

JANUARY ALMANAC

JANUARY						
S	M	T	W	T	F	S
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FEBRUARY						
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JANUARY STRATEGY CALENDAR*

Symbol		B	M	E
SP	L/S			
US	L/S			
CL	L/S			
NG	L/S			
HO	L/S			
HG	L/S			
GC	L/S			
SI	L/S			
C	L/S			
S	L/S			
W	L/S			
CC	L/S			
KC	L/S			
SB	L/S			
LC	L/S			
LH	L/S			
BP	L/S			
EC	L/S			
SF	L/S			
JY	L/S			

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124–125.
L = Long Trade, S = Short Trade. See pages 131–137 for contract symbols.

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to see mild declines after the New Year (page 138), as investors sell positions to defer capital gain taxes on profits, but the overall strength from October can last into April. Traders can look to take advantage of the January break (page 22). This trade has a reliable trend registering a 73.3% success rate. 30-year Treasury bond prices have a tendency to continue their decline (page 106), as investors are reallocating money into stocks.

◆ ENERGY

January tends to see continued weakness in crude oil (page 143) and in natural gas (page 145) before the typical bottom is posted in February. Traders should prepare for the strongest buy month for oil and natural gas (pages 26, 32, and 124). Heating Oil tends to decline in January into early February 69.7% of the time since 1980 with the exception of 2011 and 2012 (see pages 14, 124 and 147).

◆ METALS

Gold has a strong history of making a seasonal peak from mid- to late January into early February. Shorting gold during this time period has resulted in a cumulative profit of \$45,480 over the past 38 years (page 124). Silver also has a tendency to peak in late February and follows gold price weakness into March (page 30). Copper tends to respect its seasonal December bottom to show mild strength in January (page 112).

◆ GRAINS

Soybeans tend to post a low in late January or early February (page 161). Wheat prices tend to see seasonal weakness in January as well (page 18). In fact, this trade boasts a 69.8% success rate, with 30 years up and 13 down. Corn prices tend to buck that trend, as we enter into the new marketing year (page 158).

◆ SOFTS

Cocoa shows signs of strength in January and continues higher until March (page 34). Coffee tends to show a mixed performance in the month of January, giving back some of December's gains (page 170). Sugar tends to show a mixed performance in January, as beet and continued sugar cane harvest in the southeast United States and India puts pressure on prices (page 173).

◆ MEATS

Live cattle prices tend to follow December's strength (page 176), and hog prices tend to remain under pressure from making any significant moves up until March (page 179).

◆ CURRENCIES

The euro has a short life span since beginning in 1999. However, since inception, it has a stellar trade by going short on the third trading day and holding for 24 days. It has been up 11 and registered three losses (page 16). The Swiss franc and the British pound both show a strong seasonal tendency to continue lower from late December. The yen also demonstrates weakness from December into February.

DECEMBER 2012/JANUARY 2013

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MONDAY

31

FN: HG, GC, SI, S
LT: HO

Of a stock's move, 31% can be attributed to the general stock market, 12% to the industry influence, 37% to the influence of other groupings, and the remaining 20% is peculiar to the one stock.

— Benjamin F. King (*Market and Industry Factors in Stock Price Behavior, Journal of Business*, January 1966)

New Years Day (Market Closed)

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TUESDAY

1

There's nothing wrong with cash. It gives you time to think.

— Robert Prechter, Jr. (*Elliott Wave Theorist*)

End Long Euro(H) (Oct. 24, 2012)

End Long Swiss Franc(H) (Nov. 27, 2012)

WEDNESDAY

2

The principles of successful stock speculation are based on the supposition that people will continue in the future to make the mistakes that they have made in the past.

— Thomas F. Woodlock (Wall Street Journal editor & columnist, quoted in *Reminiscences of a Stock Operator*, 1866–1945)

Start Short Heating Oil(J)—69.7% Accuracy Since 1980—End Feb. 15—Page 14

THURSDAY

3

FN: HO

Only those who will risk going too far can possibly find out how far one can go.

— T.S. Eliot (English poet, essayist and critic, *The Wasteland*, 1888–1965)

Start Short Euro(H)—78.6% Accuracy Since 1999—End Feb. 8—Page 16

Start Short Wheat(N)—69.8% Accuracy Since 1970—End May 8—Page 18

FRIDAY

4

OE: CC, LC, BP, EC, SF, JY

When I talk to a company that tells me the last analyst showed up three years ago, I can hardly contain my enthusiasm.

— Peter Lynch (Fidelity Investments, *One Up On Wall Street*, b. 1944)

SATURDAY

5

SUNDAY

6

SHORT HEATING OIL IN EARLY JANUARY

Heating oil prices typically track closely with crude oil prices. After the summer driving season is over, refiners focus more on building up inventory levels of heating oil. This drives both heating oil and crude oil to a seasonal peak in September followed by a low in December. After a brief relief at yearend both oils exhibit weakness in January and February. This sets up a high probability trade. Selling short April heating Oil on the second trading day of January and holding for 30 days boasts a 69.7% accuracy rate and cumulative gains of \$34,184 dating back to 1980.

However, there are times when the byproduct's pricing decouples from crude oil price trends; when inventories for crude oil are inverted due to the demand for the products. This occurs at certain times of the year, typically in peak heating season, which is defined by the EIA (U.S. Energy Information Administration) as October through March.

In fact, this trade did not work in the last two years. During both January 2011 and 2012, prices of crude oil declined due to a build in inventories and China's economy was suspected of contracting giving the perception of a decline in demand. At the same time snow storms and frigid temperatures moved into the North East section of the U.S. causing a spike in demand for heating oil.

At points A and B in the chart below heating oil prices spike while crude oil prices moved lower as marked at points B and D. This situation seems to be more of an isolated incidence as our research shows. The lower quadrant of the chart shows the seasonal trend of heating oil, which shows the typical trend is to decline from January into mid-February as illustrated at points E and F. The point here is to remember that all years are not created equal and one still needs to use confirming indicators and risk management when using seasonal analysis.

JANUARY SHORT HEATING OIL (APRIL) TRADING DAY: 2-HOLD: 30 DAYS

YEAR	ENTRY		EXIT		PROFIT/LOSS
	DATE	CLOSE	DATE	CLOSE	
1980	1/3	86.60	2/14	75.50	\$4,662
1981	1/6	105.80	2/18	97.85	3,339
1982	1/5	91.58	2/17	80.96	4,460
1983	1/4	78.69	2/15	73.13	2,335
1984	1/4	75.65	2/15	75.64	4
1985	1/3	68.09	2/14	70.66	-1,079
1986	1/3	67.31	2/14	49.00	7,690
1987	1/5	47.83	2/17	47.64	80
1988	1/5	48.38	2/17	44.82	1,495
1989	1/4	46.67	2/15	47.23	-235
1990	1/3	62.50	2/14	57.26	2,201
1991	1/3	65.13	2/14	58.30	2,869
1992	1/3	52.75	2/14	54.15	-588
1993	1/5	55.13	2/17	54.46	281
1994	1/4	45.30	2/15	44.16	479
1995	1/4	49.33	2/15	47.02	970
1996	1/3	52.76	2/15	51.91	357
1997	1/3	65.63	2/14	58.83	2,856
1998	1/5	48.38	2/18	46.10	958
1999	1/5	34.90	2/18	31.56	1,403
2000	1/5	62.17	2/17	72.17	-4,200
2001	1/3	77.21	2/15	74.10	1,306
2002	1/3	55.89	2/15	56.10	-88
2003	1/3	82.59	2/18	97.32	-6,187
2004	1/6	90.29	2/19	90.13	67
2005	1/4	118.91	2/16	132.35	-5,645
2006	1/4	183.19	2/16	165.35	7,493
2007	1/4	160.86	2/16	166.65	-2,432
2008	1/3	266.66	2/15	262.49	1,751
2009	1/5	156.25	2/18	114.14	17,686
2010	1/5	219.96	2/18	206.22	5,771
2011	1/4	251.53	2/16	278.09	-11,155
2012	1/4	306.48	2/17	317.72	-4,721
33-Year Gain					\$34,184

HEATING OIL (HO) BARS AND CRUDE OIL (CL) BARS (WEEKLY DATA AUGUST 2010-JUNE 29, 2012)



JANUARY

MONDAY

7

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Anyone who believes that exponential growth can go on forever in a finite world is either a madman or an economist.

— Kenneth Ewart Boulding (Economist, activist, poet, scientist, philosopher, cofounder General Systems Theory, 1910–1993)

End Long Wheat(K) (Dec. 7, 2012)

TUESDAY

8

If investing is entertaining, if you're having fun, you're probably not making any money. Good investing is boring.

— George Soros (Financier, philanthropist, political activist, author and philosopher, b. 1930)

WEDNESDAY

9

No other country can substitute for the U.S. The U.S. is still No. 1 in military, No. 1 in economy, No. 1 in promoting human rights and No. 1 in idealism. Only the U.S. can lead the world. No other country can.

— Senior Korean official (to Thomas L. Friedman *NY Times* Foreign Affairs columnist, 2/25/2009)

THURSDAY

10

Behold, my son, with what little wisdom the world is ruled.

— Count Axel Gustafsson Oxenstierna (1648 letter to his son at conclusion of Thirty Years War, 1583–1654)

End Long Corn(N) (Dec. 10, 2012)

FRIDAY

11

OE: KC

For want of a nail, the shoe was lost. For want of a shoe, the horse was lost. For want of a horse, the rider was lost.

For want of a rider, the battle was lost. For want of a battle, the kingdom was lost. And all for the want of a nail!

— English proverb

SATURDAY

12

SUNDAY

13

EURO PEAKS AGAINST U.S. DOLLAR

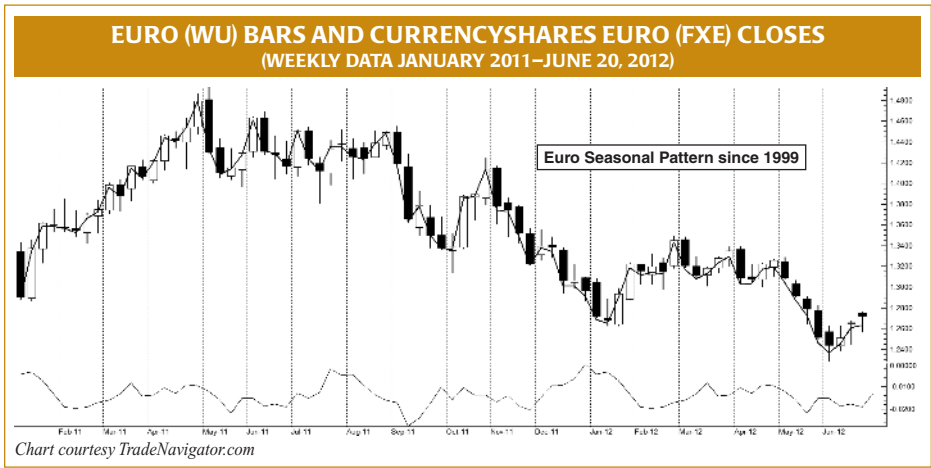
The euro currency was first introduced to the world markets in 1999 and was finally launched with bank notes and physical coins in 2002. As of June 2011, the following countries use the euro as their currency: Andorra, Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Kosovo, Luxembourg, Malta, Monaco, Montenegro, Netherlands, Portugal, San Marino, Slovakia, Slovenia, Spain, and Vatican City.

The European Central Bank dictates monetary policy and puts more emphasis on inflation concerns rather than on economic contraction. We have seen in the past that the ECB would rather maintain steady interest rates than stoke the flames of inflationary pressures. As a result, the ECB is less likely to adjust interest rates compared to its peers. An ongoing European sovereign debt crisis left the ECB with more than just an interest rate adjustment agenda. The crisis has also negatively impacted this trade in the past two years.

Despite this wall of worry, seasonally speaking, we do see in the 14-year history of the euro a tendency for prices to head lower against the U.S. dollar on or about the third trading day in January through the first week of February. Theory suggests this has worked in the past due to the fact that multinational conglomerate corporations based here in the United States repatriate funds after the New Year, and this has a tendency to depress prices in the first quarter.

There are several ways to take advantage of this market—in particular, through an ETF that tracks the euro directly (FXE). By examining the chart below you will see the euro currency futures contract mirrors the line chart based on the closing prices of the CurrencyShares euro (FXE). See pages 131–137 for additional correlated trades.

JANUARY SHORT EURO (MARCH)					
TRADING DAY: 3—HOLD: 24 DAYS					
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1999	1/6	116.42	2/10	113.63	\$3,488
2000	1/5	103.69	2/9	99.45	5,300
2001	1/4	95.24	2/8	91.85	4,238
2002	1/4	89.27	2/8	87.20	2,587
2003	1/6	104.42	2/10	107.32	-3,625
2004	1/6	127.37	2/10	126.94	538
2005	1/5	132.74	2/9	127.98	5,950
2006	1/5	121.53	2/9	119.91	2,025
2007	1/4	131.31	2/8	130.61	875
2008	1/4	147.77	2/8	144.92	3,563
2009	1/6	134.92	2/10	128.59	7,912
2010	1/6	144.08	2/10	137.35	8,413
2011	1/5	131.46	2/9	137.18	-7,150
2012	1/5	127.92	2/9	132.90	-6,225
14-Year Gain					\$27,888



JANUARY

MONDAY

14

LT: S

At the age of 24, I began setting clear, written goals for each area of my life. I accomplished more in the following year than I had in the previous 24.

— Brian Tracy (Motivational speaker)

TUESDAY

15

OE: SB

Chance favors the informed mind.

— Louis Pasteur (French chemist, founder of microbiology, 1822–1895)

WEDNESDAY

16

OE: CL

Small volume is usually accompanied by a fall in price; large volume by a rise in price.

— Charles C. Ying (“Stock Market Prices and Volumes of Sales,” *Econometrica*, July 1966)

THURSDAY

17

Cooperation is essential to address 21st-century challenges; you can't fire cruise missiles at the global financial crisis.

— Nicholas D. Kristof (*NY Times* columnist, 10/23/2008)

FRIDAY

18

OE: SP

Averaging down in a bear market is tantamount to taking a seat on the down escalator at Macy's.

— Richard Russell (*Dow Theory Letters*, 1984)

SATURDAY

19

SUNDAY

20

WHEAT TURNS TO CHAFF

Winter wheat (traded at the CME Group) is typically planted in the September through October time frame. Traders anticipate the crop size, and this puts pressure on prices. In addition, the Southern Hemisphere crops are working through the export process, adding new supplies to the market. As the Southern Hemisphere supply is consumed, prices tend to climb until the size and health of the newly planted crop is known. These events help explain how the seasonal peak is made in January (page 164).

Wheat is not a homogeneous crop, due to the many different classes that are grown (i.e. soft red winter wheat [SRW], hard red spring wheat [HRS], and durum wheat). All have different protein contents and are used for different purposes.

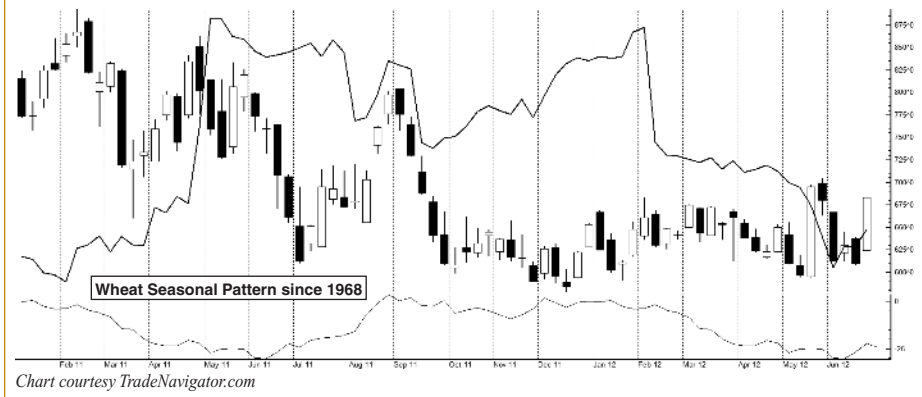
SRW has a lower protein content and is used for cracker-type products. This is the wheat that is deliverable through the old CBOT or CME Group. HRS wheat has a higher protein content and is used in baking products; durum wheat is very high in protein and is used in pasta and noodles. As winter wheat is planted in the fall, corn is harvested, and wheat that may be used as feed can be substituted with less expensive corn, in most years.

Traders can look to take advantage of this seasonality by selling on or about January 4 and holding until on or about May 8. This trade has worked 30 times in the last 43 years, for a success rate of 69.8%. Also consider Ralcorp (RAH), makers of Post Cereals' Shredded Wheat and the former "human food" division of Ralston Purina, which tends to lag the seasonal price swings in Wheat. See pages 131–137 for additional correlated trades.

JANUARY SHORT WHEAT (JULY) TRADING DAY: 3–HOLD: 85 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	1/7	138 5/8	5/08	137 3/8	\$63
1971	1/6	161 1/8	5/07	151 3/8	488
1972	1/5	148 1/4	5/05	144	213
1973	1/4	235 1/2	5/08	233 1/8	119
1974	1/4	467 1/2	5/08	352	5,775
1975	1/6	411	5/07	312 1/2	4,925
1976	1/6	355 3/4	5/06	339 3/4	800
1977	1/5	287 1/4	5/09	253 1/2	1,688
1978	1/5	284 1/4	5/08	300 1/4	-800
1979	1/4	313 1/4	5/07	356 1/2	-2,163
1980	1/4	464 3/4	5/08	432	1,638
1981	1/6	499 3/4	5/07	433 3/4	3,300
1982	1/6	412 3/4	5/07	358 1/2	2,713
1983	1/5	342 3/4	5/06	362 3/4	-1,000
1984	1/5	342 3/4	5/07	341 1/2	63
1985	1/4	330 1/2	5/07	324 3/4	288
1986	1/6	278 1/4	5/07	273 1/4	250
1987	1/6	239 1/2	5/07	290 1/2	-2,550
1988	1/6	319 1/4	5/06	307 1/2	588
1989	1/5	400 1/4	5/08	418 1/2	-913
1990	1/4	360 1/2	5/07	352 3/4	388
1991	1/4	271 1/4	5/07	288 1/4	-850
1992	1/6	341 1/2	5/08	369 3/4	-1,413
1993	1/6	318	5/07	293	1,250
1994	1/5	342 1/2	5/09	325 1/2	850
1995	1/5	347 1/4	5/08	356 3/4	-475
1996	1/4	441	5/06	556 1/2	-5,775
1997	1/6	346 3/4	5/07	404 1/4	-2,875
1998	1/6	339 1/2	5/08	312 1/4	1,363
1999	1/6	307 1/2	5/10	264	2,175
2000	1/5	271	5/08	268 3/4	113
2001	1/4	305 3/4	5/08	266 3/4	1,950
2002	1/4	298	5/08	272 1/4	1,288
2003	1/6	311 3/4	5/08	298 1/2	663
2004	1/6	382 1/4	5/07	403	-1,038
2005	1/5	314	5/09	313 1/2	25
2006	1/5	358 3/4	5/09	384 3/4	-1,300
2007	1/5	477	5/09	482	-250
2008	1/4	817 1/4	5/07	807 1/2	488
2009	1/6	668	5/08	591	3,850
2010	1/6	589 1/2	5/10	492 3/4	4,838
2011	1/5	846 1/4	5/09	790 1/2	2,788
2012	1/5	664 3/4	5/09	600	3,238
43-Year Gain					\$26,769

CBOT WHEAT (W) BARS AND RALCORP (RAH) CLOSES (WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



JANUARY

Martin Luther King Jr. Day (Market Closed)

MONDAY

21

You may not have started out life in the best of circumstances. But if you can find a mission in life worth working for and believe in yourself, nothing can stop you from achieving success.
— Kemmons Wilson (Holiday Inn founder)

TUESDAY

22

LT: CL

If there is something you really want to do, make your plan and do it. Otherwise, you'll just regret it forever.
— Richard Rocco (PostNet franchisee, Entrepreneur Magazine 12/2006, b. 1946)

Start Long S&P 500(H)—73.3% Accuracy Since 1983—End Feb. 1—Page 22

WEDNESDAY

23

Based on my own personal experience—both as an investor in recent years and an expert witness in years past—rarely do more than three or four variables really count. Everything else is noise.
— Martin J. Whitman (Founder Third Avenue Funds, b. 1924)

THURSDAY

24

FN: CL

History must repeat itself because we pay such little attention to it the first time.
— Blackie Sherrod (Sportswriter, b. 1919)

FRIDAY

25

OE: US, C, S, W

No one ever claimed that managed care was either managed or cared.
— Anonymous

SATURDAY

26

SUNDAY

27

FEBRUARY ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to decline before Presidents' Day weekend holiday, and as our seasonal pattern shows (page 138), the S&P 500 tends to continue that decline into March in recent years. 30-year Treasury bond prices have a tendency to continue their decline in February, as we hold a short position from November (page 106).

◆ ENERGY

Crude oil makes a strong seasonal bottom, registering a whopping 82.8% success rate with 24 gains in 29 years (pages 26 and 126). February marked the annual low in 2009 and a seasonal low in 2010 and 2011 (page 143). Natural gas also generates a stellar trade from its mid-winter bottom with a 72.7% success rate, gaining 16 out of the last 22 years (page 32). Cover Short Heating Oil from January and look to enter long position on the 8th trading day headed into mid-April through peak heating season. This trade boasts a 78.8% success rate since 1980.

◆ METALS

Gold has demonstrated a tradable seasonal downturn from late February to mid-March (page 124). In 2009, gold peaked at \$1013 on February 20 and traded towards \$870 by April 6. Silver tends to make price declines in sympathy with gold's seasonal declines. In the past 40 years, silver has declined 30 years for a 75.0% success rate (page 30). Copper prices tend to move in the opposite direction of gold and silver. However, the best trade from December suggests exiting longs on strength during February on or about the 25th of the month (page 112).

◆ GRAINS

Soybeans register a recovery rally from January's break that lasts into the May peak. Soybeans have seen price advances from mid-February to late May, 24 out of the last 44 years, for a 54.5% success rate (page 24). Corn has a tendency to move higher in sympathy with soybeans (page 158). Wheat marches to a different beat and generally sees price declines during February (pages 18 and 164).

◆ SOFTS

Cocoa prices tend to pause in February before advancing and peaking out in March (page 34). Coffee prices see average gains in February lasting though mid- to end of May (page 52). Sugar prices tend to peak in mid-month, triggering a 57.5% win statistic with 23 years out of 40 performing well, including four of the last five years (pages 124 and 173).

