's a counter trend trade.

Feeders are producing some great short profits Live Cattle and the Porkers are starting to follow suit! I guess now that's turkey season, no-one wants to eat red meat!?!?!?

Lumber is sitting on a major support, if it breaks through it on Monday, "down she goes...."

Commodities – Neutral

The Euro is still trading sideways, watch what happens when it breaks out of it's holding pattern!

All of the financials and the e-mini's are virtually trading sideways but the Dow's trying to go down. Will be interesting to see what happens as this is usually a bullish time of the year for the US Stock Market.

The Russell's treading water too!

Coffee has had a history of late by going down, resting, then going down again. Check out the charts and see what's happening right now.

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. This happens most of the time! 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



Aussie Rob

A WORLD LEADER IN TRADING SOFTWARE & TRAINING

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 say 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 at least 3 scans.

5 Scan:	Bullish (Green)	Bearish (Red)
4 Scan:	Bullish (Blue)	Bearish (Blue)
3 Scan:	Bullish (Black)	Bearish (Black)

The Bulls outnumber the Bears again this week; however there was a huge increase in Bearish stocks coming up on my scans. Bulls lead the way 37:27

Bullish List

ADEX
AEM
AMS
BEAV
BTJ
BVC
CAS
CASA
CEF
CEPH
CNT
CRM
ELN
EURO
FIF
FRGO
GLD

Bearish List

BKR
BMN
BRM
CAG
CMOS
CMTL
DRTE
EOS
ESL
FDP
HYT
HYV
IQT
IRIX
ISCA
JDO
LGF



Bullish List (Cont)

GRS
HITK
JNC
LH
MEH
MIND
ORI
PROG
PIZZA
Q
RES
SENEA
SHOE
SIFY
TEVA
TP
TSCM
URGI
VLG
VLTR

Bearish List (Cont)

LUB
MFV
MHI
NW-B
PSW
PSY
SGA
SRX
TRK
WON

Well that's it for another week, enjoy your weekend and I'll catch ya's next week! Cut you loses quick, let your winners run! I'm outta here....

Kind Regards

The Aussie Rob Team

www.aussierob.biz

"Everything's EASY when you know how!"

