

Giddy Folks

Today's a pretty exciting day in the Aussie Rob Group of Companies history... It's the launch of our Deep Discount Brokerage, "Aussie Rob Financial Services". After years of clients telling me how disappointed they are with their broker, I'm excited to announce that those days should now be over! More on that shortly...

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.

Dear Rob --

I entered into one of your recommended covered call buy/sell recommendations last week for the first time. I have sold covered calls before on stocks that I happened to have in my portfolio and have made significant amounts of extra profits, but this was my first time to follow your "scan" method..

Last week I bought 200 shares of MYOG at \$19.67 and wrote 2 calls against it. It will be a quick \$200 profit in less than two weeks. That's about 120% profit if you annualize it.

Your recommendation was amazing -- look what's happening to MYOG this morning -- it's up over \$8.00. I should have bought a couple hundred more shares without the calls, but I'm not complaining.

Thanks. Ed

[Way to go Ed!](#)

Rob.....your scanner gave me a PUT candidate, ENCY. Last week I sold 10 ENCY Dec 10 PUTS at .40. Today the stock price dropped from 11.18 to 7.80 and the PUT ask is now at 2.30. What do I do this week. Wait and see or buy back my PUT @ 2.30 for a \$1900 loss or wait until the stock is put to me on Friday/Saturday costing me \$10,000 for a 1000 shares of stock currently worth \$7,800? If the latter I suspect I would then sell covered calls in Jan. Pls help!

Tom

[You've described the 3 repair strategies well Mate, however, I cannot advise you which one is best for you. Only you can make that decision.](#)



Folks, not every trade will be a winner, which I am sure over the years, ya'll have come to realize. Losing trades are a part of our business. We have to take them on the chin, implement our repair strategy and move on to the next winner!

If you look at the stats on my commodity trading spreadsheet, you'll see that ARLT triggers more losing trades than winners, however, the profits far exceed the loses. I always compare losing trades with a retail shop. Some businesses find that Monday's or Tuesdays are losing days. Their expenses far exceed their income, however, they know that the peak days of Friday and Saturday more than make up for the unprofitable days.

Q. Rob....your current month CC IACI has indicated a bid of \$8.50 today and for the past week or so. When I pull up IACI's option chain I can't get anything near the bid you list.....why?

Tom

A. I wish I knew how to filter these out of the scanner but unfortunately there are quite often dual option chains. Here is the response from my options data supplier: "I am not sure why they have two different sets of options for that stock. The options with the QTH root match up best with the actual price of the stock. <http://www.cboe.com/delayedQuote/QuoteTable.aspx> shows the EKJ root and the QTH root for December, plus some others for January. Before considering trading any of them you probably ought to get some clarification from your broker."

So there ya have it.... Unfortunately there are times that as I've mentioned before, "If something looks too good to be true, it probably is!" Bottom line, your Broker will be able to tell you immediately if the option is available or not. When I say "Broker", I mean either a live broker or an online broker!

Christmas Hours

While our competitors are counting down the days to the Christmas break, our dedicated team have been working their butts off with getting ready for the release of ARLT V3.3 and the launch of our Brokerage so I had better be kind enough to give them Christmas Day and Boxing Day off. With that confession, there might not be an update next weekend. If there isn't, then I'll certainly make it up to ya's the following week. Ohhh, that'll be tough as the following weekend is "New Years"!?!?!?

Brokerage ~ Aussie Rob Financial Services

I'm excited to announce, "We're open for business!" Check us out at: www.aussierob.biz

Aussie Rob Financial Services (ARFS) consists of four departments:

1. CFDs (Contracts for Difference) (Stocks & Commodities)
2. Forex
3. Commodities & Commodity Options
4. Stocks & Stock Options



Today we're launching the first two departments, CFDs & Forex. The other two divisions are only a week or two away.

CFDs are a new product that you should seriously consider. 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)

Commission: Stock CFD commissions are in Aussie Dollars which are even more favorable for our international clients. AUD\$1 is less than USD\$0.75



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!

Guaranteed Stop – Loss Facility

Trading CFDs with Aussie Rob Financial Services allows you to limit your risk with a Guaranteed Stop-loss facility. Your position will be closed at a level pre-selected by you with no slippage, regardless of any dramatic market moves effectively limiting your losses.



FOREX

Yes, Forex is launching today too with a 3 Pip spread on the major currency pairs!

Check it out at: <http://www.aussierob.biz/brokerage/forex.htm>

AND....