◆ MEATS

Live cattle prices have a tendency to see further price gains following January's strength. However, March is a tough month for beef prices. Buyers beware as the bottom generally does not come until June (page 60). Lean hog prices tend to move lower in February and into March, which is the time when one wants to be long headed toward Memorial Day weekend (page 179).

◆ CURRENCIES

The euro tends to be flat during February, but we do see the market correct from January's decline. Our best trade short position is covered on or about the 8th of the month (page 16). The Swiss franc also sees price corrections, and this is the time to cover short positions from the December best trade on or about February 28 (page 116). The British pound tends to remain in a downtrend until mid-March (page 36). Look for continued weakness in February (page 182). The yen posts a secondary low in February, creating a long opportunity on or about February 8 through early May (page 124).

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MARCH						
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31						

FEBRUARY STRATEGY CALENDAR*

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EC	L	S		
SF	L	S		
JY	L	S		

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124-125.

L = Long Trade, S = Short Trade. See pages 131-137 for contract symbols.

JANUARY / FEBRUARY

MONDAY

28

OE: HO, NG, HG, GC, SI

Take care of your employees and they'll take care of your customers.
— John W. Marriott (Founder Marriott International, 1900–1985)

TUESDAY

29

LT: NG, HG, GC, SI

But how do we know when irrational exuberance has unduly escalated asset values, which then become subject to unexpected and prolonged contractions as they have in Japan over the past decade?
— Alan Greenspan (Fed Chairman 1987–2006, 12/5/96 speech to American Enterprise Institute, b. 1926)

WEDNESDAY

30

FN: NG

Buy a stock the way you would buy a house. Understand and like it such that you'd be content to own it in the absence of any market.
— Warren Buffett (CEO Berkshire Hathaway, investor and philanthropist, b. 1930)

THURSDAY

31

FN: HG, GC, SI

LT: HO

Today's Ponzi-style acute fragility and speculative dynamics dictate that he who panics first panics best.
— Doug Noland (Prudent Bear Funds, *Credit Bubble Bulletin*, 10/26/07)

End Long S&P 500(H) (Jan. 23)

FRIDAY

1

OE: CC, LC

The only function of economic forecasting is to make astrology look respectable.
— John Kenneth Galbraith (Canadian/American economist and diplomat, 1908–2006)

SATURDAY

2

SUNDAY

3

END OF JANUARY LONG S&P 500 TRADE

The best six months for owning stocks begins in November and runs until April. However, after the first trading day in January, the market tends to take a breather. It is at this time that we tend to see some profit taking for tax deferral purposes.

By the third week of the month, we have had major economic reports, such as the employment situation and inflation figures; and traders and investors have had a chance to regain a celebratory mood, as the Martin Luther King holiday weekend comes to a close. Traders come back feeling rejuvenated and see the dip in the market as an opportunity to put money back to work.

Buying this “January Dip” has a 73.3% success rate, registering 22 gains with only 8 losses in its 30-year history. The key is to enter a long position on or about January 23 and exit on or about February 1.

Even in early 2009, during the worst bear market since the Great Depression, this trade gained \$2,000. More surprising is the fact that this trade’s best performance came in 2008, just as the bear market was beginning in earnest.

There are several ways to take advantage of this “January Dip”. One is through the futures markets traded at the CME. Stock traders may wish to explore trading the SPDR S&P 500 exchange-traded fund (SPY), which allows one to use options. The chart below displays the direct correlation of the front-month S&P 500 futures contract to SPY. See pages 131–137 for additional correlated trades.

JANUARY LONG S&P 500 (MARCH)						
TRADING DAY: 15–HOLD: 7 DAYS						
YEAR	ENTRY		EXIT		PROFIT/ LOSS	
	DATE	CLOSE	DATE	CLOSE		
1983	1/21	143.90	2/01	143.25	-\$163	
1984	1/23	167.00	2/01	165.10	-475	
1985	1/22	177.15	1/31	180.45	825	
1986	1/22	202.80	1/31	213.05	2,563	
1987	1/22	276.40	2/02	277.35	238	
1988	1/22	248.10	2/02	255.85	1,938	
1989	1/23	286.85	2/01	299.00	3,037	
1990	1/22	331.40	1/31	330.50	-225	
1991	1/22	329.85	1/31	344.65	3,700	
1992	1/22	419.25	1/31	408.60	-2,662	
1993	1/22	436.65	2/02	443.05	1,600	
1994	1/21	473.60	2/01	479.90	1,575	
1995	1/23	468.10	2/01	471.90	950	
1996	1/22	613.70	1/31	637.95	6,063	
1997	1/22	791.60	1/31	787.50	-1,025	
1998	1/23	964.40	2/03	1010.70	11,575	
1999	1/25	1243.50	2/03	1278.50	8,750	
2000	1/24	1411.80	2/02	1415.50	925	
2001	1/23	1366.00	2/01	1382.50	4,125	
2002	1/23	1129.00	2/01	1123.40	-1,400	
2003	1/23	883.00	2/03	858.50	-6,125	
2004	1/23	1140.20	2/03	1133.00	-1,800	
2005	1/24	1166.20	2/02	1193.20	6,750	
2006	1/24	1270.40	2/02	1271.90	375	
2007	1/24	1446.20	2/02	1453.10	1,725	
2008	1/23	1341.50	2/01	1397.10	13,900	
2009	1/23	823.50	2/03	831.50	2,000	
2010	1/25	1092.60	2/03	1096.40	950	
2011	1/24	1288.50	2/02	1300.00	2,875	
2012	1/24	1311.40	2/02	1322.70	2,825	
30-Year Gain					\$65,388	

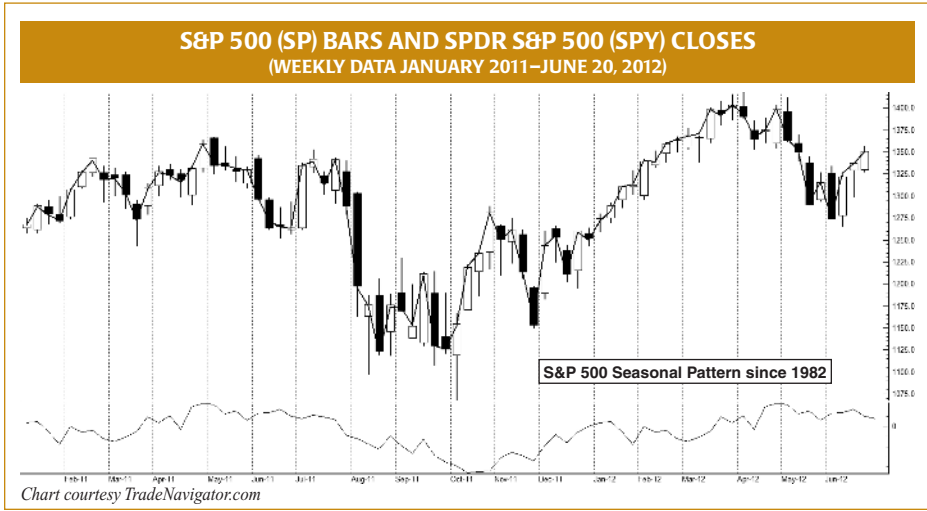


Chart courtesy TradeNavigator.com

FEBRUARY

MONDAY

4

FN: HO, LC

In the stock market those who expect history to repeat itself exactly are doomed to failure.
—Yale Hirsch (Creator of *Stock Trader's Almanac*, b. 1923)

Start Short 30-Year Bond(M)—65.7% Accuracy Since 1978—End Apr. 10—Page 124

TUESDAY

5

The worst mistake investors make is taking their profits too soon, and their losses too long.
—Michael Price (Mutual Shares Fund)

WEDNESDAY

6

The man who can master his time can master nearly anything.
—Winston Churchill (British statesman, 1874–1965)

End Long Cattle(J) (Jun. 20, 2012)
End Short Yen(H) (Oct. 16, 2012)

THURSDAY

7

Try to surround yourself with people who can give you a little happiness, because you can only pass through this life once. Jack. You don't come back for an encore.
—Elvis Presley (1935–1977)

End Short Euro(H) (Jan. 4)
Start Long Yen(M)—55.6% Accuracy Since 1977—End May 9—Page 124

FRIDAY

8

OE: KC, BP, EC, SF, JY

An economist is someone who sees something happen, and then wonders if it would work in theory.
—Ronald Reagan (40th U.S. President, 1911–2004)

SATURDAY

9

SUNDAY

10

STRENGTH IN SOYBEANS

Soybeans have seen price advances from mid-February to the end of May, 24 out of the last 44 years, for a 54.5% success rate. Generally, we have heavier livestock demand, as animals consume more food during cold winter months. It is well after harvest, and inventories have started to decline. After the New Year, export business begins to pick up again.

It is usually after the January crop production report that traders get a better indication of what supply estimates are. Transportation during harsh winter months can hinder deliveries, causing price spikes. In addition, supplies from the Southern Hemisphere regions are at their lowest levels.

Another event that can and has weighed in on our export business is the value of the U.S. dollar. Since the U.S. dollar has been on a massive decline after reaching a peak in 2002, our exports have been strong. However, sluggish global growth could dampen U.S. soybean exports.

Soy meal is used as an animal feed and is not a storable commodity. Therefore demand for soybeans to crush into meal is strong during this period. Demand lasts well into May, as we go through the planting process and potential delays from wet spring. South American harvest gets underway and puts pressure on prices in late May, which is why our exit period is on or about May 30.

Stock traders can consider Bunge Ltd. (BG), one of the world's largest soybean crushers, buyers, sellers, transporters, and commercial hedgers, as it tracks soybeans well. See pages 131–137 for additional correlated trades.

FEBRUARY LONG SOYBEANS (JULY) TRADING DAY: 9–HOLD: 73 DAYS

YEAR	DATE	ENTRY		EXIT		PROFIT/ LOSS
		DATE	CLOSE	DATE	CLOSE	
1969	2/13	268	3/4	6/02	266 1/2	-\$113
1970	2/12	260	7/8	5/28	271	506
1971	2/11	313		5/27	311 3/4	-63
1972	2/11	324	3/8	5/26	352 1/8	1,388
1973	2/13	525	1/4	5/30	1018	24,638
1974	2/14	654	3/4	5/31	547	-5,388
1975	2/13	614		5/30	502 3/4	-5,563
1976	2/12	499	1/4	5/27	576	3,838
1977	2/11	740	1/2	5/31	960	10,975
1978	2/13	576	1/2	5/30	745 1/4	8,438
1979	2/13	754		5/30	736	-900
1980	2/13	712	3/4	5/29	624	-4,438
1981	2/12	789	1/2	5/29	764 3/4	-1,238
1982	2/11	664	1/4	5/27	643 1/2	-1,038
1983	2/11	623		5/27	610 1/2	-625
1984	2/13	725	3/4	5/29	867	7,063
1985	2/13	602	3/4	5/30	563 1/2	-1,963
1986	2/13	542	3/4	5/30	525 1/4	-875
1987	2/12	484	1/4	5/29	548 3/4	3,225
1988	2/11	637	1/4	5/26	754	5,838
1989	2/13	741		5/30	717	-1,200
1990	2/13	588	1/4	5/30	605 1/4	850
1991	2/13	601	1/2	5/30	578 1/4	-1,163
1992	2/13	587		6/02	630	2,150
1993	2/11	574	1/4	5/27	609	1,738
1994	2/11	692	1/2	5/31	701	425
1995	2/13	572	1/2	5/30	579 3/4	363
1996	2/13	739	1/2	5/29	775	1,775
1997	2/13	764	1/2	5/30	880 1/2	5,800
1998	2/12	689	3/4	5/29	618 1/2	-3,563
1999	2/11	506	3/4	5/27	457 1/4	-2,475
2000	2/11	523	1/4	5/26	534 1/4	550
2001	2/13	457	1/2	5/30	437 1/2	-1,000
2002	2/13	447	1/2	5/30	501 1/4	2,688
2003	2/13	569		5/30	624 1/2	2,775
2004	2/12	808	3/4	5/27	822	663
2005	2/11	527	3/4	5/27	667 3/4	7,000
2006	2/13	607		5/30	583 1/2	-1,175
2007	2/13	783	3/4	5/31	806 1/4	1,125
2008	2/13	1356	1/4	5/29	1322 3/4	-1,675
2009	2/12	976		5/26	1185 1/2	10,475
2010	2/11	958	3/4	5/27	951 3/4	-350
2011	2/11	1437		5/27	1379 3/4	-2,863
2012	2/14	1271	1/4	5/30	1373 1/4	5,100
44-Year Gain						\$71,719

SOYBEANS (S) BARS AND BUNGE LTD. (BG) CLOSSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

FEBRUARY

WWW.TRADING-SOFTWARE-COLLECTION.COM

ANDREYBBRV@GMAIL.COM

SKYPE: ANDREYBBRV

MONDAY

11

A weakened White House creates uncertainty on Wall Street.

— Robert D. Hormats (Under Secretary of State Economic, Energy and Agricultural 2009-, Goldman Sachs 1982–2009, CNN 10/28/2005, b.1943)

Start Long Heating Oil(N)—78.8% Accuracy Since 1980—End May 13—Page 124

TUESDAY

12

It's not what you say. It's what they hear.

— (A sign in an advertising office)

Ash Wednesday

Start Long Soybeans(N)—54.5% Accuracy Since 1969—End May 30—Page 24

WEDNESDAY

13

Today's generation of young people holds more power than any generation before it to make a positive impact on the world.

— William J. Clinton (42nd U.S. President, Clinton Global Initiative, b. 1946)

Valentine's Day ♥

Start Long Crude Oil(N)—82.8% Accuracy Since 1984—End May 13—Page 26

THURSDAY

14

FN: CC

LT: LH

OE: CL, LH

When a falling stock becomes a screaming buy because it cannot conceivably drop further, try to buy it 30 percent lower.

— Al Rizzo (1986)

End Short Heating Oil(J) (Jan. 3)

 FRIDAY

15

OE: SP, SB

A person's greatest virtue is his ability to correct his mistakes and continually make a new person of himself.

— Yang-Ming Wang (Chinese philosopher, 1472–1529)

SATURDAY

16

SUNDAY

17

CRUDE OIL STRIKES A WINNER IN FEBRUARY

Crude oil has a tendency to bottom in early February and then rally through mid-May. It is that early February break that can give traders an edge by buying low in a seasonally strong period. In the 29-year history, this trade has worked 24 years for an 82.8% win ratio.

The seasonal influence that causes crude oil to move higher in this time period is partly due to continuing demand for heating oil and diesel fuel in the northern states and partly due to the shut down of refinery operations in order to switch production facilities from producing heating oil to reformulated unleaded gasoline in anticipation of heavy demand for the upcoming summer driving season. This has refiners buying crude oil in order to ramp up the production for gasoline.

When the futures markets seem hazardous and unstable, there are other alternatives. One such opportunity is to trade the smaller-sized electronic futures contract (symbol QM), or one can use options on the futures. Stock traders can use the exchange-traded funds (ETFs), United States Oil Fund (USO) or Select SPDR Energy (XLE), or options on these ETFs. One other aspect is to look for highly correlated stocks, like Exxon (XOM) or other refinery stocks that have a direct price correlation to the underlying futures market and trade those markets under the seasonal aspects.

Notice the direct correlation between crude oil futures and the price value of USO in the chart below. The bottom line shows the seasonal tendencies for oil dating back to 1983. See pages 131–137 for additional correlated trades.

FEBRUARY LONG CRUDE OIL (JULY) TRADING DAY: 10–HOLD: 60 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1984	2/14	29.18	5/10	30.37	\$1,190
1985	2/14	25.86	5/13	27.03	1,170
1986	2/14	16.38	5/13	15.21	-1,170
1987	2/13	17.57	5/12	18.93	1,360
1988	2/12	16.55	5/10	17.61	1,060
1989	2/14	15.98	5/11	18.83	2,850
1990	2/14	21.37	5/11	19.34	-2,030
1991	2/14	18.50	5/13	20.96	2,460
1992	2/14	19.72	5/12	21.08	1,360
1993	2/12	20.02	5/12	20.41	390
1994	2/14	15.09	5/12	17.70	2,610
1995	2/14	17.95	5/11	19.24	1,290
1996	2/14	17.60	5/10	20.14	2,540
1997	2/14	21.20	5/13	21.28	80
1998	2/13	17.00	5/12	15.93	-1,070
1999	2/12	12.33	5/11	17.99	5,660
2000	2/14	26.51	5/10	28.05	1,540
2001	2/14	28.31	5/11	29.08	770
2002	2/14	21.56	5/13	27.62	6,060
2003	2/14	31.57	5/13	28.08	-3,490
2004	2/13	32.42	5/11	39.97	7,550
2005	2/14	47.88	5/11	51.95	4,070
2006	2/14	63.22	5/11	74.68	11,460
2007	2/14	60.34	5/11	64.12	3,780
2008	2/14	94.89	5/12	124.10	29,210
2009	2/13	48.14	5/12	59.71	11,570
2010	2/12	76.08	5/11	80.22	4,140
2011	2/14	95.58	5/11	98.77	3,190
2012	2/15	103.60	5/11	96.49	-7,110
29-Year Gain					\$92,490

CRUDE OIL (CL) BARS AND UNITED STATES OIL (USO) CLOSURES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

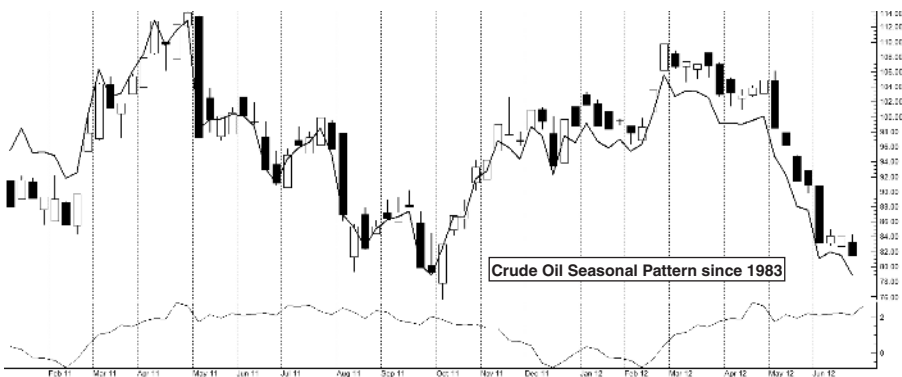


Chart courtesy TradeNavigator.com

FEBRUARY

Presidents' Day (Market Closed)

MONDAY

18

Civility is not a sign of weakness, and sincerity is always subject to proof. Let us never negotiate out of fear. But let us never fear to negotiate.

— John F. Kennedy (35th U.S. President, Inaugural Address 1/20/1961, 1917–1963)

TUESDAY

19

Liberals have practiced tax and tax, spend and spend, elect and elect but conservatives have perfected borrow and borrow, spend and spend, elect and elect.

— George Will (*Newsweek*, 1989)

Start Short Gold(J)—63.2% Accuracy Since 1975—End Mar. 15—Page 124

Start Short Silver(K)—75.0% Accuracy Since 1973—End Apr. 25—Page 30

WEDNESDAY

20

FN: KC
LT: CL

The most dangerous thing that takes place [in companies] is that success breeds arrogance, and arrogance seems to make people stop listening to their customers and to their employees. And that is the beginning of the end. The challenge is not to be a great company; the challenge is to remain a great company.

— George Fisher (Motorola)

Start Short Sugar(N)—57.5% Accuracy Since 1973—End Apr. 18—Page 124

THURSDAY

21

The more feted by the media, the worse a pundit's accuracy.

— Sharon Begley (Senior editor *Newsweek*, 2/23/2009, referencing Philip E. Tetlock's 2005 *Expert Political Judgment*)

FRIDAY

22

FN: CL
OE: US, C, S, W

The usual bull market successfully weathers a number of tests until it is considered invulnerable, whereupon it is ripe for a bust.

— George Soros (Financier, philanthropist, political activist, author and philosopher, b. 1930)

SATURDAY

23

SUNDAY

24

MARCH ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to see strength after February weakness. March marks the end of the first quarter; we have seen funds taking profits prior to the end of the quarter, adding to potential late month weakness (page 138). Beware the Ides of March because St. Patrick's Day mid-month bullishness typically fades as the month concludes. 30-year Treasury bond price has a tendency to continue its decline (page 140) and trade in synch with stock prices, as the quarter draws to a close. Historically, this is still the time to be short by selling into mid-month strength.

◆ ENERGY

After January and February weakness, crude oil begins to strengthen in March at the outset of its best seven months, March–September. The seasonal best trade from February is still long through mid-May (pages 26 and 143). Natural gas prices also remain firm through March; the seasonal best trade from February is still long as well, heading into late April (page 32). Heating Oil remains in a seasonally strong period we are holding a long position from February. Late comers can look for a late-month break near St. Patrick's Day to enter a long position lasting into mid-April.

◆ METALS

Gold posts bottoms during March, and this is the time to cover the seasonal best trade short position from February (page 124). Silver is still in decline, as our seasonal best trade is holding a short position until late April (page 30). Copper prices can run higher in March and April, depending on the price gains from December through late February, which is our best trade time frame to be long (page 112). Look for a seasonal peak in April or May (page 48) to make trading decisions.

◆ GRAINS

Soybeans during March are still in our best trade long scenario (page 24), but this month can produce consolidation or a pause in any strong price gain due to anticipation of the quarterly grain stocks report and the farmer planting intentions report. Wheat prices are still in a seasonal decline mode heading into the June harvest lows (page 18). Corn has weakened in March in recent years, down 8 of the last 12 years (page 160).

◆ SOFTS

Cocoa begins a seasonal decline, instituting a short position in our seasonal best trade category (page 34). Coffee prices tend to see corrections after big up moves in February. This is the "frost scare" season in South America. Coffee is susceptible to higher prices until the seasonal peak in May (pages 52 and 170). Sugar prices continue to decline (page 173).

◆ MEATS

Front-month live cattle prices tend to post a seasonal high in March. Producers are liquidating inventories because packers and processors are preparing for BBQ season (pages 60 and 176). Lean hog prices tend to rise during March because demand for ham increases for Easter (page 179).

◆ CURRENCIES

The euro currency has revealed a tendency to decline during the second half of March, 8 out of 14 years (page 124). The Swiss franc also has a tendency to see price declines from mid-March through mid-May (page 187). The British pound has a distinct pattern of doing the opposite of the euro and Swiss franc; it has a strong tendency to move up against the U.S. dollar in mid-March (pages 36 and 182). The yen has a strong seasonal tendency to sell off in mid-March through early April (page 124).

MARCH						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MARCH STRATEGY CALENDAR*

Symbol	B	I	M	I	E
SP	L	S			
US	L	S			
CL	L	S			
NG	L	S			
HO	L	S			
HG	L	S			
GC	L	S			
SI	L	S			
C	L	S			
S	L	S			
W	L	S			
CC	L	S			
KC	L	S			
SB	L	S			
LC	L	S			
LH	L	S			
BP	L	S			
EC	L	S			
SF	L	S			
JY	L	S			

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124–125.
L = Long Trade, S = Short Trade. See pages 131–137 for contract symbols.

FEBRUARY/MARCH

Start Long Natural Gas(N)—72.7% Accuracy Since 1991—End Apr. 24—Page 32
End Long Copper(K) (Dec. 14, 2012)

MONDAY

25

OE: HO, NG, HG, GC, SI

I would rather be positioned as a petrified bull rather than a penniless bear.

— John L. Person (Professional trader, author, speaker, *Commodity Trader's Almanac*, nationalfutures.com, 11/3/2010, b. 1961)

TUESDAY

26

LT: NG, HG, GC, SI

Don't compete. Create. Find out what everyone else is doing and then don't do it.

— Joel Weldon

WEDNESDAY

27

FN: NG

I measure what's going on, and I adapt to it. I try to get my ego out of the way. The market is smarter than I am so I bend.

— Martin Zweig (Fund manager, *Winning on Wall Street*)

End Short Swiss Franc(H) (Dec. 28, 2012)

THURSDAY

28

FN: US, HG, GC, SI, C, S, W

LT: HO, SB, LC

Today we deal with 65,000 more pieces of information each day than did our ancestors 100 years ago.

— Dr. Jean Houston (A founder of the Human Potential Movement, b. 1937)

FRIDAY

1

FN: SB

OE: CC, LC

Laws are like sausages. It's better not to see them being made.

— Otto von Bismarck (German-Prussian politician, 1st Chancellor of Germany, 1815–1898)

SATURDAY

2

SUNDAY

3

SILVER TARNISHES IN FEBRUARY

Over the years silver has peaked in February, most notably so in 1980 when the Hunt Brothers' plot to corner the silver market was foiled. Our seasonal study shows that selling on or about February 20 and holding until about April 25 has worked 30 times in the last 40 years, for a win probability of 75.0%. As you can see in the short silver table, the usual February silver break was trumped by the overarching precious metal bull market of 2002–2012 three times in the last ten years.

After suffering declines for two years in a row, this trade returned to success with its second best performance in 2012 as most of the commodity sector weakened on slowing global growth.

Silver is considered the “poor man’s” gold, and it does in fact tend to mirror the price move of gold. It is an industrial metal, so in periods of declining economic conditions silver can remain weak. However, it does have a demand base for jewelry, and it is also used in the electronics industry because of its high electrical conductivity and its extreme resistance to corrosion. It is still used in some photo processing applications, but demand in this area has declined with the rise of the digital age of computer imaging.

The chart below of silver has the closing price of ASA Limited (ASA), a mining company that produces silver, overlaid on top. The bottom line is the average seasonal tendency of silver. ASA fairly closely mirrors silver’s price moves. See pages 131–137 for additional correlated trades.

FEBRUARY SHORT SILVER (MAY) TRADING DAY: 13–HOLD: 45 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1973	2/21	230.4	4/26	212.4	\$900
1974	2/21	579.2	4/26	551.3	1,395
1975	2/21	464.0	4/28	435.0	1,450
1976	2/19	424.0	4/23	439.5	-775
1977	2/17	458.1	4/25	475.7	-880
1978	2/21	511.3	4/26	493.9	870
1979	2/20	792.2	4/25	755.5	1,835
1980	2/20	3485.0	4/24	1415.0	103,500
1981	2/19	1363.0	4/24	1125.0	11,900
1982	2/18	856.8	4/23	726.0	6,540
1983	2/17	1477.5	4/25	1230.0	12,375
1984	2/17	933.5	4/24	926.5	350
1985	2/20	634.8	4/25	628.5	315
1986	2/20	596.7	4/25	509.0	4,385
1987	2/19	553.5	4/24	904.5	-17,550
1988	2/18	643.6	4/22	641.5	105
1989	2/17	604.4	4/25	579.5	1,245
1990	2/20	542.9	4/25	492.2	2,535
1991	2/20	372.3	4/25	389.7	-870
1992	2/20	415.6	4/24	396.5	955
1993	2/18	365.8	4/23	395.5	-1,485
1994	2/17	527.0	4/25	513.0	700
1995	2/17	482.3	4/25	571.7	-4,470
1996	2/20	558.3	4/24	529.2	1,455
1997	2/20	527.8	4/25	472.0	2,790
1998	2/19	676.4	4/24	622.5	2,695
1999	2/18	549.3	4/23	514.5	1,740
2000	2/17	529.8	4/24	495.3	1,725
2001	2/20	446.6	4/25	436.5	505
2002	2/20	441.4	4/25	462.0	-1,030
2003	2/20	467.2	4/25	463.2	200
2004	2/19	667.7	4/23	616.3	2,570
2005	2/17	741.2	4/25	726.0	760
2006	2/17	950.0	4/25	1256.0	-15,300
2007	2/20	1396.3	4/25	1376.5	990
2008	2/20	1786.7	4/24	1666.0	6,035
2009	2/19	1397.2	4/24	1292.0	5,260
2010	2/18	1608.5	4/23	1819.2	-10,535
2011	2/17	3158.1	4/25	4714.9	-77,840
2012	2/21	3450.0	4/25	3032.6	20,870
40-Year Gain					\$68,215

SILVER (SI) BARS AND ASA LIMITED (ASA) CLOSSES (WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

MARCH

MONDAY

4

FN: HO

The cause of the Dark Ages can be traced to the Y1K problem.
— (A voice on the Internet)

TUESDAY

5

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All a parent can give a child is roots and wings.
— Chinese proverb

WEDNESDAY

6

Your organization will never get better unless you are willing to admit that there is something wrong with it.
— General Norman Schwarzkof (Ret. Commander of Allied Forces in 1990–1991 Gulf War)

THURSDAY

7

We are handicapped by policies based on old myths rather than current realities.
— James William Fulbright (U.S. Senator Arkansas 1944–1974, 1905–1995)

FRIDAY

8

OE: KC, BP, EC, SF, JY

I'm very big on having clarified principles. I don't believe in being reactive. You can't do that in the markets effectively. I can't. I need perspective. I need a game plan.
— Ray Dalio (Money manager, founder Bridgewater Associates, *Fortune* 3/16/2009, b. 1949)

SATURDAY

9

Daylight Saving Time Begins

SUNDAY

10

NATURAL GAS SURGES

Our long natural gas trade from late February to late April boasts a 72.7% success rate, gaining 16 out of the last 22 years. One of the factors in this seasonal price gain is consumption driven by demand for heating homes and businesses in the northern cold weather areas in the United States. In particular, when December and January are colder than normal, we see depletions in inventories through February. This has a tendency to cause price spikes lasting through mid-April.

This best trade scenario has a holding period of approximately 41 trading days lasting until on or about April 24. It is at this time that inventories start to replenish and demand tapers off until mid-July, when demand for generating electricity is highest in order to run air conditioners during heat spells.

The chart below is natural gas (NG) with the United States Natural Gas (UNG) ETF overlaid, displaying the strong correlation in price moves. In addition, the bottom line shows the average seasonal price tendency since 1990, illustrating the bottom that occurs in February. See pages 131–137 for additional correlated trades.

Since the summer of 2008, the natural gas bear market, caused by a glut in the United States from increased supplies and decreased demand due to ideal weather conditions, has put a damper on this trade in three of the last four years. Using risk management techniques, such as stop loss orders and options strategies, should have prevented catastrophic losses from occurring. Furthermore, utilizing technical timing tools, as we illustrate on pages 120–123, should not only improve results but also help keep you out of the seasonal trade when macro trends override seasonality.

FEBRUARY LONG NATURAL GAS (JULY) TRADING DAY: 16–HOLD: 41 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1991	2/25	1.446	4/24	1.399	-\$470
1992	2/25	1.205	4/23	1.400	1,950
1993	2/23	1.725	4/23	2.453	7,280
1994	2/23	2.130	4/22	2.169	390
1995	2/23	1.590	4/24	1.727	1,370
1996	2/23	1.949	4/23	2.300	3,510
1997	2/25	1.950	4/24	2.137	1,870
1998	2/24	2.308	4/23	2.408	1,000
1999	2/23	1.813	4/22	2.271	4,580
2000	2/23	2.605	4/20	3.102	4,970
2001	2/23	5.265	4/24	5.177	-880
2002	2/25	2.536	4/24	3.465	9,290
2003	2/25	5.529	4/24	5.630	1,010
2004	2/24	5.179	4/22	5.773	5,940
2005	2/23	6.628	4/22	7.359	7,310
2006	2/23	7.973	4/24	8.031	580
2007	2/23	8.059	4/24	7.863	-1,960
2008	2/25	9.353	4/23	11.084	17,310
2009	2/24	4.500	4/23	3.662	-8,380
2010	2/23	5.032	4/22	4.330	-7,020
2011	2/23	4.126	4/21	4.535	4,090
2012	2/24	2.980	4/24	2.180	-8,000
22-Year Gain					\$45,740

NATURAL GAS (NG) BARS AND UNITED STATES NATURAL GAS (UNG) CLOSURES (WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

MARCH

MONDAY

11

Another factor contributing to productivity is technology, particularly the rapid introduction of new microcomputers based on single-chip circuits. ... The results over the next decade will be a second industrial revolution.
—Yale Hirsch (Creator of *Stock Trader's Almanac*, *Smart Money Newsletter* 9/22/1976, b. 1923)

TUESDAY

12

The greatest lie ever told: Build a better mousetrap and the world will beat a path to your door.
—Yale Hirsch (Creator of *Stock Trader's Almanac*, b. 1923)

WEDNESDAY

13

LT: CC

All there is to investing is picking good stocks at good times and staying with them as long as they remain good companies.
—Warren Buffett (CEO Berkshire Hathaway, investor & philanthropist, b. 1930)

Start Short Cocoa(N)—77.5% Accuracy Since 1973—End Apr. 17—Page 34
Start Short Yen(M)—72.2% Accuracy Since 1977—End Apr. 4—Page 124

THURSDAY

14

LT: SP, C, S, W
OE: SP

Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity.
—General George S. Patton, Jr. (U.S. Army field commander WWII, 1885–1945)

End Short Gold(J) (Feb. 20)
Start Short Euro(M)—57.1% Accuracy Since 1999—End Mar. 28—Page 124



FRIDAY

15

OE: CL, SB

We're not believers that the government is bigger than the business cycle.
—David Rosenberg (Economist, Merrill Lynch, *Barron's* 4/21/2008)

SATURDAY

16

St. Patrick's Day

SUNDAY

17

COCOA PEAKS BEFORE ST. PATRICK'S DAY

Cocoa begins a seasonal decline, instituting a short position in our seasonal best trade category. Selling on or about March 14, right before St. Patrick's Day, and holding until on or about April 17, for an average holding period of 23 trading days, has been a winner 31 of the past 40 years. Even in the face of the 2008 great commodity bull run, this seasonal tendency worked with a potential profit per contract of \$1,730.

Cocoa has two main crop seasons. The main crop, from the Ivory Coast and Ghana in Africa, accounts for 75% of the world production runs from January through March. As inventories are placed on the market, this has a tendency to depress prices, especially when demand starts to fall for hot chocolate drinks and chocolate candy in the spring and summer time.

For stock traders, here is an interesting comparison. The chart below is Hershey Foods (HSY) with cocoa prices overlaid and the historic seasonal tendency of Hershey on the bottom. Notice the inverse relationship. See pages 131–137 for additional correlated trades.

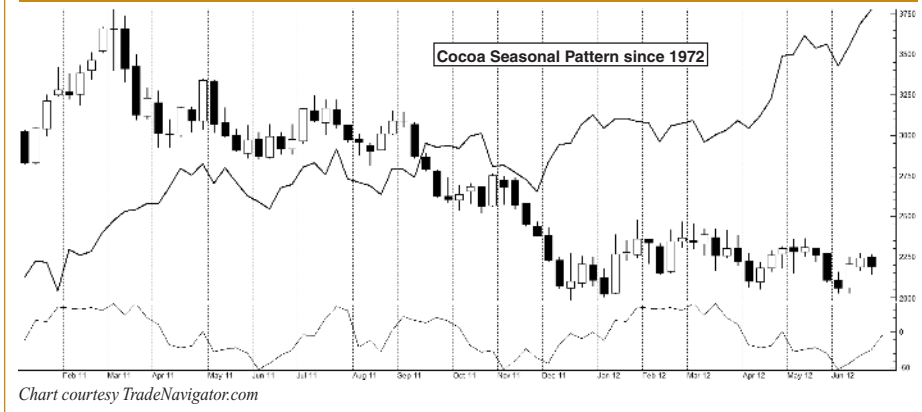
When cocoa prices rise, Hershey prices decline; and then as cocoa prices decline in March, we see a small advance in the stock price. Investors should be aware of the price swings of the underlying product that companies need to manufacture goods in order to obtain a decent profit margin.

MARCH SHORT COCOA TRADING (JULY) TRADING DAY: 10–HOLD: 23 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1973	3/14	806	4/16	940	-\$1,340
1974	3/14	1422	4/17	1916	-4,940
1975	3/14	1320	4/17	1184	1,360
1976	3/12	1367	4/14	1657	-2,900
1977	3/14	3929	4/15	3523	4,060
1978	3/14	3401	4/17	3389	120
1979	3/14	3304	4/17	3086	2,180
1980	3/14	2976	4/17	2804	1,720
1981	3/13	2101	4/15	2070	310
1982	3/12	1976	4/15	1651	3,250
1983	3/14	1869	4/15	1807	620
1984	3/14	2517	4/16	2451	660
1985	3/14	2080	4/17	2255	-1,750
1986	3/14	2080	4/17	1938	1,420
1987	3/13	1909	4/15	2004	-950
1988	3/14	1581	4/15	1543	380
1989	3/14	1396	4/17	1255	1,410
1990	3/14	1083	4/17	1285	-2,020
1991	3/14	1221	4/17	1112	1,090
1992	3/13	1093	4/15	968	1,250
1993	3/12	897	4/15	960	-630
1994	3/14	1271	4/15	1150	1,210
1995	3/14	1365	4/17	1318	470
1996	3/14	1243	4/17	1352	-1,090
1997	3/14	1464	4/17	1451	130
1998	3/13	1663	4/16	1586	770
1999	3/12	1242	4/15	1102	1,400
2000	3/14	909	4/14	846	630
2001	3/14	1052	4/17	989	630
2002	3/14	1547	4/17	1537	100
2003	3/14	1941	4/16	1847	940
2004	3/12	1415	4/15	1376	390
2005	3/14	1788	4/15	1533	2,550
2006	3/14	1467	4/17	1460	70
2007	3/14	1783	4/17	1989	-2,060
2008	3/14	2914	4/17	2741	1,730
2009	3/13	2383	4/16	2381	20
2010	3/12	2946	4/15	2890	560
2011	3/14	3359	4/14	3127	2,320
2012	3/14	2338	4/17	2281	570
40-Year Gain					\$16,640

COCOA (CC) BARS AND HERSHEY (HSY) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



MARCH

MONDAY

18

LT: KC, BP, EC, SF, JY

As for it being different this time, it is different every time. The question is in what way, and to what extent.
— Tom McClellan (*The McClellan Market Report*)

TUESDAY

19

LT: US

We may face more inflation pressure than currently shows up in formal data.
— William Poole (Economist, president Federal Reserve Bank St. Louis 1998–2008, June 2006 speech, b. 1937)

WEDNESDAY

20

LT: CL

Oil has fostered massive corruption in almost every country that has been “blessed” with it, and the expectation that oil wealth will transform economies has lead to disastrous policy choices.
— Ted Tyson (Chief Investment Officer, Mastholm Asset Management)

Start Long British Pound(M)—73% Accuracy Since 1976—End Apr. 23—Page 36
End Short British Pound(M) (Dec. 28, 2012)

THURSDAY

21

Nothing is more uncertain than the favor of the crowd.
— Marcus Tullius Cicero (Great Roman Orator, Politician, 106–43 B.C.)

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FRIDAY

22

FN: CL
OE: US, C, S, W

Small business has been the first rung on the ladder upward for every minority group in the nation's history.
— S. I. Hayakawa (1947, U.S. Senator California 1977–1983, 1906–1992)

SATURDAY

23

SUNDAY

24

MARCH BRITISH POUND INVASION

The British pound has a distinct pattern of doing the opposite of the euro and Swiss franc. It has a strong tendency to move up against the U.S. dollar from mid-March through the latter part of April. In fact, in the 37-year history, it has been positive 27 times, for a success rate of 73.0%.

Entering on or about March 21, holding a long position for 22 trading days, and exiting on or about April 23 has had a string of winners the last seven years in a row, starting in 2005. Perhaps the fact that Britain's fiscal year begins in April helps to push the pound's value up against the U.S. dollar, as money moves back overseas. Cross transactions between the pound versus the euro currency and the pound versus the yen may help influence the rise in the pound's value relative to the U.S. dollar.

The weekly chart below depicts the British pound with the exchange-traded fund (ETF) on the British pound (FXB) overlaid to illustrate how the two instruments trade in tandem. Traders also have the ability to trade foreign currencies on a regulated marketplace, such as the CME Group's futures and options exchanges that provide more electronic access than ETFs afford. Investors who require less leverage will find the FXB an adequate trading vehicle. Either way, the seasonal tendency is quite strong for the pound to move up in this time frame. See pages 131–137 for additional correlated trades.

MARCH LONG BRITISH POUND (JUNE) TRADING DAY: 15–HOLD: 22 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1976	3/19	188.90	4/21	182.60	-\$3,938
1977	3/21	169.00	4/21	171.10	1,313
1978	3/21	190.00	4/21	181.65	-5,219
1979	3/21	203.40	4/23	206.65	2,031
1980	3/21	219.00	4/23	227.10	5,063
1981	3/20	226.65	4/22	219.65	-4,375
1982	3/19	181.10	4/21	178.35	-1,719
1983	3/21	147.00	4/21	154.40	4,625
1984	3/21	143.70	4/23	142.05	-1,031
1985	3/21	117.45	4/23	123.70	3,906
1986	3/21	150.60	4/23	152.40	1,125
1987	3/20	159.25	4/22	162.20	1,844
1988	3/21	182.20	4/21	189.25	4,406
1989	3/21	171.58	4/21	170.48	-688
1990	3/21	156.88	4/23	161.92	3,150
1991	3/21	177.64	4/23	169.88	-4,850
1992	3/20	168.66	4/22	174.56	3,688
1993	3/19	148.34	4/21	153.42	3,175
1994	3/21	148.44	4/20	149.02	363
1995	3/21	158.56	4/21	160.96	1,500
1996	3/21	153.56	4/22	151.10	-1,538
1997	3/21	160.24	4/23	162.14	1,187
1998	3/20	166.20	4/22	166.78	363
1999	3/19	162.70	4/21	160.58	-1,325
2000	3/21	157.38	4/20	157.94	350
2001	3/21	142.88	4/23	143.76	550
2002	3/21	141.82	4/23	144.24	1,513
2003	3/21	155.48	4/23	158.10	1,638
2004	3/19	181.80	4/21	176.51	-3,306
2005	3/21	189.01	4/21	190.34	831
2006	3/21	174.98	4/21	178.26	2,050
2007	3/21	196.80	4/20	200.29	2,181
2008	3/24	197.06	4/23	197.30	150
2009	3/20	144.40	4/22	145.03	394
2010	3/19	151.00	4/20	153.61	1,631
2011	3/21	163.02	4/20	163.97	594
2012	3/21	158.49	4/20	161.03	1,588
37-Year Gain					\$23,219

BRITISH POUND (BP) BARS AND CURRENCYSHARES BRITISH POUND (FXB) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

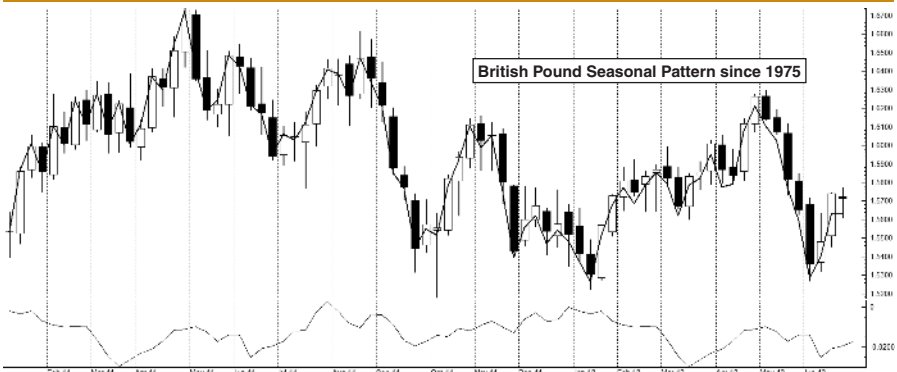


Chart courtesy TradeNavigator.com

MARCH

MONDAY

25

OE: HO, NG, HG, GC, SI

If you torture the data long enough, it will confess to anything.
— Darrell Huff (*How to Lie With Statistics*, 1954)

Passover

TUESDAY

26

LT: NG, HG, GC, SI

The greatest discovery of my generation is that human beings can alter their lives by altering their attitudes.
— William James (Philosopher, psychologist, 1842–1910)

WEDNESDAY

27

FN: NG

In the course of evolution and a higher civilization we might be able to get along comfortably without Congress, but without Wall Street, never.
— Henry Clews (1900)

End Short Euro(M) (Mar. 15)

THURSDAY

28

FN: HG, GC, SI

LT: HO

No horse gets anywhere until he is harnessed. No steam or gas ever drives anything until it is confined. No Niagara is ever turned into light and power until it is tunneled. No life ever grows great until it is focused, dedicated, disciplined.
— Harry Emerson Fosdick (Protestant minister, author, 1878–1969)

Good Friday (Market Closed)

FRIDAY

29

We pay the debts of the last generation by issuing bonds payable by the next generation.
— Lawrence J. Peter

SATURDAY

30

Easter

SUNDAY

31

APRIL ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to see price declines ahead of mid-month tax deadlines and then a month-end recovery. April is considered one of the best six months to be long, according to the *Stock Traders Almanac*. 30-year Treasury bond price has a tendency to make a seasonal low towards the end of the month (page 42).