TWO New Direct Access Trading Platforms

1. ARTrader

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

Check it out at: <http://www.aussierob.biz/brokerage/artrader.htm>



2. AussieRob FX Trader

AussieRob FX Trader has FREE real time streaming data and real time streaming charting facilities with time frames down to 1 minute. Fully customizable for Scalping, Day Trading, Swing Trading and even Position Trading!

Check it out at: <http://www.aussierob.biz/brokerage/arfx.htm>

Just One Account to Open

You only need to open one account to be able to trade Stock & Commodity CFDs and Forex. Open your account now and we'll provide you with a FREE demo account so you can start paper trading! <http://www.aussierob.biz/brokerage/open.htm>

FREE Demo Account

Your FREE Demo Account will operate exactly the same as your live trading account. You'll receive FREE streaming data and FREE streaming full technical charting! Demo accounts have a life of 3 months, if you convert your demo account to a live account, we'll continue to give you the data feed and charting for FREE so long as you trade with us.

Putting it all Together...

So folks, between Aussie Rob's Lifestyle Trader (Trend recognition software that triggers entry and exit signals ~ plus options scanner), the ARTrader Trading Platform (Trade high leveraged Stock & Commodity CFDs) and AussieRob FX Trader (Trade Foreign Exchange) we have everything that a trader could ever want to enable them to trade all markets with awesome



pricing! Speaking of pricing, YES, you read it right.... There will be no extra charge for the streaming data or streaming charts in my two trading platforms!!!

Family & Friends

What better Christmas present to give your Family & Friends than an Aussie Rob Financial Services demo trading account. Remember, our demo accounts include my ARTrader AND AussieRob FX Trader software with FREE real time streaming data & charts for Stock & Commodity CFDs as well as Forex! That will enable them to shut down their previous overpriced real time data feeds from other software vendors!

Let's take it one step further...

I've never been more serious in my life with my ambition of helping traders become more successful with spending less time in front of their computers. So.... In the spirit of Christmas, I will gift your family and friends who open a demo account with my Brokerage a 30 day FREE trial of my Aussie Rob Lifestyle Trader software (including datafeed for Stocks, Commodities and my Options Scanner) to show them how simple their trading really can be.

Commodities ~ What's Hot

The Pound has been producing some fantastic profits but a cross was triggered Friday night. Take a look at the cross and you'll see that both the red and green lines are still pointing way up. To me, it looks like the shorts have been covering their positions, driving the price higher still. So, what to do?

Conservative traders would sure appreciate taking their profits off the table while the more aggressive traders would probably set a sell stop to exit the position if it drops on Monday.

The Canadian Dollar has been very bullish lately too. I read the following article the other day and thought that you too might enjoy reading it!?!?!?

Canada dollar hits 14-yr high against sinking US\$

Mon Dec 12, 2005 05:04 PM ET

By Cameron French

TORONTO, Dec 12 (Reuters) - The Canadian dollar extended its 14-year highs against the U.S. currency on Monday, as the greenback sank hard amid concerns the U.S. Federal Reserve might signal an end to its 18-month rate tightening campaign.

Bond prices eased in light volumes as the market got ready for the Fed's interest rate decision. The currency finished at C\$1.1519 to the U.S. dollar, or 86.81 U.S. cents, up from C\$1.1574, or 86.40 U.S. cents, at Friday's close.



The loonie drove as high as C\$1.1501, or 86.95 U.S. cents, its highest point since January 1992. But its performance was less impressive against overseas currencies, as it lost ground to the euro, yen, British pound, and Swiss franc.

"Canada's had a great run, and we're having just a bit of a pause as we try and get through this C\$1.15 area," said Steven Butler, director of foreign exchange at Scotia Capital.

"I think the market's being just a bit cautious about the level, and I wouldn't be surprised to see us eventually crack through it."

The currency's next swing will likely depend on the language the Federal Reserve uses when it issues its communiqué following its rate decision.

The U.S. central bank is expected to raise its benchmark federal funds rate for the 13th straight time, which would bring it to 4.25 percent. However, concerns that the Fed might remove its reference to future "measured" rate hikes prompted investors to sell the U.S. currency ahead of the meeting.

"If they take that "measured pace" out of the wording, I think we'll get a bit of follow-through," said Butler. However, if they leave the wording intact, the U.S. currency could get a huge upwards push, he said.

While forecasts of U.S. rate hikes have boosted the greenback against overseas currencies, their impact on the Canadian dollar has more or less been canceled out by similar expectations of Bank of Canada rate hikes.

Overall, the Canadian dollar moved in a narrow range of 86.70 to 86.95 U.S. cents on Monday.