◆ ENERGY

Crude oil has a tendency to continue rallying through April into mid-May, as we are long crude from our seasonal best trade in February (pages 26 and 124). This is still one of the best seven months to be long: from March through September. Natural gas prices tend to peak in mid- to late April. Our best seasonal long trade from February signals an exit on or about April 24 (page 32). Heating oil prices can remain firm through end of month, but on average, demand declines as heating season ends. We exit our long heating oil trade in May (page 124), but aggressive traders should be looking to sell rallies against a monthly pivot or resistance level.

◆ METALS

Gold has a tendency to decline in April, as tax-related selling pressures prices (page 40). Our best seasonal short trade for silver from February signals an exit on or about April 25 (page 30). Copper tends to form a seasonal high toward the end of April and the first part of May (pages 112 and 149).

◆ GRAINS

Soybeans in April still see upside, as planting concerns and demand for both meal and oil remain strong, U.S. inventories decline, and new supplies are not yet ready since South America's harvest is just beginning (page 161). Wheat is still under pressure, as harvest adds fresh inventories that outweigh demand (page 164). Corn has a tendency to remain strong, especially as April can lead to planting delays in cool, wet spring conditions. In addition, April tax season has passed, and farmers tend to start focusing on production rather than marketing, allowing inventories to build up on farm locations (page 158).

◆ SOFTS

Cocoa's best seasonal short trade from March signals an exit on or about April 17 (pages 34 and 124). Coffee prices are seasonally strong, as this is still just short of the Colombian and Brazilian harvest. It is also the time when the threat of frost damaging the South American crop is high (page 170). Sugar tends to remain weak during this time frame due to inventory from sugar cane harvests in the U.S. Southeast and Brazil (page 173).

◆ MEATS

Live cattle prices are in a seasonally weak period through mid-June, but we do see times when prices consolidate, especially if the month prior showed significant price declines (page 176). Ranchers tend to pay more attention to breeding in the spring rather than bringing livestock to market. Lean hog prices, on the other hand, continue to remain firm in April from a seasonal perspective (page 179). As corn prices increase feed costs, hog producers have shifted towards liquidating inventories and are preparing for breeding. Furthermore, competing pork producers from Canada have had more incentives to market their product with the increase in value of the Canadian dollar. This has magnified the seasonal peak which comes in late May.

◆ CURRENCIES

The euro has weakened in April for three of the past four years (page 186). The Swiss franc continues its seasonally flat period from March until the first part of August (page 187). The British pound best seasonal long trade from March signals an exit on or about April 23 (page 36). The yen best seasonal short trade from March signals an exit on or about April 4 (page 124).

APRIL						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL STRATEGY CALENDAR*

Symbol		B	I	M	E
SP	L/S				
US	L/S				
CL	L/S				
NG	L/S				
HO	L/S				
HG	L/S				
GC	L/S				
SI	L/S				
C	L/S				
S	L/S				
W	L/S				
CC	L/S				
KC	L/S				
SB	L/S				
LC	L/S				
LH	L/S				
BP	L/S				
EC	L/S				
SF	L/S				
JY	L/S				

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124-125.

L = Long Trade, S = Short Trade. See pages 131-137 for contract symbols.

APRIL

MONDAY

1

I am young, powerful and successful, and I produce at least \$10,000 a month.
— (Mantra of Suze Orman, *The 9 Steps to Financial Freedom*, as a young Merrill Lynch broker)

TUESDAY

2

FN: HO

Don't worry about people stealing your ideas. If the ideas are any good, you'll have to ram them down people's throats.
— Howard Aiken (U.S. computer scientist, 1900–1973)

WEDNESDAY

3

Markets are constantly in a state of uncertainty and flux and money is made by discounting the obvious and betting on the unexpected.
— George Soros (Financier, philanthropist, political activist, author and philosopher, b. 1930)

End Short Yen(M) (Mar. 14)

THURSDAY

4

Benjamin Graham was correct in suggesting that while the stock market in the short run may be a voting mechanism, in the long run it is a weighing mechanism. True value will win out in the end.
— Burton G. Malkiel (Economist, April 2003 Princeton Paper, *A Random Walk Down Wall Street*, b. 1932)

FRIDAY

5

OE: CC, LC, BP, EC, SF, JY

I will never knowingly buy any company that has a real time quote of their stock price in the building lobby.
— Robert Mahan (A trader commenting on Enron)

SATURDAY

6

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SUNDAY

7

APRIL TAX TIME TAKES A BITE OUT OF GOLD

Gold has a tendency to continue the seasonal decline that begins in January, leaving April vulnerable to price declines. April tends to see tax-related selling pressure on gold prices along with other financial markets, specifically the U.S. stock markets, and more predominantly, in the technology sector as represented by the NASDAQ 100. It seems that some investors raise capital to pay the IRS by liquidating portions of assets, such as gold and stocks (see *Stock Traders Almanac 2013*, page 38).

Generally speaking, April is also a weak month from a demand perspective. The two forces of increased sales (supply) and no major demand cause the downside price pressure on gold during April. The monthly percentage changes show a distinct gold price decline (page 154).

The weekly chart below shows the price comparison of gold to a gold mining stock, Newmont Mining (NEM). NEM is a major producer of gold and other metals. This company manages properties in the United States, Australia, Peru, Indonesia, Ghana, Canada, Bolivia, New Zealand, and Mexico. The company was founded in 1916 and is based in Denver, Colorado. Not only are they diversified in various countries, but they also have a long history of being in business. This stock also trades well over an average of six million shares per day.

As you can see, the April selloff is predominant not only in the price of gold but also in the shares of this company. The bottom chart shows the average seasonality since 1975 of gold futures prices making declines in the month of April. Here again is another example of trading opportunities using seasonalities of commodities that have direct correlation to other markets, allowing you to trade that product under the seasonal aspects. Newmont Mining is one such example that mirrors the price movement of gold.

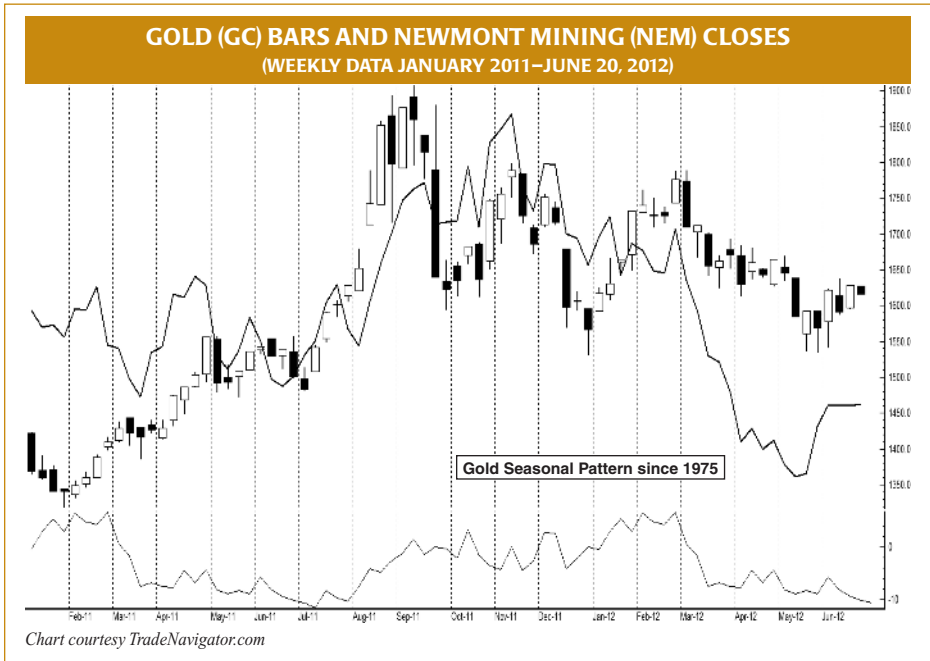


Chart courtesy TradeNavigator.com

APRIL

MONDAY

8

FN: LC

I had an unshakable faith. I had it in my head that if I had to, I'd crawl over broken glass. I'd live in a tent—it was gonna happen. And I think when you have that kind of steely determination...people get out of the way.
— Rick Newcombe (Syndicator, *Investor's Business Daily*)

TUESDAY

9

Life does not consist mainly of facts and happenings. It consists mainly of the storm of thoughts that are forever blowing through one's mind.
— Mark Twain (1835–1910, pen name of Samuel Longhorne Clemens, American novelist and satirist)

End Short 30-Year Bond(M) (Feb. 5)

WEDNESDAY

10

We can guarantee cash benefits as far out and at whatever size you like, but we cannot guarantee their purchasing power.
— Alan Greenspan (Fed Chairman 1987–2006, on funding Social Security to Senate Banking Committee 2/15/05)

THURSDAY

11

People who can take a risk, who believe in themselves enough to walk away [from a company] are generally people who bring about change.
— Cynthia Danaher (Exiting GM of Hewlett-Packard's Medical Products Group, *Newsweek*)

FRIDAY

12

LT: LH
OE: KC, LH

A successful man is one who can lay a firm foundation with the bricks that others throw at him.
— Sidney Greenberg (Rabbi, author, 1918–2003)

SATURDAY

13

SUNDAY

14

BONDS CAN GO UP WHEN STOCKS GO DOWN

The vast majority of investors do not understand the nature of trading Treasury bond futures. There exists an inverse relationship between yield and price. When yield or rates go up, bond prices go down and vice versa. When investors feel threatened with a potential decline in the stock market, they allocate more money into bonds. This is often referred to as the “flight to safety” trade. Investors will also allocate more money to bonds when they believe the yield is more attractive than other shorter-term investment options.

There is no doubt that both of those conditions were met in late 2008 through early 2009. However, even in that unprecedented time, 30-year bond price action did respect a seasonal supply-demand cycle. By going long the September 30-year bond on or about April 24 and exiting the position on or about August 19, we discovered in the last 34 years a solid 70.6% success rate. This trade has a history of 24 wins with only 10 losses; the largest win was \$20,250 in 2011, and the largest loss was \$5,906 in 1999.

The 2009 stock rally off the bottom of the worst bear market since the Depression drove bonds lower. However, if one waited and used timing tools, losses could have been averted, and gains achieved. In 2012, as we were working on this edition, this trade was conforming to the seasonality, as stocks succumbed to a decline. Investors were in fact seeking safety and flocked to buy bonds.

Stock traders may consider the exchange-traded fund, iShares Barclays 20+ Year Bond (TLT), as a replacement for this futures contract. See pages 134–137 for additional correlated trades.

APRIL LONG 30-YR BOND (SEPTEMBER) TRADING DAY: 18–HOLD: 81 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1978	4/26	94'270	8/21	95'020	\$219
1979	4/26	88'260	8/21	90'190	1,781
1980	4/25	76'010	8/20	74'000	-2,031
1981	4/27	64'010	8/20	60'110	-3,688
1982	4/27	64'050	8/20	69'000	4,844
1983	4/27	77'270	8/22	72'160	-5,344
1984	4/26	65'000	8/21	66'230	1,719
1985	4/25	69'260	8/20	77'100	7,500
1986	4/24	97'240	8/19	102'080	4,500
1987	4/27	90'070	8/20	89'210	-563
1988	4/27	87'190	8/22	84'190	-3,000
1989	4/26	89'190	8/21	96'150	6,875
1990	4/26	88'110	8/21	89'190	1,250
1991	4/24	95'110	8/19	97'110	2,000
1992	4/28	97'040	8/21	105'220	8,563
1993	4/27	109'090	8/20	117'090	8,000
1994	4/26	105'210	8/22	102'040	-3,531
1995	4/27	104'280	8/22	110'060	5,313
1996	4/24	109'070	8/19	110'290	1,688
1997	4/24	106'280	8/19	114'060	7,313
1998	4/27	118'160	8/20	124'170	6,031
1999	4/26	120'280	8/19	114'310	-5,906
2000	4/27	96'020	8/22	99'290	3,844
2001	4/26	100'310	8/21	104'300	3,969
2002	4/24	100'200	8/19	108'290	8,281
2003	4/25	112'030	8/20	106'220	-5,406
2004	4/27	106'240	8/23	110'160	3,750
2005	4/26	113'240	8/19	116'080	2,500
2006	4/27	106'170	8/22	109'280	3,344
2007	4/25	111'160	8/21	110'200	-875
2008	4/24	114'315	8/19	117'185	2,594
2009	4/27	123'220	8/20	120'095	-3,391
2010	4/26	115'260	8/19	134'110	18,531
2011	4/27	119'290	8/22	140'050	20,250
					34-Year Gain \$100,922

30-YEAR BOND (US) BARS AND ISHARES BARCLAYS 20+ YEAR BOND (TLT) CLOSURES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

APRIL

Income Tax Deadline

MONDAY

15

OE: SB

Taxes are what we pay for civilized society.

— Oliver Wendell Holmes Jr. (U.S. Supreme Court Justice 1902–1932, “The Great Dissenter,” inscribed above IRS HQ entrance, 1841–1935)

TUESDAY

16

Three passions, simple but overwhelmingly strong, have governed my life: the longing for love, the search for knowledge, and unbearable pity for the suffering of mankind.

— Bertrand Russell (British mathematician and philosopher, 1872–1970)

End Short Cocoa(N) (Mar. 14)

WEDNESDAY

17

FN: CC

OE: CL

When new money is created on a grand scale, it must go somewhere and have some major consequences. One of these will be greatly increased volatility and instability in the economy and financial system.

— J. Anthony Boeckh, Ph.D (Chairman Bank Credit Analyst 1968–2002, *The Great Reflation, Boeckh Investment Letter*)

End Short Sugar(N) (Feb. 21)

THURSDAY

18

Develop interest in life as you see it; in people, things, literature, music—the world is so rich, simply throbbing with rich treasures, beautiful souls and interesting people. Forget yourself.

— Henry Miller (American writer, *Tropic of Cancer, Tropic of Capricorn*, 1891–1980)



FRIDAY

19

OE: SP

The future now belongs to societies that organize themselves for learning. What we know and can do holds the key to economic progress.

— Ray Marshall (b. 1928) and Marc Tucker (b. 1939) (*Thinking for a Living: Education and the Wealth of Nations*, 1992)

SATURDAY

20

SUNDAY

21

BEEF PRICES HEAD SOUTH BEFORE SUMMER

Live cattle prices tend to post a seasonal high in early May. Between the supplies of fattened beef coming out of feed lots from the cold winter months to competing meat products like poultry and pork, supply tends to outpace demand, and we see a strong seasonal tendency for beef prices to decline, starting on or about May 2 through mid-June. In the past 36 years ending in 2011, this trade has worked 23 times for a 63.9% success rate.

At present, there is currently no ETF that is outright geared towards beef prices, but investors do have other options besides outright futures contract positions to trade this commodity's seasonality. Investors can start examining which companies have not only a like or tandem price relationship, but also an inverse relationship with seasonal price moves in the underlying commodity markets, as is the case with live cattle and McDonald's (page 60). Another possibility is the ETN, iPath DJ-UBS Livestock Total Return Sub-Index (COW).

However, the chart below is of the ETF Market Vectors Agribusiness (MOO), which tracks beef prices closely, as it contains many stocks related to the cattle ranching business. See pages 131–137 for additional correlated trades. At press time, both live cattle and MOO had already declined substantially by mid-June 2012, after establishing a peak seasonal high in late February.

MAY SHORT LIVE CATTLE (OCTOBER) TRADING DAY: 2–HOLD: 30 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1976	5/4	45.675	6/16	45.200	190
1977	5/3	43.125	6/15	38.650	1,790
1978	5/2	52.625	6/14	50.050	1,030
1979	5/2	72.450	6/14	65.500	2,780
1980	5/2	61.500	6/16	65.100	-1,440
1981	5/4	65.550	6/16	65.300	100
1982	5/4	63.525	6/16	59.425	1,640
1983	5/3	60.825	6/15	59.000	730
1984	5/2	62.625	6/14	62.225	160
1985	5/2	62.100	6/14	62.725	-250
1986	5/2	52.325	6/16	49.950	950
1987	5/4	62.775	6/16	61.700	430
1988	5/3	68.150	6/15	63.950	1,680
1989	5/2	69.500	6/14	71.750	-900
1990	5/2	74.125	6/14	76.025	-760
1991	5/2	76.000	6/14	75.325	270
1992	5/4	70.525	6/16	71.175	-260
1993	5/4	74.300	6/16	75.100	-320
1994	5/3	70.675	6/15	67.875	1,120
1995	5/2	61.950	6/14	62.325	-150
1996	5/2	63.800	6/14	67.250	-1,380
1997	5/2	69.075	6/16	67.425	660
1998	5/4	69.675	6/16	65.400	1,710
1999	5/4	63.700	6/16	65.675	-790
2000	5/2	72.100	6/14	70.225	750
2001	5/2	73.525	6/14	74.475	-380
2002	5/2	65.875	6/14	64.575	520
2003	5/2	71.225	6/16	68.525	1,080
2004	5/4	84.450	6/17	86.925	-990
2005	5/3	86.200	6/15	82.750	1,380
2006	5/2	81.075	6/14	83.300	-890
2007	5/2	96.075	6/15	94.675	560
2008	5/2	104.400	6/16	110.575	-2,470
2009	5/4	86.550	6/16	85.775	310
2010	5/4	96.450	6/16	90.425	2,410
2011	5/3	118.050	6/15	111.025	2,810
36-Year Gain					\$14,080

LIVE CATTLE (LC) BARS AND MARKET VECTORS AGRIBUSINESS (MOO) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

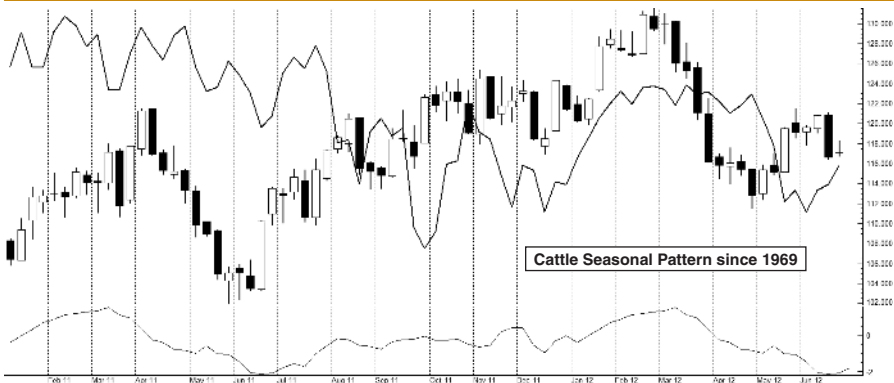


Chart courtesy TradeNavigator.com

APRIL

MONDAY

22

FN: KC
LT: CL

I'm not nearly so concerned about the return on my capital as I am the return of my capital.
— Will Rogers (American humorist and showman, 1879–1935)

End Long British Pound(M) (Mar. 21)

TUESDAY

23

The heights by great men reached and kept, were not attained by sudden flight, but they, while their companions slept, were toiling upward in the night.
— Henry Wadsworth Longfellow

End Long Natural Gas(N) (Feb. 25)

Start Long 30-Year Bond(U)—70.6% Accuracy Since 1978—End Aug. 19—Page 42

Start Long S&P 500(U)—66.7% Accuracy Since 1982—End Jun. 4—Page 124

WEDNESDAY

24

FN: CL

The choice of starting a war this [pre-election] spring was made for political as well as military reasons... [The president] clearly does not want to have a war raging on the eve of his presumed reelection campaign.
— Senior European diplomat (NY Times 3/14/03)

End Short Silver(K) (Feb. 20)

THURSDAY

25

OE: HO, NG, HG, GC, SI

The true mystery of the world is the visible, not the invisible.
— Oscar Wilde (Irish-born writer and wit, 1845–1900)

End Short 30-Year Bond(M) (Nov. 20, 2012)

FRIDAY

26

LT: NG, HG, GC, SI
OE: US, C, S, W

It is better to be out wishing you were in, than in wishing you were out.

— Albert W. Thomas (Trader, investor, *Over My Shoulder*, mutualfundmagic.com, *If It Doesn't Go Up, Don't Buy It!*, b. 1927)

SATURDAY

27

SUNDAY

28

MAY ALMANAC

◆ STOCKS AND BONDS

S&P's have shown a tendency to see price declines—as the saying goes “sell in May and go away.” However, no one said it was the beginning of the month. In recent years we start to see stocks peak in mid- to end of month, as illustrated in our seasonal chart (page 138). 30-year Treasury bonds prices continue their bottoming process in May, as seen in our seasonal chart (pages 42 and 140).

◆ ENERGY

Liquidate crude oil long from February on or about May 13 (page 26). Natural gas generally consolidates during the month of May prior to forming a mid-June peak, followed by early summer weakness (page 145). Exit the long heating oil trade from February 14 on or about May 13 (page 124).

◆ METALS

Gold continues to remain weak from a seasonal perspective headed into the early summer month trading doldrums. Silver sees a strong tendency to peak—look to sell silver on or about May 14 and hold through June 25 for a 66.7% win ratio and a cumulative gain of \$60,495 the last 39 years, and a six-year win steak from 2006–2011 (page 50). Getting short copper on or about May 10 and exiting on or about May 30 has produced 25 wins out of 40 years. 2012 had the best gain with \$7,513 in profits (page 48).

◆ GRAINS

Soybeans tend to peak out and start a seasonal decline towards the end of the month in most normal weather years, as planting is well established and the crop growing season is well underway. This lasts through early August when “drought scares” develop. This is the time to take advantage of any further seasonal strength to liquidate long positions from February on or about May 30 (page 24). Wheat prices continue to trend lower under normal crop years before the harvest lows are made in June (page 164). Corn tends to move sideways in May. Don't look to short corn until the seasonal peak in June (page 62).

◆ SOFTS

Cocoa sees some price consolidation, as it heads toward its seasonal low in June (pages 125 and 167). Coffee has its best seasonal trade, as it typically hits a seasonal high in May; look to sell short on or about May 22 (page 52). Sugar sees some price consolidation, as it also tends to hit a seasonal low in June (pages 58 and 173).

◆ MEATS

Live cattle prices generally trend lower in May heading into June when they typically establish their average seasonal low (page 176). Look to sell on the second trading day and hold for 30 days. This trade has a 63.9% win probability (page 126). Cattle prices then tend to bottom in mid- to late June when it typically establishes a seasonal low (page 60). Lean hogs usually peak in May (page 179).

◆ CURRENCIES

The euro has no real meaningful trend direction or influences from one particular seasonal factor during the month of May. The Swiss franc also drifts sideways, with a tendency to post a seasonal bottom in May, but typically does not advance higher against the U.S. dollar until August. The British pound can be shorted on or about May 29 and held through June 10. This trade worked 24 of 37 years, for a cumulative gain of \$15,463 (page 124). The yen should rally, giving traders a chance to liquidate the seasonal best long trade from February, on or about May 9 (page 124).

MAY						
S	M	T	W	T	F	S
5	6	7	8	1	2	3
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE						
S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY STRATEGY CALENDAR*

Symbol	B	I	M	E
SP	L	S		
US	L	S		
CL	L	S		
NG	L	S		
HO	L	S		
HG	L	S		
GC	L	S		
SI	L	S		
C	L	S		
S	L	S		
W	L	S		
CC	L	S		
KC	L	S		
SB	L	S		
LC	L	S		
LH	L	S		
BP	L	S		
EC	L	S		
SF	L	S		
JY	L	S		

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124–125.
L = Long Trade, S = Short Trade. See pages 131–137 for contract symbols.

APRIL/MAY

MONDAY

29

FN: NG

The highest reward for a person's toil is not what they get for it, but what they become by it.
— John Ruskin (English writer)

TUESDAY

30

FN: HG, GC, SI, C, S, W
LT: HO, SB, LC

The investor who concentrated on the 50 stocks in the S&P 500 that are followed by the fewest Wall Street analysts wound up with a rousing 24.6% gain in [2006 versus] 13.6% [for] the S&P 500.
— Rich Bernstein (Chief Investment Strategist, Merrill Lynch, *Barron's* 1/8/07)

WEDNESDAY

1

FN: SB

What lies behind us and what lies before us are tiny matters, compared to what lies within us.
— Ralph Waldo Emerson (American author, poet and philosopher, *Self-Reliance*, 1803–1882)

Start Short Cattle(V)—63.9% Accuracy Since 1976—End Jun. 14—Page 44

THURSDAY

2

FN: HO

"Sell in May and go away." However, no one ever said it was the beginning of the month.

— John L. Person (Professional trader, author, speaker, *Commodity Trader's Almanac*, nationalfutures.com, 6/19/2009, b. 1961)

FRIDAY

3

OE: CC, LC, BP, EC, SF, JY

A market is the combined behavior of thousands of people responding to information, misinformation and whim.
— Kenneth Chang (*NY Times* journalist)

SATURDAY

4

SUNDAY

5

COPPER TOPS IN MAY

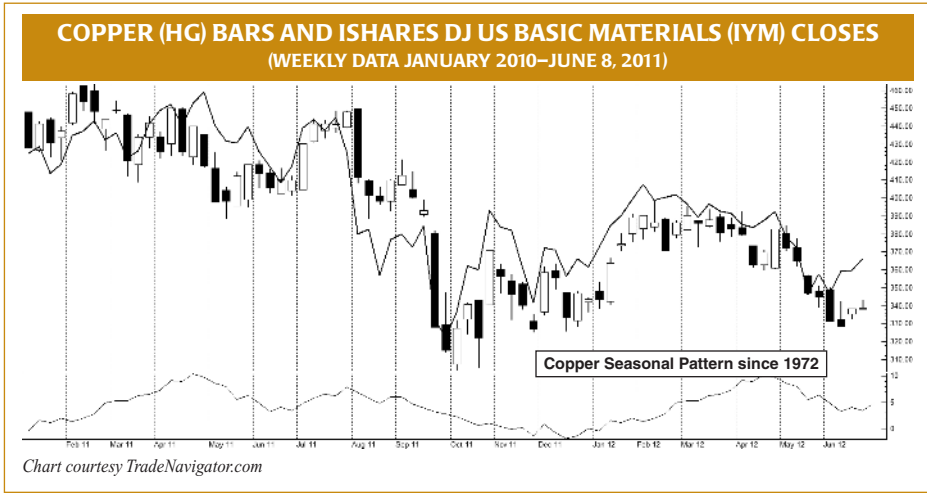
Copper prices tend to peak out when construction season is underway. Supplies have built up, but demand tends to decline. Producers have a tendency to ship inventories when prices are the highest during periods of strong demand (page 149). However, builders order hand-to-mouth rather than stockpile copper tubing for plumbing installations when prices get too high. This could be one explanation for this short term seasonal tendency.

Traders can look to sell copper on or about May 10, and then exit on or about May 30. This trade has racked up 25 wins out of the last 40 years. Impressively, 2007 and 2008 totaled \$10,163 in profits. However, the global economic rebound and growth in China in 2009 created a demand spike causing copper prices to rise during this seasonally weak period.

In 2010, this trade proved successful as slowing growth gave rise to double-dip recession fears. However, in 2011, it was not, resulting in the worst loss ever. Always evaluate technical indicators, macroeconomic trends, and fundamentals before executing any trade, especially seasonal trades. The best gain ever in 2012, handily offset last year's losses.

Besides selling a futures contract, one way to capitalize on this event is to look at iShares DJ US Basic Materials (IYM), which contains natural resource companies that mine iron ore, aluminum, and, of course, copper among other metals. Notice the striking similarities of the seasonal tendencies between the price moves of this ETF in relation to the price of copper. See pages 131–137 for additional correlated trades.

MAY SHORT COPPER (JULY) TRADING DAY: 8–HOLD: 13 DAYS						
YEAR	ENTRY		EXIT		PROFIT/ LOSS	
	DATE	CLOSE	DATE	CLOSE		
1973	5/10	65.90	5/30	71.05	-\$1,288	
1974	5/10	129.80	5/30	107.50	5,575	
1975	5/12	55.30	5/30	54.70	150	
1976	5/12	71.30	6/01	69.70	400	
1977	5/11	66.00	5/31	60.40	1,400	
1978	5/10	59.50	5/30	65.90	-1,600	
1979	5/10	85.10	5/30	79.40	1,425	
1980	5/12	88.60	5/30	93.40	-1,200	
1981	5/12	82.10	6/01	81.50	150	
1982	5/12	72.95	6/01	61.50	2,863	
1983	5/11	80.80	5/31	78.35	613	
1984	5/10	63.70	5/30	64.15	-113	
1985	5/10	65.50	5/30	60.75	1,188	
1986	5/12	63.90	5/30	63.10	200	
1987	5/12	66.95	6/01	66.90	12	
1988	5/11	94.40	5/31	91.30	775	
1989	5/10	122.50	5/30	114.50	2,000	
1990	5/10	118.40	5/30	111.50	1,725	
1991	5/10	102.25	5/30	96.65	1,400	
1992	5/12	101.10	6/01	102.30	-300	
1993	5/12	82.25	6/01	80.40	462	
1994	5/11	98.00	5/31	103.75	-1,438	
1995	5/10	124.25	5/30	130.50	-1,563	
1996	5/10	124.50	5/30	115.50	2,250	
1997	5/12	113.30	5/30	119.10	-1,450	
1998	5/12	79.30	6/01	75.95	837	
1999	5/12	71.00	6/01	63.50	1,875	
2000	5/10	82.85	5/30	81.15	425	
2001	5/10	75.95	5/30	76.25	-75	
2002	5/10	73.85	5/30	75.20	-338	
2003	5/12	75.20	5/30	78.25	-762	
2004	5/12	118.75	6/01	129.25	-2,625	
2005	5/11	144.25	5/31	145.65	-350	
2006	5/10	368.80	5/30	367.40	350	
2007	5/10	356.65	5/30	330.35	6,575	
2008	5/12	374.95	5/30	360.60	3,587	
2009	5/12	208.60	6/01	231.90	-5,825	
2010	5/12	318.80	6/01	306.30	3,125	
2011	5/11	391.35	5/31	417.75	-6,600	
2012	5/10	369.05	5/30	339.00	7,513	
40-Year Gain					\$21,350	



MAY

MONDAY

6

When a country lives on borrowed time, borrowed money and borrowed energy, it is just begging the markets to discipline it in their own way at their own time. Usually the markets do it in an orderly way—except when they don't.
— Thomas L. Friedman (NY Times Foreign Affairs columnist, , 2/24/05)

TUESDAY

7

What is it that attracts me to the young? When I am with mature people I feel their rigidities, their tight crystallizations. They have become...like the statues of the famous. Achieved. Final.
— Anaïs Nin (The Diaries of Anaïs Nin, Vol. IV, 1903–1977)

End Short Wheat(N) (Jan. 4)

WEDNESDAY

8

Interviewer: How is it possible to fight an enemy willing and ready to die for his cause? Accommodate him!
— General Norman Schwarzkof (Ret. commander of allied forces in 1990–1991 Gulf War, December 2001)

End Long Yen(M) (Feb. 8)

THURSDAY

9

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SKYPE: ANDREYBBRV

We always live in an uncertain world. What is certain is that the United States will go forward over time.
— Warren Buffett (CEO Berkshire Hathaway, investor & philanthropist, CNBC 9/22/2010, b. 1930)

Start Short Copper(N)—62.5% Accuracy Since 1973—End May 30—Page 48

FRIDAY

10

OE: KC

Everything possible today was at one time impossible. Everything impossible today may at some time in the future be possible.

— Edward Lindaman (Apollo space project, president Whitworth College, 1920–1982)

SATURDAY

11

Mother's Day

SUNDAY

12

SILVER SLIPS IN MAY

Silver has a strong tendency to peak or continue lower in May, bottoming in late June. Traders can look to sell silver on or about May 13 and hold until on or about June 24. In the past 39 years, this trade has seen declines 26 times, for a success rate of 66.7%. At press time in mid-June of 2012, this trade was attempting to conform to typical seasonal price declines, but declines could be muted, as silver had already suffered a pullback.

The futures market has, without a doubt, been trading under extremely volatile conditions recently. This type of environment may not be suitable for all traders, especially those who cannot monitor positions closely. There are other products to trade, such as the exchange-traded fund, iShares Silver Trust (SLV), shown in the chart below. Notice the price action is identical on a closing basis between the underlying silver futures contract and SLV.

Each share represents one ounce of silver; the closing price of the ETF will represent, within reason, spot silver. As of June 20, 2012, SLV owned 315,766,825.1 ounces of silver with 325.45 million shares outstanding. Just like every other ETF, there is a premium or discount to net asset value (NAV), which accounts for the difference.

The bottom line of the chart below shows the 40-year historic average seasonal price tendency of silver as well as the decline typically seen from the highs in February until the lows are posted in late June into early July. This May silver short trade captures the tail end of silver's weak seasonal period. See pages 131–137 for additional correlated trades.

MAY SHORT SILVER (JULY)					
TRADING DAY: 10-HOLD: 29 DAYS					
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1973	5/14	246.2	6/25	268.3	-\$1,105
1974	5/14	584.0	6/25	462.3	6,085
1975	5/14	462.7	6/25	455.2	375
1976	5/14	453.8	6/25	473.5	-985
1977	5/13	479.6	6/24	446.8	1,640
1978	5/12	508.8	6/23	531.6	-1,140
1979	5/14	848.5	6/25	870.5	-1,100
1980	5/14	1315.0	6/25	1575.0	-13,000
1981	5/14	1114.0	6/25	948.0	8,300
1982	5/14	689.0	6/25	517.5	8,575
1983	5/13	1331.0	6/24	1227.0	5,200
1984	5/14	895.5	6/25	834.5	3,050
1985	5/14	664.0	6/25	615.5	2,425
1986	5/14	508.0	6/25	511.0	-150
1987	5/14	887.0	6/25	685.5	10,075
1988	5/13	670.0	6/24	681.0	-550
1989	5/12	561.0	6/23	533.8	1,360
1990	5/14	512.5	6/25	482.2	1,515
1991	5/14	407.8	6/25	437.5	-1,485
1992	5/14	412.3	6/25	400.3	600
1993	5/14	446.3	6/25	449.0	-135
1994	5/13	543.5	6/24	540.0	175
1995	5/12	535.2	6/23	535.5	-15
1996	5/14	540.0	6/25	514.7	1,265
1997	5/14	483.8	6/25	475.5	415
1998	5/14	556.0	6/25	533.5	1,125
1999	5/14	539.0	6/25	506.5	1,625
2000	5/12	505.8	6/23	495.8	500
2001	5/14	435.7	6/25	429.8	295
2002	5/14	460.7	6/25	483.2	-1,125
2003	5/14	487.2	6/25	456.5	1,535
2004	5/14	572.8	6/28	589.8	-850
2005	5/13	694.0	6/24	728.0	-1,700
2006	5/12	1423.5	6/23	1028.5	19,750
2007	5/14	1323.5	6/26	1228.0	4,775
2008	5/14	1661.3	6/25	1650.3	550
2009	5/14	1404.0	6/25	1400.5	175
2010	5/14	1922.5	6/25	1911.0	575
2011	5/13	3501.3	6/24	3463.8	1,875
39-Year Gain					\$60,495



MAY

End Long Crude Oil(N) (Feb. 14)
End Long Heating Oil(N) (Feb. 12)

MONDAY

13

A cynic is a man who knows the price of everything and the value of nothing.
— Oscar Wilde (Irish-born writer and wit, 1845–1900)

Start Short Silver(N)—66.7% Accuracy Since 1973—End Jun. 25—Page 50

TUESDAY

14

LT: C, S, W, LH
OE: LH

Bear markets don't act like a medicine ball rolling down a smooth hill. Instead, they behave like a basketball bouncing down a rock-strewn mountainside; there's lots of movement up and sideways before the bottom is reached.
— Daniel Turov (*Turov on Timing*, *Barron's* May 21, 2001, b. 1947)

WEDNESDAY

15

LT: CC
OE: SB

Marx's great achievement was to place the system of capitalism on the defensive.
— Charles A. Madison (1977)

THURSDAY

16

OE: CL

What investors really get paid for is holding dogs. Small stocks tend to have higher average returns than big stocks, and value stocks tend to have higher average returns than growth stocks.
— Kenneth R. French (*Economist*, Dartmouth, NBER, b. 1954)

 FRIDAY

17

OE: SP

Everyone blames the foreigners when the economy goes south. Always. It is human nature to blame others, and it is the same all over the world.
— Jim Rogers (*Financier*, *Adventure Capitalist*, b. 1942)

SATURDAY

18

SUNDAY

19

COFFEE BUZZ FADES IN SUMMER

Coffee typically posts a seasonal high in May. This creates coffee's most powerful seasonal play under normal weather conditions, which means a lack of frost in the Southern Hemisphere growing regions of Columbia and Brazil. Traders should look to sell short on or about May 22 and hold through August 8. This trade has worked 27 out of last 38 years with a 71.1% success rate.

However, this trade did not fare so well in 2006, 2007, and 2010. An explanation as to why this market defied the seasonal tendency to decline in this time period was that there was a lack of rain during the key flower pollination stage, resulting in a much smaller crop than expected in Brazil back in 2007. Trade estimates were looking for 50 million kg bags of production, but according to forecasts, that estimate backed down to 45 million kg bags of production. So in essence, supply declined due to poor weather conditions, while demand remained steady. Tight supplies and a falling dollar supported coffee in 2010 through early 2011.

Traders can sell futures or implement a bearish option position. As for other trading opportunities, the chart below shows the coffeehouse and distributor Starbucks' (SBUX) price line overlaid on the bar chart of coffee.

When coffee declines, historically we have seen a price increase for shares of (SBUX). The reverse is also true. If coffee prices have been up strong on or about May 22, and if SBUX is near its yearly or monthly lows, then traders may want to look to buy shares of SBUX or consider call options. See pages 131–137 for additional correlated trades.

MAY SHORT COFFEE (SEPTEMBER) TRADING DAY: 16–HOLD: 54 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1974	5/22	75.50	8/08	62.50	\$4,875
1975	5/22	56.14	8/08	84.80	-10,748
1976	5/24	136.95	8/10	147.65	-4,013
1977	5/23	305.25	8/10	205.11	37,553
1978	5/22	153.11	8/08	126.69	9,908
1979	5/22	156.62	8/08	197.29	-15,251
1980	5/22	209.42	8/08	138.77	26,494
1981	5/22	115.82	8/10	117.32	-563
1982	5/24	119.46	8/10	126.86	-2,775
1983	5/23	127.75	8/09	126.17	592
1984	5/22	154.09	8/08	141.71	4,643
1985	5/22	146.81	8/09	134.68	4,549
1986	5/22	215.18	8/11	170.90	16,605
1987	5/22	123.23	8/10	103.80	7,286
1988	5/23	133.85	8/09	118.34	5,816
1989	5/22	128.59	8/08	83.03	17,085
1990	5/22	99.11	8/08	91.85	2,723
1991	5/22	89.05	8/09	81.15	2,963
1992	5/22	65.50	8/10	53.25	4,594
1993	5/24	63.25	8/10	74.95	-4,388
1994	5/23	136.65	8/09	182.30	-17,119
1995	5/22	165.10	8/09	144.75	7,631
1996	5/22	119.60	8/09	115.10	1,688
1997	5/22	229.95	8/08	205.85	9,038
1998	5/22	134.00	8/10	134.20	-75
1999	5/24	120.50	8/10	93.75	10,031
2000	5/22	105.80	8/09	79.50	9,863
2001	5/22	67.90	8/08	49.65	6,844
2002	5/22	53.40	8/09	47.55	2,194
2003	5/22	68.00	8/08	63.70	1,613
2004	5/24	78.75	8/11	67.10	4,369
2005	5/23	121.15	8/09	102.60	6,956
2006	5/22	102.50	8/08	107.10	-1,725
2007	5/22	114.30	8/09	119.50	-1,950
2008	5/22	136.60	8/11	135.85	281
2009	5/22	136.90	8/10	135.85	394
2010	5/24	133.65	8/10	169.65	-13,500
2011	5/23	265.50	8/09	234.75	11,531
					38-Year Gain \$146,010

COFFEE (KC) BARS AND STARBUCKS (SBUX) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

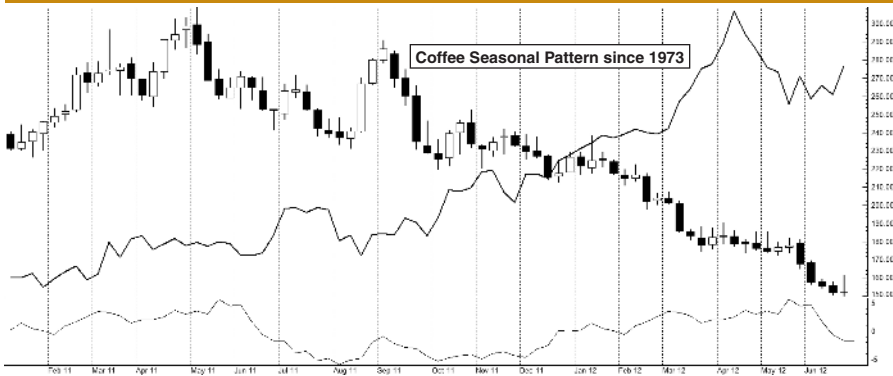


Chart courtesy TradeNavigator.com

MAY

MONDAY

20

LT: KC

*I was in search of a one-armed economist so that the guy could never make a statement and then say:
"on the other hand."*

— Harry S. Truman (33rd U.S. President, 1884–1972)

TUESDAY

21

LT: CL

*The dissenter (or "contrary investor") is every human at those moments of his life when he resigns
momentarily from the herd and thinks for himself.*

— Archibald MacLeish (American poet, writer and political activist, 1892–1982)

Start Short Coffee(U)—71.1% Accuracy Since 1974—End Aug. 8—Page 52

WEDNESDAY

22

Make money and the whole nation will conspire to call you a gentleman.

— George Bernard Shaw (Irish dramatist, 1856–1950)

THURSDAY

23

FN: CL

*If you create an act, you create a habit. If you create a habit, you create a character. If you create a
character, you create a destiny.*

— André Maurois (Novelist, biographer, essayist, 1885–1967)

FRIDAY

24

OE: US, C, S, W

There's no trick to being a humorist when you have the whole government working for you.

— Will Rogers (American humorist and showman, 1879–1935)

SATURDAY

25

SUNDAY

26

JUNE ALMANAC

◆ STOCKS AND BONDS

S&P's often exhibit weakness mid- to end-of-month, especially after June's quarterly quadruple witching, as illustrated in our seasonal chart (page 138). 30-year Treasury bond prices are weak in June, but tend to recover towards the end of the month from early month losses. Watch for this mid-month reversal, especially when stocks start to make an end-of-month selloff. Buy bonds on second trading day and hold for 10 days. This has a 67.6% win probability with 23 wins in 34 years (page 125). We are still holding onto our top seasonal long from April until late August (page 42).

◆ ENERGY

Seasonally, this is still one of the best seven months, March to September, to be long crude oil. However, June tends to see price consolidations after major price moves in May (page 143). Natural gas prices tend to move lower in June until mid-July, when we typically see the market make its average seasonal low (page 68). Heating oil prices continue to remain in a seasonally weak period, but if we see early-month-weakness prices can post short-term bottoms at month end lasting into mid-July.

◆ METALS

Most years gold prices continue in a downtrend, as it is in its seasonally weak price period until July–August (page 78). Cover short silver position from May 14 on or about June 25 (page 50). Copper tends to have counter seasonal rallies in June (page 149).

◆ GRAINS

Soybeans' seasonal peak, sell on June 7; hold until end of July (page 56). Wheat often makes a seasonal low in June. Enter long position around June 10 and exit near November 6 (page 125). Corn is in the middle of seasonal decline, especially in normal or above-average weather conditions. Enter short positions by selling on or about June 26 and holding through the end of July. The last 42 years, this trade has worked 64.3% of the time, for a cumulative profit of \$25,506 (page 62).

◆ SOFTS

Enter new long cocoa position on or about June 4; exit on or about July 9. This trade worked 25 of 39 years for cumulative profits of \$16,380 (page 125). Coffee continues its downtrend, as it is in the seasonally weak price period (page 52). Sugar tends to post a seasonal low in June, giving us a sweet long trade through the end of July (page 58).

◆ MEATS

This is seasonally the best time to go long cattle. Short-term traders can buy the August contract, and for our top seasonal longer-term play, traders can enter a long position in the April contract of the following year on or about June 20 and exit around February 7. 66.7% win probability; cumulative profits are \$41,320 (page 60). Hogs continue their downtrend, as they are in their seasonally weak price period (page 179).

◆ CURRENCIES

The euro tends to trend lower into the end of the third quarter (page 185). Swiss francs generally move lower into August (page 187). Cover short British pound position from May 29 on or about June 10 (page 46). In the past 36 years, reversing positions and going long on or about June 28 and holding into late July has produced 26 years of successful trades, for a success rate of 70.3%. The cumulative profit is \$31,831 (page 125). The yen tends to trend lower into August (page 190).