Now why did I post this article here? To show you that you don't need to suffer "analysis paralysis" to determine when to get in and when to get out of a trade. Take a look at the CDN Dollar on ARLT and you'll see as plain as day what your entry and exits were without having to spend hours reading a truck load of financial waffle.... I certainly have better things to do with my time than spend hours and hours on research, especially considering that you can read two similar articles that conflict with each other. How many times do you hear one expert say go long when another says go short?

Euro is continuing its climb back up. Notice the weekly crossover and that it has traded sideways for some time on the daily chart. Remember what I've said in the past about trading with the long term trend and what happens when something trades sideways? When it breaks out of its trading range, it usually makes a great move. The Euro is doing that right now!



The Yen bullish? It was only a matter of time, wasn't it? After all, what has the Nikkei been doing?

The Swiss has continued it's bullish ride. Again, see what happens when something breaks out of a sideways range! It takes off like a rocket.

Soybean & Meal are still heading north.

Live Moos are trying to go back up again.

Cotton has just produced some nice long profits with an exit triggered on Friday's close. Aggressive traders might wanna consider what I said earlier about the Pound.

Lumber: Last week I said, "Lumber is sitting on a major support, if it breaks through it on Monday, "down she goes...." It didn't break through support, what did it do? It bounced and now we're long again. You see, one of two things will happen when something is trading on a major support or resistance level. It will either break through, or it will bounce. Support and resistance levels are something that you should always keep your eye on!

OJ has run outta puff... A long exit and a short entry have been triggered. I'm not too excited about the short but then again, as I keep saying, "I'm only human, the charts will really tell it as it is!" OJ has had a tremendous run up so it's probably pretty darn exhausted atm. So, what am I gunna do? I'm gunna follow the charts and keep my emotion/opinion right out of it, of course! :-)

Sugar, oh you sweet sugar..... keep those long profits flowing!!! In at 1204 and it's now 1420. SWEEEEET! (excuse the pun)

Commodities ~ What's Not

What did I say last week about the Peso? "What goes up, must eventually come back down." Some great profits are pouring in with the Peso short.

Oats long is now closed and we're short again.

Our incredible Nikkei long position will be closed on Monday and a short opened. The long has certainly paid for the Christmas presents, Thanksgiving and Christmas turkey as well as a nice vacation! ;-) Will be interesting to see what happens with the short after it's had such a powerful run. Remember, what goes up, must come down. I wonder if Newton was ever a trader? :-)

Both piggies are still producing great shorts!



GOLD: Now who DIDN'T make money on the Gold long???? My charts can't get any clearer, can they? We've taken a bucket load of cash off the table with the long and now we're riding the correction down. Entered short on 15 Dec at 509.5 and it closed on Friday at 505.9 That's a 4 pt move in one day! Do the sums on how much you coulda made by trading a Gold CFD!!! Ka-Ching!

Palladium, Platinum and Silver are following Gold's correction. Speaking of Silver, "Who DIDN'T make money on the last Silver long?"

Commodities – Neutral

All of the financials are still look'n pretty ugly!

The Wheats don't know what they wanna do atm.

The e-mini's are still virtually trading sideways. Santa doesn't seem to be having much effect on the US Stock Market this year. Will be interesting to see what happens next week!

Feeders are basing... wonder if they'll be pulled north with the Live ones?

Copper it taking a well earned rest.

What did I say last week about Coffee? "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 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 40:25

Bullish List

ABGX
ADAM
ADBE
AEL
AMR
AMS
ARNA
ARTG
AUY
BIO
BLX
BSC
CAL
CFSI
CHFN
CMRO
COBR
CR
CRME
DIOD
DRI
EON
EVT
GRS
ICA
JTA
NBG

Bearish List

WRP
TVL
TIER
SFCC
SCHL
RRE
PIR
PDSN
KOSP
ICB
GYC
GNSS
GCH
GBTS
ENCY
EAD
DSWL
DPD
DMF
DGF
DDF
COY
BRM
BEP
BDV



Bullish List (Cont)

NRVN

PHG

PONR

PRX

RNE

RSA

RYAAY

SA

TSCM

TTM

UTX

VDM

WPCS

Well that's it for another week! On behalf of the entire Aussie Rob Team, I would like to thank ya'll for your continued support in 2005 and just in case I don't get an update out next week, we'd like to wish you a very Merry Christmas and an extremely prosperous New Year!

It's Fosters time and it's bloody hot DownUnder so..... I'm outta here....

Kind Regards

Aussie Rob

www.aussierob.biz

"Everything's EASY when you know how!"