JUNE						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE STRATEGY CALENDAR*

Symbol	B	M	I	E
SP	L	S		
US	L	S		
CL	L	S		
NG	L	S		
HO	L	S		
HG	L	S		
GC	L	S		
SI	L	S		
C	L	S		
S	L	S		
W	L	S		
CC	L	S		
KC	L	S		
SB	L	S		
LC	L	S		
LH	L	S		
BP	L	S		
EC	L	S		
SF	L	S		
JY	L	S		

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124–125.

L = Long Trade, S = Short Trade. See pages 131–137 for contract symbols.

MAY/JUNE

Memorial Day (Market Closed)

MONDAY

27

Experience is helpful, but it is judgment that matters.

— General Colin Powell (Chairman Joint Chiefs 1989–93, Secretary of State 2001–05, *NY Times* 10/22/2008, b. 1937)

TUESDAY

28

OE: HO, NG, HG, GC, SI

With respect to trading Sugar futures, if they give it away for free at restaurants you probably don't want to be trading it.

— John L. Person (Professional trader, author, speaker, *Commodity Trader's Almanac*, nationalfutures.com, 2/22/2011 TradersExpo, b. 1961)

Start Short British Pound(U)—64.9% Accuracy Since 1975—End Jun. 10—Page 124

WEDNESDAY

29

LT: NG, HG, GC, SI

There is a habitual nature to society and human activity. People's behavior and what they do with their money and time bears upon economics and the stock market.

— Jeffrey A. Hirsch (Editor, *Stock Trader's Almanac*, b. 1966)

End Long Soybeans(N) (Feb. 13)

End Short Copper(N) (May 10)

THURSDAY

30

FN: NG

The market can stay irrational longer than you can stay solvent.

— John Maynard Keynes (British economist, 1883–1946)

FRIDAY

31

FN: US, HG, GC, SI

LT: HO

OE: CC, LC

So at last I was going to America! Really, really going, at last! The boundaries burst. The arch of heaven soared! A million suns shone out for every star. The winds rushed in from outer space, roaring in my ears, "America! America!"

— Mary Antin (1881–1949, Immigrant writer, *The Promised Land*, 1912)

SATURDAY

1

SUNDAY

2

SHORT SOYBEANS FOR SUMMER

After planting season has finished through the bean belt of Illinois and up through Minnesota, soybeans tend to post a seasonal peak. Once the crop is actually planted, the fear of a reduced crop size due to planting delays from late spring storms has abated. When the crop is in the ground, traders start focusing on the potential size of the new crop. In addition, supplies are available from the South American harvest, and this puts additional pressure on prices.

By mid-June, we have a good understanding of the crop size due to what was planted. Under ideal weather conditions, traders tend to sell the market, as producers and grain elevators start hedging or forward contracting out their crops production. This marketing effort can last through harvest time.

The genetically modified (GMO) seed, Roundup Ready by Monsanto (MON), is more resistant than ever to insects and drought or heat stress. In addition, there has been more worldwide acceptance of this technology. U.S. farmers have increased usage and production to over 85% of this variety. This may explain why, under normal weather growing years, prices tend to decline, as there is a better estimate of the crop size.

The chart below shows the price line of the fertilizer company Mosaic (MOS) overlaid on the bar chart of soybeans. Traders looking to capture moves in soybeans may want to explore taking out positions in companies such as Mosaic that tend to correlate to the commodity's seasonal price moves. See pages 131–137 for additional correlated trades.

JUNE SHORT SOYBEANS (SEPTEMBER) TRADING DAY: 5–HOLD: 36 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	6/5	266 1/4	7/28	286	-988
1971	6/7	310 1/2	7/28	331 1/4	-1,038
1972	6/7	339 3/4	7/28	337 1/2	113
1973	6/7	853	8/01	872	-950
1974	6/7	537 1/2	7/30	865	-16,375
1975	6/6	478	7/29	627	-7,450
1976	6/7	609	7/28	631 1/2	-1,125
1977	6/7	832 1/2	7/28	577 1/4	12,763
1978	6/7	666 1/2	7/28	621 3/4	2,238
1979	6/7	753	7/30	711	2,100
1980	6/6	631 1/2	7/29	762 1/4	-6,538
1981	6/5	727 3/4	7/28	746 1/2	-938
1982	6/7	642 1/2	7/28	602 3/4	1,988
1983	6/7	626	7/28	720	-4,700
1984	6/7	755 1/4	7/30	609 1/2	7,288
1985	6/7	580 3/4	7/30	519 1/4	3,075
1986	6/6	513	7/29	503 1/2	475
1987	6/5	570	7/28	534 3/4	1,763
1988	6/7	886 1/2	7/28	748 1/2	6,900
1989	6/7	647 3/4	7/28	604 1/4	2,175
1990	6/7	612 1/4	7/30	593 3/4	925
1991	6/7	587 1/4	7/30	580	363
1992	6/5	614 1/2	7/28	559 3/4	2,738
1993	6/7	587 3/4	7/28	690	-5,113
1994	6/7	646	7/28	572 1/2	3,675
1995	6/7	602 1/2	7/28	627	-1,225
1996	6/7	752 1/2	7/30	744 3/4	388
1997	6/6	720 1/2	7/29	675 1/2	2,250
1998	6/5	586 1/2	7/28	572	725
1999	6/7	473	7/28	424 1/4	2,438
2000	6/7	526 3/4	7/28	447 3/4	3,950
2001	6/7	447 1/4	7/30	504	-2,838
2002	6/7	484 1/2	7/30	531 1/2	-2,350
2003	6/6	602 1/2	7/29	527 1/4	3,763
2004	6/7	718	7/29	590	6,400
2005	6/7	679 3/4	7/28	689	-463
2006	6/7	610 1/2	7/28	584	1,325
2007	6/7	847	7/30	831	800
2008	6/6	1446 1/2	7/30	1395 1/2	2,550
2009	6/5	1101	7/28	968	6,650
2010	6/7	904 1/4	7/28	985	-4,038
2011	6/7	1387	7/28	1362 1/2	1,225
					42-Year Gain \$24,913

SOYBEANS (S) BARS AND MOSAIC (MOS) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

JUNE

MONDAY

3

If you live each day as if it was your last, someday you'll most certainly be right.

— Favorite quote of Steve Jobs (CEO Apple & Pixar, Stanford University commencement address, 6/15/05)

End Long S&P 500(U) (Apr. 24)

Start Long 30-Year Bond(U)—67.6% Accuracy Since 1978—End Jun. 18—Page 125

Start Long Cocoa(U)—64.1% Accuracy Since 1973—End Jul. 9—Page 125

TUESDAY

4

FN: HO

I'm not better than the next trader, just quicker at admitting my mistakes and moving on to the next opportunity.

— George Soros (Financier, philanthropist, political activist, author and philosopher, b. 1930)

WEDNESDAY

5

When Amercia sneezes, the rest of the word catches cold.

— Anonymous (circa 1929)

THURSDAY

6

In nature there are no rewards or punishments; there are consequences.

— Horace Annesley Vachell (English writer, *The Face of Clay*, 1861–1955)

Start Short Soybeans Peak(U)—64.3% Accuracy Since 1970—End Jul. 30—Page 56

FRIDAY

7

OE: CC, LC, BP, EC, SF, JY

If you are ready to give up everything else – to study the whole history and background of the market and all the principal companies... as carefully as a medical student studies anatomy – ... and, in addition, you have the cool nerves of a great gambler, the sixth sense of a clairvoyant, and the courage of a lion, you have a ghost of a chance.

— Bernard Baruch (Financier, speculator, statesman, presidential adviser, 1870–1965)

SATURDAY

8

SUNDAY

9

SUGAR'S SUMMER SWEET SPOT

Due to the many regions on the planet that produce sugar, it goes through several seasonal price swings. However, it makes a sweet tradable seasonal low in mid-June. Sugarcane harvesting in the tropics and sugar beet planting in the Northern Hemisphere in the May/June time frame create uncertainty as to the size of the coming sugar crop, and prices tend to rally.

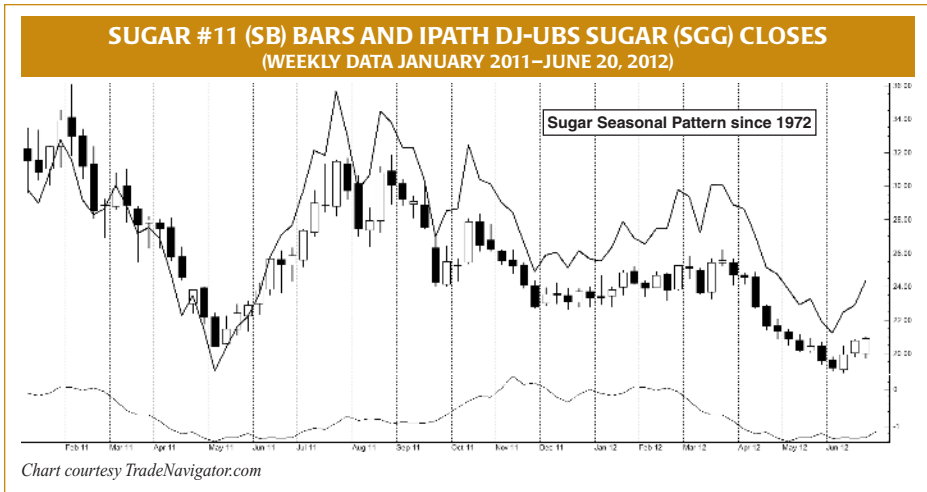
Over the past 37 years, going long sugar on or about June 17 and holding for about 32 days has delivered gains 23 times, for a success rate of 61.2% and a total gain of \$20,026. A worldwide bull market in sugar, due to heavy demand from ethanol and some adverse (wet) weather conditions, pushed sugar prices to all-time highs in early 2011. This contributed to sizeable gains for this trade in the past five years straight.

Granted this trade worked very well the past several year, however, using trailing stops and managing this trade would have given traders even more bang. Our 2011 exit date trade price was 28.97, but the contracts actual closing high was not reached until August 19 at 30.96.

Using technical timing tools can not only get you into this trade at more profitable entry points, but more importantly, they can help you increase gains by keeping you in a winning trade longer during strong bullish trends. It is crucial to implement technical trading techniques in conjunction with seasonal patterns.

Alternatively, you can the ETN, iPath DJ-UBS Sugar (SGG). IPSU stock price sticks closely to sugar prices throughout the year. The chart below shows direct correlation between SGG and sugar, with sugar's seasonal price pattern since 1972 in the bottom section. See pages 131–137 for additional correlated trades.

JUNE LONG SUGAR (OCTOBER)							
TRADING DAY: 11–HOLD: 32 DAYS							
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS		
1975	6/16	12.34	7/31	16.54	\$4,704		
1976	6/15	13.63	7/30	12.42	-1,355		
1977	6/15	8.52	8/2	8.09	-482		
1978	6/15	7.18	8/1	6.41	-862		
1979	6/15	8.95	8/1	8.91	-45		
1980	6/16	35.86	7/31	30.62	-5,869		
1981	6/15	15.83	7/30	16.64	907		
1982	6/15	7.23	7/30	7.72	549		
1983	6/15	11.26	8/1	12.08	918		
1984	6/15	6.10	8/1	4.53	-1,758		
1985	6/17	3.16	8/2	4.79	1,826		
1986	6/16	6.81	8/1	6.49	-358		
1987	6/15	7.22	7/30	5.95	-1,422		
1988	6/15	9.84	8/1	11.63	2,005		
1989	6/15	12.71	8/1	14.12	1,579		
1990	6/15	12.50	8/1	10.55	-2,184		
1991	6/17	8.73	8/2	9.59	963		
1992	6/15	9.85	7/30	9.48	-414		
1993	6/15	11.17	7/30	9.36	-2,027		
1994	6/15	12.41	8/1	11.70	-795		
1995	6/15	10.29	8/2	10.56	302		
1996	6/17	11.23	8/2	11.71	538		
1997	6/16	11.28	7/31	11.68	448		
1998	6/15	7.84	7/30	8.84	1,120		
1999	6/15	5.61	7/30	5.98	414		
2000	6/15	8.50	8/2	10.79	2,565		
2001	6/15	8.72	8/1	7.91	-907		
2002	6/17	5.02	8/2	5.78	851		
2003	6/16	6.42	7/31	7.21	885		
2004	6/16	7.58	8/2	8.39	907		
2005	6/15	8.78	8/1	9.96	1,322		
2006	6/15	15.33	8/1	14.90	-482		
2007	6/15	8.98	8/1	10.28	1,456		
2008	6/16	12.27	8/1	14.13	2,083		
2009	6/15	15.90	7/30	18.75	3,192		
2010	6/15	15.95	7/30	19.57	4,054		
2011	6/15	24.15	8/1	28.97	\$5,398		
					37-Year Gain	\$20,026	



JUNE

End Short British Pound(U) (May 29)
Start Long Wheat(Z)—54.8% Accuracy Since 1970—End Nov. 6—Page 125

MONDAY
10
FN: LC

It isn't the incompetent who destroy an organization. It is those who have achieved something and want to rest upon their achievements who are forever clogging things up.
— Charles E. Sorenson (Danish-American engineer, officer, director of Ford Motor Co. 1907–1950, helped develop 1st auto assembly line, 1881–1968)

TUESDAY
11

When investment decisions need to consider the speed of light, something is seriously wrong.
— Frank M. Bifulco (Senior Portfolio Manager Alcott Capital Management, *Barron's Letters to the Editor*, 5/24/2010)

WEDNESDAY
12

The best minds are not in government. If any were, business would hire them away.
— Ronald Reagan (40th U.S. President, 1911–2004)

THURSDAY
13
OE: KC

There is a perfect inverse correlation between inflation rates and price/earnings ratios...When inflation has been very high...P/E has been [low].
— Liz Ann Sonders (Chief Investment Strategist Charles Schwab, June 2006)

End Short Cattle(V) (May 2)

FRIDAY
14
LT: LH
OE: LH

Government is like fire—useful when used legitimately, but dangerous when not.
— David Brooks (*NY Times* columnist, 10/5/07)

SATURDAY
15

Father's Day

SUNDAY
16

SUMMER BBQ SEASON GIVES BEEF A BOUNCE

This is seasonally the best time to buy live cattle. Fundamentally, beef consumption starts to decline in hot weather, but so does supply, as feed lots are short on inventory. Cash grain prices tend to remain high, as supply decreases before harvest season. This supply/demand imbalance creates a bid under the market. Then before school season begins, federal government subsidies for school lunch programs kick in for beef purchases.

As winter and the holiday season approach, consumption increases. This helps keep a floor of support in cattle futures through mid-February (page 176). Enter long positions on or about June 20; then exit on or about February 7. Out of the past 42 years, this trade has worked 28 times for a 66.7% success rate.

The chart below has McDonald's (MCD) closing prices overlaid on the front contract live cattle futures, with the seasonal price move of the futures on the bottom. It is interesting to note that while beef has a tendency to rise from June through August, MCD has a tendency to decline during this same time period on average since 1970. In recent years, this relationship has been less pronounced due to MCD's global growth success.

Traders may want to look at long futures strategies on beef in June, and stock traders certainly want to look for companies that would benefit, or in this case, see price weakness due to a commodity market move, such as this inverse relationship between MCD and beef prices. See pages 131–137 for additional correlated trades.

JUNE LONG LIVE CATTLE (APRIL) TRADING DAY: 14–HOLD: 160 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	6/18	29.400	2/05	32.050	\$1,060
1971	6/18	31.450	2/04	34.750	1,320
1972	6/20	35.250	2/12	43.775	3,410
1973	6/20	46.525	2/07	50.850	1,730
1974	6/20	37.000	2/07	36.150	-340
1975	6/19	41.050	2/06	39.175	-750
1976	6/18	45.975	2/07	39.075	-2,760
1977	6/20	42.050	2/07	44.250	880
1978	6/20	53.475	2/08	66.250	5,110
1979	6/20	69.650	2/07	71.175	610
1980	6/19	67.300	2/09	67.925	250
1981	6/18	68.750	2/04	63.200	-2,220
1982	6/18	59.525	2/03	62.150	1,050
1983	6/20	60.800	2/07	67.600	2,720
1984	6/20	65.600	2/06	68.200	1,040
1985	6/20	64.200	2/06	60.600	-1,440
1986	6/19	54.650	2/05	63.300	3,460
1987	6/18	65.525	2/04	70.925	2,160
1988	6/20	73.350	2/06	76.450	1,240
1989	6/20	73.600	2/06	77.275	1,470
1990	6/20	76.125	2/06	77.875	700
1991	6/20	75.700	2/06	77.675	790
1992	6/18	70.650	2/04	77.900	2,900
1993	6/18	75.925	2/03	74.350	-630
1994	6/20	70.975	2/06	73.975	1,200
1995	6/20	64.550	2/06	64.175	-150
1996	6/20	66.200	2/06	65.925	-110
1997	6/19	72.520	2/06	65.770	-2,700
1998	6/18	68.850	2/05	67.750	-4400
1999	6/18	69.100	2/07	72.750	1,460
2000	6/20	75.325	2/07	78.800	1,390
2001	6/20	76.750	2/11	75.975	-310
2002	6/20	69.600	2/10	77.900	3,320
2003	7/21	75.875	3/09	79.425	1,420
2004	6/21	86.250	2/08	88.800	1,020
2005	6/20	85.350	2/07	89.775	1,770
2006	6/20	87.100	2/08	94.875	3,110
2007	6/20	97.525	2/07	96.050	-590
2008	6/19	116.750	2/09	87.750	-11,600
2009	6/18	91.175	2/05	90.400	-310
2010	6/18	94.850	2/04	133.025	15,270
2011	6/20	119.500	2/08	128.800	3,720
			42-Year Gain		\$41,230

LIVE CATTLE (LC) BARS AND McDONALD'S (MCD) CLOSSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

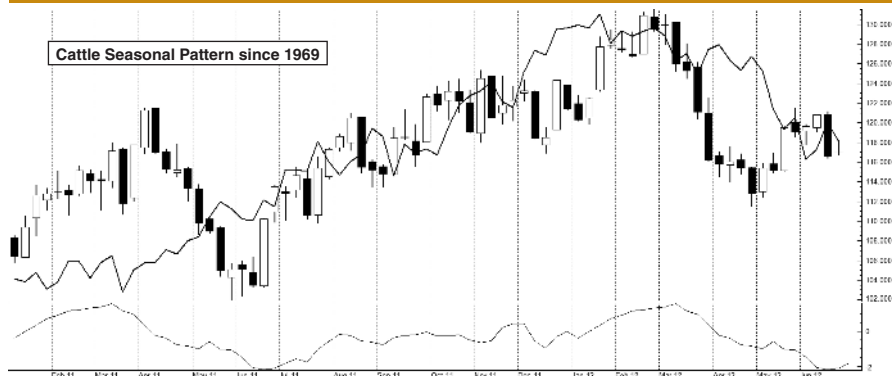


Chart courtesy TradeNavigator.com

JUNE

Start Long Sugar(V)—62.2% Accuracy Since 1975—End Aug. 1—Page 58

MONDAY

17

FN: CC

LT: BP, EC, SF, JY

OE: CL, SB

The government would not look fondly on Caesar's Palace if it opened a table for wagering on corporate failure. It should not give greater encouragement for Goldman Sachs [et al] to do so.

— Roger Lowenstein (Financial journalist and author, *End of Wall Street*, *NY Times* OpEd 4/20/2010, b. 1954)

End Long 30-Year Bond(U) (Jun. 4)

TUESDAY

18

A senior European diplomat said he was convinced that the choice of starting a war this spring was made for political as well as military reasons. [The President] clearly does not want to have a war raging on the eve of his presumed reelection campaign.

— Reported by Steven R. Weisman (*NY Times* 3/14/03)

WEDNESDAY

19

LT: US

Six words that spell business success: create concept, communicate concept, sustain momentum.

— Yale Hirsch (Creator of *Stock Trader's Almanac*, b. 1923)

Start Long Cattle(J)—66.7% Accuracy Since 1970—End Feb. 7, 2014—Page 60

THURSDAY

20

FN: KC

LT: SP, CL

OE: SP

From very early on, I understood that you can touch a piece of paper once...if you touch it twice, you're dead.

Therefore, paper only touches my hand once. After that, it's either thrown away, acted on or given to somebody else.

— Manuel Fernandez (Businessman, *Investor's Business Daily*)



FRIDAY

21

OE: US, C, S, W

The knowledge of past times... is both an ornament and nutriment to the human mind.

— Leonardo da Vinci (Italian Renaissance polymath, 1452–1519)

SATURDAY

22

SUNDAY

23

MOTHER NATURE MAKES CORN POP

Corn tends to peak in June under normal crop years, as planting is complete and farmers are looking for cooperation from Mother Nature to produce increased production yields. Look to sell on or about June 26 and hold through August 1. This is when we typically get a “drought scare” or mid-summer rally. The 42-year history of this timing strategy shows a win in 27 of those years, for a success rate of 64.3%.

With the price increase in corn headed into summer, we normally see the market settle back, as farmers have a better idea of their crop size and start to hedge or forward contract sales out to lock in a profit. Depending on the levels of volatility, traders can look to sell futures or buy put options, or once again, look for alternative trading opportunities.

The chart below has Deere & Co. (DE) overlaid with corn prices and the bottom line showing the seasonal tendency of corn prices since 1970. As you can see, there is a high correlation of the price of corn and the share price of DE. One can look to sell DE, buy puts, or write calls in the seasonally weak time frame that starts in June and goes into July. See pages 131–137 for additional correlated trades.

JUNE SHORT CORN (SEPTEMBER) TRADING DAY: 18–HOLD: 25 DAYS					
YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	6/24	133 1/4	7/30	130 5/8	\$131
1971	6/24	154 1/4	7/30	132 1/2	1,088
1972	6/26	122 3/8	8/01	126 5/8	-213
1973	6/26	210 1/4	8/01	278	-3,388
1974	6/26	291 3/4	8/01	369 1/2	-3,888
1975	6/25	262 1/2	7/31	287	-1,225
1976	6/24	294 3/4	7/30	280 1/4	725
1977	6/24	228 1/2	8/01	195	1,675
1978	6/26	257 1/4	8/01	225 1/2	1,588
1979	6/26	315 1/4	8/01	288 1/2	1,338
1980	6/25	290 1/2	7/31	335 1/4	-2,238
1981	6/24	347	7/30	335 1/4	588
1982	6/24	271 1/4	7/30	245 3/4	1,275
1983	6/24	304 1/4	8/01	330 1/4	-1,300
1984	6/26	322 1/2	8/01	293 1/4	1,463
1985	6/26	257	8/01	232	1,250
1986	6/25	189 3/4	7/31	165 1/4	1,225
1987	6/24	196 1/2	7/30	162 1/2	1,700
1988	6/24	347 1/2	8/01	290	2,875
1989	6/26	244 1/4	8/01	222 1/2	1,088
1990	6/26	283 3/4	8/01	255 1/2	1,413
1991	6/26	237 1/4	8/01	262 1/2	-1,263
1992	6/24	253 3/4	7/30	221 3/4	1,600
1993	6/24	226 1/4	7/30	235 3/4	-475
1994	6/24	250 1/2	8/01	217 3/4	1,638
1995	6/26	272 1/2	8/01	282 1/2	-500
1996	6/26	388 3/4	8/01	360 1/2	1,413
1997	6/25	242 1/4	7/31	265 1/2	-1,163
1998	6/24	265 3/4	7/30	220 1/4	2,275
1999	6/24	216 1/2	7/30	203 1/4	663
2000	6/26	202 3/4	8/01	179 3/4	1,150
2001	6/26	193 1/4	8/01	215 1/4	-1,100
2002	6/26	229	8/01	249 1/4	-1,013
2003	6/25	234 3/4	7/31	206	1,438
2004	6/25	280 1/2	8/02	218 1/4	3,113
2005	6/24	242	8/01	231 3/4	513
2006	6/26	234 1/2	8/01	240 1/2	-300
2007	6/26	367	8/01	319	2,400
2008	6/25	744 1/2	8/01	565	8,975
2009	6/24	395	7/30	332 1/4	3,138
2010	6/24	353 3/4	7/30	392 3/4	-1,950
2011	6/24	657	8/01	681 1/4	-1,213
42-Year Gain					\$26,506

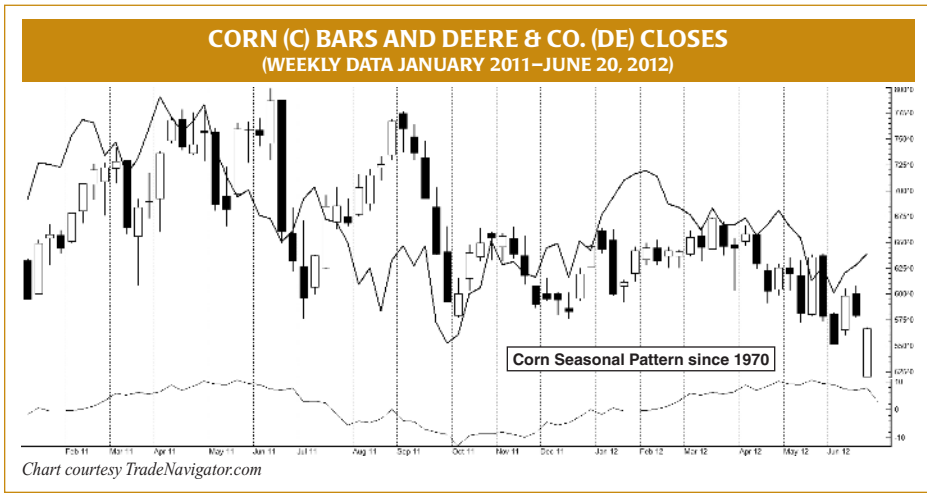


Chart courtesy TradeNavigator.com

JUNE

MONDAY

24

FN: CL

One only gets to the top rung on the ladder by steadily climbing up one at a time, and suddenly all sorts of powers, all sorts of abilities, which you thought never belonged to you—suddenly become within your own possibility...
— Margaret Thatcher (British, prime minister, 1979–1990, b. 1925)

End Short Silver(N) (May 14)

TUESDAY

25

OE: HO, NG, HG, GC, SI

I have noticed over the years the difficulty some people have in cutting losses, admitting an error, and moving on. I am rather frequently—and on occasion, quite spectacularly—wrong. However, if we expect to be wrong, then there should be no ego tied up in admitting the error, honoring the stop loss, selling the loser—and preserving your capital.
— Barry L. Ritholtz (CEO Fusion IQ, *Bailout Nation*, The Big Picture blog, 8/12/2010, b. 1961)

Start Short Corn(U)—64.3% Accuracy Since 1970—End Aug. 1—Page 62

WEDNESDAY

26

LT: NG, HG, GC, SI

Regulatory agencies within five years become controlled by industries they were set up to regulate.
— Gabriel Kolko

THURSDAY

27

FN: NG

If you can buy more of your best idea, why put [the money] into your 10th-best idea or your 20th-best idea? The more positions you have, the more average you are.
— Bruce Berkowitz (Fairholme Fund, *Barron's* 3/17/08)

Start Long British Pound(U)—70.3% Accuracy Since 1975—End Jul. 23—Page 125

FRIDAY

28

FN: HG, GC, SI, C, S, W

LT: HO, SB, LC

War is God's way of teaching Americans geography.
— Ambrose Bierce (Writer, satirist, Civil War hero, *The Devil's Dictionary*, 1842–1914?)

SATURDAY

29

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SUNDAY

30

JULY ALMANAC

◆ STOCKS AND BONDS

S&P 500 tends to see follow-through weakness in July. Tech stocks generally sell off in July, as this month marks the start of the NASDAQ's worst four months. This weakness weighs on the performance of the S&P 500. In the last 30-year history, selling September S&P 500 on or about the 10th trading day and holding for 7 trading days has reaped a cumulative profit of \$44,488, with 19 wins, but 6 losses the last 7 years (page 66). Weakness prevails from month end through October (page 138). 30-year Treasury bond prices are flat to weak, but have tendencies to rally, especially when stocks take a sharp nose dive in July.

◆ ENERGY

Crude oil continues to stay supportive during the month of July. Seasonally, this is one of the best months to get long natural gas. Buy November natural gas futures on or about July 24 and hold until about October 21. In the past 22 years, this trade has worked 12 times, for a success rate of 54.5%. The cumulative profit totals \$21,720. Though since it's best gain in 2005 this trade has been a big loser 5 of the last 6 years (page 68). Over the last five years heating oil prices have a tendency to decline from mid-month into early October (page 147). Refineries shutting down for maintenance can create occasional price spikes.

◆ METALS

Seasonally, the end of July begins a strong price period for gold until early October (page 152). Silver can follow gold's strength in July (page 155). Copper prices tend to make counter-seasonal uptrends in July, as summer construction season is underway (page 149).

◆ GRAINS

Soybeans are seasonally in a weak period; cover the short position from June (page 56) on or about July 30. Soybeans can remain weak under normal weather markets until the harvest lows in late October (page 94), but as August approaches, hot, dry weather conditions can create a panic short-covering rally. Wheat remains in a strong uptrend after harvest lows are posted in June (page 125). Even though corn is in a seasonally weak time period, there are times when we see counter-seasonal rallies due to weather scares. Look at the past history of price moves in corn (page 158). End-of-month weakness in corn prices gives us an opportunity to cover the short corn position from June (page 62).

◆ SOFTS

Liquidate long cocoa trades from June on or about July 9 (page 125). This is also the month to reverse the position toward the end of the month. Seasonally, we see downturns lasting into early November. Short December cocoa on or about July 25 and hold until around November 1 (page 76). Coffee prices tend to remain under pressure until early August when we have a best seasonal trade (page 74). Sugar prices tend to be choppy during the month of July, as the market is trying to post a seasonal low (page 173). This is the peak harvest time in Brazil and India.

◆ MEATS

Seasonally, this is a strong price period for live cattle until February (page 176). We are holding a long position from June (page 60). Lean hogs are in a seasonally weak period until late October to early November (page 179).

◆ CURRENCIES

The euro tends to consolidate into early September. July can produce rallies (page 185), but the overall trend remains down against the dollar. The Swiss franc seasonally enters a strong period, since this currency correlates well with gold's price moves and gold is strong in this period. Traders may want to watch this relationship between gold and the Swiss franc. August tends to produce the best seasonal trades (page 70) for the "Swissie". Exit the British pound long position from June (page 125) on or about July 23. The yen continues to historically show weakness through the early part of August (page 190).

JULY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

JULY STRATEGY CALENDAR*

Symbol	B	I	M	E
SP	L	S		
US	L	S		
CL	L	S		
NG	L	S		
HO	L	S		
HG	L	S		
GC	L	S		
SI	L	S		
C	L	S		
S	L	S		
W	L	S		
CC	L	S		
KC	L	S		
SB	L	S		
LC	L	S		
LH	L	S		
BP	L	S		
EC	L	S		
SF	L	S		
JY	L	S		

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124-125.
L = Long Trade, S = Short Trade. See pages 131-137 for contract symbols.

JULY

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MONDAY

1

FN: SB

Establish a no excuse environment – you will find your own quality will increase as well.
— Jordan Kimmel (Portfolio manager Magnet AE Fund, b. 1958)

TUESDAY

2

FN: HO

To me, the “tape” is the final arbiter of any investment decision. I have a cardinal rule: Never fight the tape!
— Martin Zweig (Fund manager, *Winning on Wall Street*)

(Shortened Trading Day)

WEDNESDAY

3

Discipline always makes hard work easy.
— Jordan Kimmel (Portfolio manager Magnet AE Fund, b. 1958)

Independence Day 🇺🇸
(Market Closed)

THURSDAY

4

Politics ought to be the part-time profession of every citizen who would protect the rights and privileges of free people and who would preserve what is good and fruitful in our national heritage.
— Dwight D. Eisenhower (34th U.S. President, 1890–1969)

FRIDAY

5

OE: CC, LC, BP, EC, SF, JY

There is no one who can replace America. Without American leadership, there is no leadership. That puts a tremendous burden on the American people to do something positive. You can't be tempted by the usual nationalism.
— Lee Hong-koo (South Korean prime minister 1994–1995 and ambassador to U.S. 1998–2000, *NY Times* 2/25/2009)

SATURDAY

6

SUNDAY

7

LAST-HALF OF JULY SHORT S&P 500

Active traders looking for a high probability play should pay heed to this potential market move. Sell the September S&P 500 on or about July 15 and hold until on or about July 24. This trade has a 63.3% success rate, registering 19 wins against 11 losses in the last 30 years. The best win was \$19,150 in 2002, and the worst loss was in 2009, posting a \$12,650 bereavement.

Looking at the chart on page 138, you will see the average price tendency is for a mid-summer sell-off. Part of the reason is perhaps due to the fact that July starts the worst four months of the year in the NASDAQ and also falls in the middle of the worst six months for the Dow and S&P 500 indices.

Mid-July is also when we typically kick off earnings season, where a strong early month rally can fade, as active traders may have “bought the rumor” or bought ahead on anticipation of good earnings expectations and then turn around and “sell the fact” once the news hits the street.

Watch for an early month rally, and pay close attention, especially if we trade near the monthly predicted resistance level using Pivot Point analysis (2010 edition, pages 6–9). Market conditions that tend to start out strong early in the month tend to fade towards the middle to end of month. Executing this trade to the letter has resulted in losses in six of the last seven years. However, using the timing tools detailed on pages 6–9 in the 2010 and 2011 editions could have turned those losses into profits with a little extra effort.

Active traders can also consider the electronic e-mini Futures (ES), and stock traders can use the exchange-traded fund SPDR S&P 500 (SPY) and/or trade options on any of these equities. See pages 131–137 for additional correlated trades.

JULY SHORT S&P 500 (SEPTEMBER) TRADING DAY: 10–HOLD: 7 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1982	7/15	113.50	7/26	111.20	\$575
1983	7/15	165.15	7/26	171.40	-1,563
1984	7/16	153.65	7/25	150.35	825
1985	7/15	194.05	7/24	191.90	538
1986	7/15	235.05	7/24	238.40	-837
1987	7/15	312.20	7/24	310.30	475
1988	7/15	272.80	7/26	266.15	1,663
1989	7/17	335.60	7/26	340.60	-1,250
1990	7/16	372.30	7/25	359.65	3,163
1991	7/15	384.50	7/24	380.75	938
1992	7/15	417.20	7/24	411.25	1,488
1993	7/15	449.75	7/26	449.05	175
1994	7/15	454.80	7/26	453.95	213
1995	7/17	565.45	7/26	564.05	350
1996	7/15	630.25	7/24	630.70	-113
1997	7/15	931.75	7/24	945.85	-3,525
1998	7/15	1183.40	7/24	1147.40	9,000
1999	7/15	1419.40	7/26	1354.80	16,150
2000	7/17	1522.00	7/26	1469.00	13,250
2001	7/16	1210.50	7/25	1191.50	4,750
2002	7/15	920.60	7/24	844.00	19,150
2003	7/15	1000.90	7/24	980.30	5,150
2004	7/15	1103.40	7/26	1082.90	5,125
2005	7/15	1231.20	7/26	1235.00	-950
2006	7/17	1240.50	7/26	1273.20	-8,175
2007	7/16	1559.70	7/25	1524.70	8,750
2008	7/15	1211.50	7/24	1253.80	-10,575
2009	7/15	927.20	7/24	977.80	-12,650
2010	7/15	1090.40	7/26	1109.50	-4,775
2011	7/15	1314.90	7/26	1326.20	-2,825
30-Year Gain					\$44,488

S&P 500 (SP) BARS AND SPDR S&P 500 (SPY) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

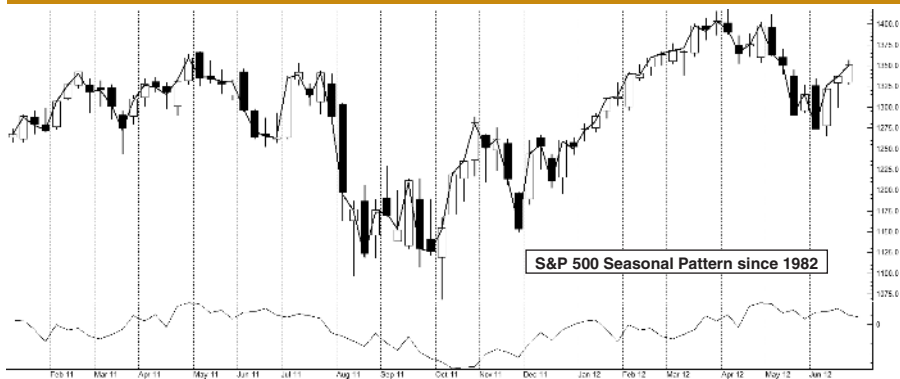


Chart courtesy TradeNavigator.com

JULY

MONDAY

8

When a company reports higher earnings for its first quarter (over its previous year's first quarter), chances are almost five to one it will also have increased earnings in its second quarter.

— Niederhoffer, Cross & Zeckhauser

End Long Cocoa(U) (Jun. 4)

TUESDAY

9

Every time everyone's talking about something, that's the time to sell.

— George Lindemann (Billionaire, *Forbes*)

WEDNESDAY

10

A bank is a place where they lend you an umbrella in fair weather and ask for it back again when it begins to rain.

— Robert Frost (American poet, 1874–1963)

THURSDAY

11

Self-discipline is a form of freedom. Freedom from laziness and lethargy, freedom from expectations and demands of others, freedom from weakness and fear—and doubt.

— Harvey A. Dorfman (Sports psychologist, *The Mental ABC's of Pitching*, b. 1935)

FRIDAY

12

LT: C, S, W

OE: KC

When you're one step ahead of the crowd, you're a genius. When you're two steps ahead, you're a crackpot.

— Shlomo Riskin (Rabbi, author, b. 1940)

SATURDAY

13

SUNDAY

14

SUMMER AIR CONDITIONING HEATS UP NATURAL GAS

Seasonally, July is a good month to get long natural gas ahead of its best five months, August through December. Buy natural gas futures on or about July 24 and hold until about October 21. In the past 22 years, this trade has worked 12 times, for a success rate of 54.5%. Mild winter weather and ample supplies have led to a glut in natural gas in recent years, resulting in losses for this trade in five of the last six years. Approach this trade with caution.

This unique commodity has a dual demand season based on hot and cold weather temperatures. In the United States, natural gas, coal, and refined petroleum products are used as substitutes in electric power generation. Electric power generators switch back and forth, preferring to use whichever energy source is less expensive.

Natural gas is a cleaner burning fuel source, and as crude oil has risen sharply, the less expensive product has been natural gas. But this has pushed prices higher in recent years. In addition, the effect of higher crude oil has caused demand to spike for natural gas, thus magnifying seasonal price moves.

The seasonal spikes in demand are obvious in the chart below, as increased summer electricity demand from air conditioning lift prices in mid-July. As we exit the summer season, weather can still play a role in September, when hurricanes can and have threatened production in the Gulf of Mexico, as occurred with Hurricane Katrina.

Besides options on futures, traders can take advantage of these seasonal price moves through options on the ETF, U.S. Natural Gas (UNG), or stocks of companies that find, produce, develop, and distribute natural gas. One in particular is Devon Energy (DVN), which correlates very closely with natural gas futures, as shown in the chart below. See pages 131–137 for additional correlated trades.

JULY LONG NATURAL GAS (NOVEMBER) TRADING DAY: 17–HOLD: 62 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1990	7/25	1.775	10/22	1.970	\$1,950
1991	7/24	1.670	10/21	2.013	3,430
1992	7/24	1.975	10/21	2.488	5,130
1993	7/26	2.344	10/21	2.126	-2,180
1994	7/26	2.066	10/21	1.597	-4,690
1995	7/27	1.699	10/24	1.772	730
1996	7/25	2.250	10/22	2.625	3,750
1997	7/24	2.273	10/21	3.404	11,310
1998	7/24	2.310	10/21	2.180	-1,300
1999	7/26	2.734	10/21	3.064	3,300
2000	7/27	3.951	10/24	4.820	8,690
2001	7/25	3.583	10/25	2.938	-6,450
2002	7/25	3.243	10/22	4.110	8,670
2003	7/24	4.981	10/21	4.875	-1,060
2004	7/26	6.366	10/21	7.697	13,310
2005	7/26	8.101	10/21	12.872	47,710
2006	7/27	8.858	10/24	7.091	-17,670
2007	7/25	7.228	10/22	6.891	-3,370
2008	7/24	9.833	10/21	6.844	-29,890
2009	7/24	4.760	10/21	5.100	3,400
2010	7/26	4.853	10/21	3.368	-14,850
2011	7/26	4.450	10/21	3.630	-8,200
22-Year Gain					\$21,720

NATURAL GAS (NG) BARS AND DEVON ENERGY (DVN) CLOSURES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

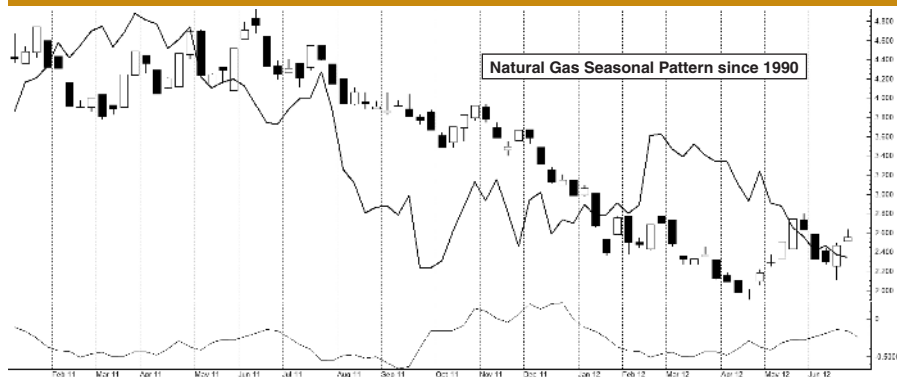


Chart courtesy TradeNavigator.com

JULY

Start Short S&P 500(U)—63.3% Accuracy Since 1982—End Jul. 24—Page 66

MONDAY

15

LT: LH
OE: SB, LH

The stock market is that creation of man which humbles him the most.
— Anonymous

TUESDAY

16

LT: CC

Prosperity is a great teacher; adversity a greater.
— William Hazlitt (English essayist, 1778–1830)

WEDNESDAY

17

OE: CL

The game is lost only when we stop trying.
— Mario Cuomo (Former NY Governor, *C-Span*)

THURSDAY

18

Companies that announce mass layoffs or a series of firings underperform the stock market over a three-year period.
— Bain & Company (*Smart Money Magazine*, August 2001)

 FRIDAY

19

LT: KC
OE: SP

Explosive growth of shadow banking was about the invisible hand having a party, a non-regulated drinking party, with rating agencies handing out fake IDs.
— Paul McCulley (Economist, bond investor, PIMCO, coined “shadow banking” in 2007, *NY Times* 4/26/2010, b. 1957)

SATURDAY

20

SUNDAY

21

SWISS FRANC FOLLOWS GOLD HIGHER

The Swiss franc correlates well with gold's price moves. Gold is strong in this time period, so traders may want to watch this relationship between gold and the Swiss franc.

The "Swissie," which is trader talk for the currency, has been a safe haven currency in the past, especially during times of financial and geopolitical instability. Due to this country's neutral stance and ability to close its borders, it has been well protected, as history shows.

However, under normal market conditions or a normal trading environment, the "Swissie" does tend to have seasonal forces against the U.S. dollar. One tendency for a relatively predictable move is in August. Traders want to go long on this seasonal best trade on or about August 8 and hold until on or about October 16. In the last 37-year history of this trade, it has worked 26 years, for a success rate of 70.3%. This trade's worst loss, in 2011, was the result of central bank intervention and could have been avoided through the use of technical indicators.

The chart below shows the Swiss franc overlaid with the price of the exchange-traded fund, CurrencyShares Swiss Franc (FXF), demonstrating how closely the two trading instruments are correlated. The line at the bottom shows the 37-year average seasonal price move. As you can see, the August through October period (page 187) tends to lead prices higher versus the U.S. dollar. See pages 131–137 for additional correlated trades.

AUGUST LONG SWISS FRANC (DECEMBER) TRADING DAY: 6–HOLD: 48 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1975	8/08	37.48	10/16	38.12	\$800
1976	8/09	40.69	10/15	41.10	513
1977	8/08	41.92	10/14	44.41	3,112
1978	8/08	60.95	10/16	67.55	8,250
1979	8/08	62.58	10/16	61.97	-762
1980	8/08	61.56	10/16	61.21	-438
1981	8/10	46.82	10/16	53.87	8,813
1982	8/09	48.03	10/15	46.87	-1,450
1983	8/08	46.97	10/14	47.72	938
1984	8/08	41.88	10/16	39.27	-3,263
1985	8/08	43.29	10/16	45.64	2,938
1986	8/08	60.50	10/16	61.96	1,825
1987	8/10	64.26	10/16	67.71	4,312
1988	8/08	63.89	10/14	66.22	2,913
1989	8/08	61.75	10/16	61.36	-488
1990	8/08	74.54	10/16	78.45	4,888
1991	8/08	66.08	10/16	66.69	762
1992	8/10	74.84	10/16	75.34	625
1993	8/09	66.21	10/15	69.83	4,525
1994	8/08	75.06	10/14	79.37	5,388
1995	8/08	86.57	10/16	87.35	975
1996	8/08	83.58	10/16	79.39	-5,238
1997	8/08	67.19	10/17	68.27	1,350
1998	8/10	67.75	10/19	75.79	10,050
1999	8/09	67.85	10/18	68.71	1,075
2000	8/08	59.10	10/17	56.93	-2,713
2001	8/08	58.60	10/18	61.18	3,225
2002	8/08	66.23	10/17	66.27	50
2003	8/08	73.68	10/17	75.26	1,975
2004	8/09	80.13	10/18	81.46	1,663
2005	8/08	80.24	10/17	77.90	-2,925
2006	8/08	82.80	10/17	79.32	-4,350
2007	8/08	84.40	10/17	85.01	762
2008	8/08	92.64	10/17	88.34	-5,375
2009	8/10	92.22	10/16	98.28	7,575
2010	8/09	95.46	10/15	104.26	11,000
2011	8/08	132.65	10/14	112.09	-25,700
37-Year Gain					\$37,600

SWISS FRANC (SF) BARS AND CURRENCYSHARES SWISS FRANC (FXF) CLOSURES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

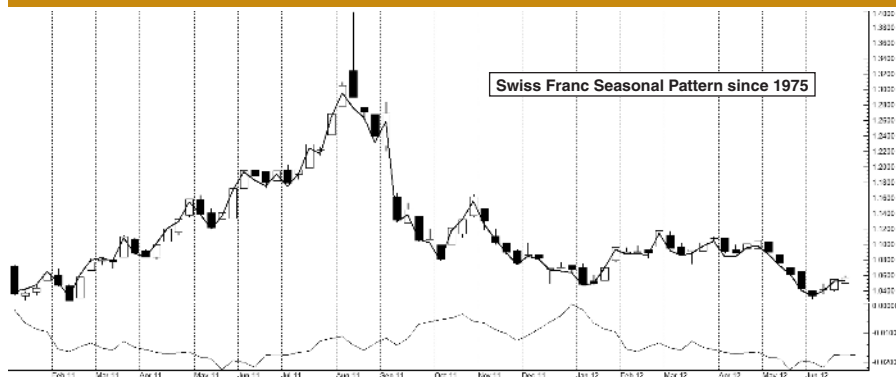


Chart courtesy TradeNavigator.com

JULY

MONDAY

22

LT: CL

In democracies, nothing is more great or brilliant than commerce; it attracts the attention of the public and fills the imagination of the multitude; all passions of energy are directed towards it.

— Alexis de Tocqueville (Author, *Democracy in America* 1840, 1805–1859)

End Long British Pound(U) (Jun. 28)

TUESDAY

23

That's the American way. If little kids don't aspire to make money like I did, what the hell good is this country?

— Lee Iacocca (American industrialist, Former Chrysler CEO, b. 1924)

End Short S&P 500(U) (Jul. 15)

Start Long Natural Gas(X)—54.5% Accuracy Since 1990—End Oct. 21—Page 68

WEDNESDAY

24

FN: CL

At a time of war, we need you to work for peace. At a time of inequality, we need you to work for opportunity. At a time of so much cynicism and so much doubt, we need you to make us believe again.

— Barack H. Obama (44th U.S. President, Commencement Wesleyan University 5/28/2008, b. 1961)

Start Short Cocoa(Z)—69.2% Accuracy Since 1973—End Nov. 1—Page 76

THURSDAY

25

OE: HG, GC, SI

Every successful enterprise requires three people—a dreamer, a businessman, and a son-of-a-bitch.

— Peter McArthur (1904)

FRIDAY

26

OE: US, HO, NG, C, S, W

In the realm of ideas, everything depends on enthusiasm; in the real world, all rests on perseverance.

— Johann Wolfgang von Goethe (German poet and polymath, 1749–1832)

SATURDAY

27

SUNDAY

28

AUGUST ALMANAC

◆ STOCKS AND BONDS

S&P 500 has shown a tendency to see strength lasting into early September (page 138). In 2010, stocks posted typical declines in August that proved to be the launching pad for the strongest “Best Six Months” since 1998. 30-year Treasury bond prices are flat to weak but have tendencies to rally, especially when stocks take sharp nose dives.

◆ ENERGY

Crude oil continues to stay supportive during the month of August, but beware of late month declines. Seasonally, this is one of the best five months to be long natural gas, from late July through December. Best seasonal trade is long natural gas from about July 24 (page 68). Heating Oil remains under pressure, except for a sympathy rally or reactions to strength in crude oil due to hurricane scares caused by refinery outages in the Gulf region.

◆ METALS

Seasonally, this is still in a strong price period for gold until October. Traders should be long from our seasonal best trade (page 78). Silver follows gold’s strength, seasonally speaking (page 155). Copper prices tend to continue the seasonal downturn in August, as the dog days of summer cause a decline in demand and the construction season slows to a crawl (page 149).

◆ GRAINS

Soybeans are seasonally still in a weak period under normal weather markets until the harvest lows in October (page 94). Wheat remains in a strong uptrend after harvest lows are posted in June (page 125). Even though corn is in a seasonally weak time period, there are times when we see counter-seasonal rallies due to weather scares (page 158).

◆ SOFTS

Cocoa encounters a countertrend seasonal trade (page 76). This is a potential conflict with the short position established in July. Cocoa is volatile during mid-crop harvest. Active traders can look to take a countertrend long trade on or about August 20 through September. Cover short coffee position from May on or about August 8 (page 52). Enter new long trade on or about August 16. This trade has worked 26 times in its 38-year history, with a 68.4% success rate (page 74). Sugar prices tend to be choppy during the month of August, as the market tries to post a seasonal low. Exit the long sugar trade from June on or about August 1 (page 58). This is the end of harvest time in Brazil and India. Seasonal bottoms are typically posted in September (page 173).

◆ MEATS

Live cattle continue in their seasonally strong price period until February (page 60). Lean hogs continue to see weakness in August (page 179).

◆ CURRENCIES

The euro has a tendency to continue to decline against the U.S. dollar headed into Labor Day weekend. However, the first part of September marks a short-term seasonal buying opportunity (page 125). Go long the December Swiss franc contract for its seasonal best trade on or about August 8, and hold until about October 16 (page 70). The British pound tries to post a bottom in August into September (page 84). The yen has a strong seasonal tendency to post bottoms against the U.S. dollar in late August to early October, as it marks the halfway point in Japan’s fiscal year, which runs April–March (page 190).

AUGUST						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

AUGUST STRATEGY CALENDAR*

Symbol	L	S	B	M	E
SP					
US					
CL					
NG					
HO					
HG					
GC					
SI					
C					
S					
W					
CC					
KC					
SB					
LC					
LH					
BP					
EC					
SF					
JY					

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124–125.
L = Long Trade, S = Short Trade. See pages 131–137 for contract symbols.

JULY/AUGUST

MONDAY

29

LT: NG, HG, GC, SI

Anytime there is change there is opportunity. So it is paramount that an organization get energized rather than paralyzed.
— Jack Welch (GE CEO, *Fortune*)

End Short Soybeans Peak(U) (Jun. 7)

TUESDAY

30

FN: NG

The first panacea for a mismanaged nation is inflation of the currency; the second is war. Both bring a temporary prosperity; both bring a permanent ruin. But both are the refuge of political and economic opportunists.
— Ernest Hemingway (American writer, 1954 Nobel Prize, 1899–1961)

WEDNESDAY

31

FN: HG, GC, SI, S
LT: HO

What's going on... is the end of Silicon Valley as we know it. The next big thing ain't computers... it's biotechnology.
— Larry Ellison (Oracle CEO, quoted in *The Wall Street Journal*, April 8, 2003)

End Short Corn(U) (Jun. 26)
End Long Sugar(V) (Jun. 17)

THURSDAY

1

A weak currency is the sign of a weak economy, and a weak economy leads to a weak nation.
— H. Ross Perot (American businessman, *The Dollar Crisis*, 2-time 3rd-party presidential candidate 1992 & 1996, b. 1930)

FRIDAY

2

FN: HO
OE: CC, LC

We are like tenant farmers chopping down the fence around our house for fuel when we should be using Nature's inexhaustible sources of energy—sun, wind and tide. I'd put my money on the sun and solar energy. What a source of power! I hope we don't have to wait until oil and coal run out before we tackle that.
— Thomas Alva Edison (American inventor, 1093 patents, 1847–1931)

SATURDAY

3

SUNDAY

4

AUGUST GIVES COFFEE A LIFT

Coffee has increased in popularity on an international scale in the last few decades. Most consumption had been from the United States, parts of Europe, and Canada. Many Europeans have switched from tea to coffee, and with the introduction in late 2005 of Starbucks coffee in Europe and in Asia, more and more people are consuming “Vente Lattes.”

Demand is improving, especially for higher grade and quality coffee. With increasing global consumption habits, if there are threats of supply disruptions or production declines for higher grade coffee, the futures market can be prone to extreme price moves.

Coffee typically tends to start a seasonal bottoming process before distributors begin buying ahead of anticipated demand in the upcoming cold winter months. This is the time to cover the best seasonal trade short position from May on or about August 8. It is also a time to look for a short-term trade opportunity from the buy side. Traders should look to enter a new long position on or about August 16 and hold this position until about September 5. This trade usually falls right around Labor Day.

This trade has worked 26 times in the last 38 years, for a success rate of 68.4%. The chart below shows the way the market traded in 2011–2012 along with Green Mountain Coffee Roasters (GMCR) as well as the 38-year average seasonal trading pattern. Despite its issues, GMCR remains highly correlated with coffee’s seasonal moves. See pages 131–137 for additional correlated trades.

AUGUST LONG COFFEE (DECEMBER) TRADING DAY: 12–HOLD: 13 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1974	8/16	56.25	9/05	55.60	-\$244
1975	8/18	85.73	9/05	81.35	-1,643
1976	8/17	153.75	9/03	153.85	37
1977	8/16	193.50	9/02	183.81	-3,634
1978	8/16	128.50	9/05	150.38	8,205
1979	8/16	195.50	9/05	208.09	4,721
1980	8/18	154.16	9/05	135.34	-7,058
1981	8/18	114.57	9/04	107.29	-2,730
1982	8/17	125.70	9/03	126.95	469
1983	8/16	129.45	9/02	130.37	345
1984	8/16	142.25	9/05	144.80	956
1985	8/16	138.70	9/05	136.75	-731
1986	8/18	180.93	9/05	203.32	8,396
1987	8/18	106.25	9/04	116.80	3,956
1988	8/16	120.69	9/02	123.17	930
1989	8/16	79.26	9/05	83.45	1,571
1990	8/16	98.20	9/05	103.70	2,063
1991	8/16	82.75	9/05	90.20	2,794
1992	8/18	53.20	9/04	54.50	487
1993	8/17	74.00	9/03	76.25	844
1994	8/16	197.00	9/02	209.90	4,838
1995	8/16	146.35	9/05	149.10	1,031
1996	8/16	111.55	9/05	111.60	19
1997	8/18	162.95	9/05	188.85	9,713
1998	8/18	113.00	9/04	112.85	-56
1999	8/17	92.40	9/03	92.30	-38
2000	8/16	82.90	9/05	78.50	-1,650
2001	8/16	52.85	9/05	52.10	-281
2002	8/16	50.35	9/05	56.70	2,381
2003	8/18	62.25	9/05	66.35	1,538
2004	8/17	72.45	9/03	72.20	-94
2005	8/16	101.45	9/02	103.05	600
2006	8/16	108.60	9/05	110.30	638
2007	8/16	115.25	9/05	116.05	300
2008	8/18	137.95	9/05	142.65	1,763
2009	8/18	128.25	9/04	124.10	-1,556
2010	8/17	178.30	9/03	186.95	3,244
2011	8/16	255.00	9/02	288.05	12,394
38-Year Gain					\$54,518

COFFEE (KC) BARS AND GREEN MOUNTAIN COFFEE ROASTERS (GMCR) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

AUGUST

MONDAY

5

FN: LC

Under capitalism man exploits man: under socialism the reverse is true.
— Polish proverb

TUESDAY

6

It is not how right or how wrong you are that matters, but how much money you make when right and how much you do not lose when wrong.
— George Soros (Financier, philanthropist, political activist, author and philosopher, b. 1930)

WEDNESDAY

7

I have a simple philosophy. Fill what's empty. Empty what's full. And scratch where it itches.
— Alice Roosevelt Longworth

End Short Coffee(U) (May 22)

Start Long Swiss Franc(Z)—70.3% Accuracy Since 1975—End Oct. 16—Page 70

THURSDAY

8

If you don't know who you are, the stock market is an expensive place to find out.
— George Goodman (*Institutional Investor*, New York, "Adam Smith", *The Money Game*, b. 1930)

FRIDAY

9

OE: KC, BP, EC, SF, JY

Writing a book is an adventure. To begin with it is a toy, an amusement; then it is a mistress, and then a master, and then a tyrant.
— Winston Churchill (British statesman, 1874–1965)

SATURDAY

10

SUNDAY

11

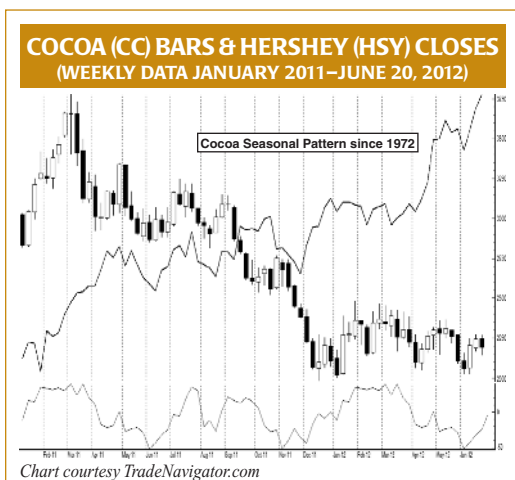
TWIN COCOA CROPS CREATE TWIN SUMMERTIME TRADES

Cocoa is split between two harvested crops. The so-called mid-crop begins in May and can last until August. The main crop is between October and March. This accounts for the fact that we see, from a seasonal perspective, downturns lasting into early November.

But as harvest is underway in the mid-crop, the market is vulnerable to volatility created by harvest and/or shipping delays caused by weather conditions. Looking at this situation from a historical perspective, we have found, that in the last 39 years, selling cocoa on or about July 25 and holding until around November 1 has worked 27 times.

Active traders can look to take a secondary long trade on or about August 20 and exit on approximately September 24. In the past 39 years this trade has worked 25 times, providing a success rate of 64.1%.

The weekly chart below shows the inverse price relationship of cocoa and chocolate titan Hershey (HSY). The graph in the bottom section shows the 39-year average seasonal price tendency. From June to November cocoa goes through a period of increased volatility during the mid-crop harvest. See pages 131–137 for additional correlated trades.



JULY SHORT COCOA (DECEMBER)					
TRADING DAY: 18-HOLD: 70 DAYS					
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1973	7/27	1613	11/7	1321	\$2,920
1974	7/25	1585	11/4	1898	-3,130
1975	7/25	1272	11/5	1385	-1,130
1976	7/27	1946	11/5	3084	-11,380
1977	7/28	4057	11/7	3963	940
1978	7/27	3143	11/6	3811	-6,680
1979	7/26	3061	11/2	2695	3,660
1980	7/25	2336	11/3	2095	2,410
1981	7/27	2087	11/3	1956	1,310
1982	7/27	1451	11/4	1350	1,010
1983	7/27	2404	11/3	2032	3,720
1984	7/26	2097	11/2	2295	-1,980
1985	7/26	2185	11/6	2039	1,460
1986	7/28	2028	11/4	1889	1,390
1987	7/27	2050	11/3	1819	2,310
1988	7/27	1504	11/3	1309	1,950
1989	7/27	1311	11/3	964	3,470
1990	7/26	1313	11/2	1147	1,660
1991	7/26	1086	11/4	1200	-1,140
1992	7/27	1072	11/3	949	1,230
1993	7/27	970	11/3	1097	-1,270
1994	7/27	1500	11/3	1319	1,810
1995	7/28	1282	11/6	1329	-470
1996	7/26	1394	11/4	1325	690
1997	7/25	1556	11/3	1578	-220
1998	7/27	1601	11/3	1508	930
1999	7/27	1068	11/4	836	2,320
2000	7/28	882	11/6	743	1,390
2001	7/26	930	11/8	1099	-1,690
2002	7/26	1796	11/4	1806	-100
2003	7/25	1447	11/3	1422	250
2004	7/27	1618	11/3	1460	1,580
2005	7/27	1488	11/3	1376	1,120
2006	7/27	1531	11/3	1484	470
2007	7/26	2037	11/2	1970	670
2008	7/25	2828	11/3	1969	8,590
2009	7/27	2900	11/3	3274	-3,740
2010	7/27	3003	11/3	2764	2,390
2011	7/27	3073	11/3	2720	3,530
39-Year Gain					\$22,250

AUGUST LONG COCOA (DECEMBER)					
TRADING DAY: 14-HOLD: 24 DAYS					
YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1973	8/20	1393	9/24	1549	\$1,560
1974	8/20	1662	9/24	1694	320
1975	8/20	1151	9/24	1220	690
1976	8/19	2174	9/23	2436	2,620
1977	8/18	3814	9/22	4075	2,610
1978	8/18	3257	9/22	3804	5,470
1979	8/20	2991	9/24	3068	770
1980	8/20	2130	9/24	2328	1,980
1981	8/20	2109	9/24	2103	-60
1982	8/19	1506	9/23	1538	320
1983	8/18	2165	9/22	2115	-500
1984	8/20	2016	9/24	2418	4,020
1985	8/20	2174	9/24	2305	1,310
1986	8/20	1957	9/24	2000	430
1987	8/20	1932	9/24	1940	80
1988	8/18	1390	9/22	1216	-1,740
1989	8/18	1178	9/22	1054	-1,240
1990	8/20	1178	9/24	1295	1,170
1991	8/20	1010	9/24	1204	1,940
1992	8/20	1073	9/24	957	-1,160
1993	8/19	1029	9/23	1174	1,450
1994	8/18	1459	9/22	1337	-1,220
1995	8/18	1334	9/22	1295	-390
1996	8/20	1430	9/24	1366	-640
1997	8/20	1569	9/24	1691	1,220
1998	8/20	1576	9/24	1527	-490
1999	8/19	961	9/23	969	80
2000	8/18	796	9/22	812	160
2001	8/20	1007	9/28	1077	700
2002	8/20	1917	9/24	2120	2,030
2003	8/20	1542	9/24	1637	950
2004	8/19	1731	9/23	1522	-2,090
2005	8/18	1398	9/22	1342	-560
2006	8/18	1545	9/22	1499	-460
2007	8/20	1759	9/24	2011	2,520
2008	8/20	2659	9/24	2757	980
2009	8/20	2915	9/24	3066	1,510
2010	8/19	2892	9/23	2780	-1,120
2011	8/18	2985	9/22	2680	-3,050
39-Year Gain					\$22,170

AUGUST

MONDAY

12

Even being right 3 or 4 times out of 10 should yield a person a fortune, if he has the sense to cut his losses quickly on the ventures where he has been wrong.

— Bernard Baruch (Financier, speculator, statesman, presidential adviser, 1870–1965)

TUESDAY

13

The Clairvoyant Society of London will not meet Tuesday because of unforeseen circumstances.

— Advertisement in the London Financial Times

WEDNESDAY

14

LT: S, LH

OE: LH

Banking establishments are more dangerous than standing armies; and that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale.

— Thomas Jefferson (3rd U.S. President, 1743–7/4/1826, 1816 letter to John Taylor of Caroline)

THURSDAY

15

OE: CL, SB

Over the last 25 years, computer processing capacity has risen more than a millionfold, while communication capacity has risen over a thousandfold.

— Richard Worzel (Futurist, *Facing the Future*, b. 1950)

Start Long Coffee(Z)—68.4% Accuracy Since 1974—End Sep. 5—Page 74

 FRIDAY

16

OE: SP

In investing, the return you want should depend on whether you want to eat well or sleep well.

— J. Kenfield Morley

SATURDAY

17

SUNDAY

18

GOLD GLITTERS MID-SUMMER

Seasonally, this is a strong price period for gold until late September or early October. Look to enter long positions on or about August 26 and hold until October 1. In the last 37 years, this trade has worked 22 times, for a success rate of 59.5%. The ten years prior to 2011 had provided an amazing cumulative profit of \$32,280 per futures contract.

The chart below is a weekly chart of the price of gold with the exchange-traded fund (ETF) known as the SPDR Gold Shares Trust (GLD) overlaid to show the direct price correlation between the two trading vehicles. The line on the bottom section is the 37-year average seasonal tendency showing the market directional price trend.

SPDR Gold Shares (GLD) was the first ETF to own physical gold in the U.S. Each share represents 1/10 ounce of gold and the closing price of the ETF will represent, within reason, spot gold divided by 10. As of June 20, 2012, GLD owned 41,205,335.16 ounces of gold with 424.5 million shares outstanding. Just like every other ETF, a premium or discount to net asset value (NAV) can exist. See pages 131–137 for additional correlated trades, such as stocks of gold mining and producing companies that track the underlying commodity rather closely.

AUGUST LONG GOLD (DECEMBER) TRADING DAY: 18–HOLD: 25 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1975	8/26	165.6	10/01	144.2	-\$2,140
1976	8/25	106.1	9/30	116.1	1,000
1977	8/24	146.9	9/29	156.0	910
1978	8/24	204.8	9/29	220.9	1,610
1979	8/24	320.7	10/01	424.5	10,380
1980	8/26	651.0	10/01	696.5	4,550
1981	8/26	430.5	10/01	440.0	950
1982	8/25	417.0	9/30	404.8	-1,220
1983	8/24	433.4	9/29	411.5	-2,190
1984	8/24	362.3	10/01	350.9	-1,140
1985	8/26	342.9	10/01	327.1	-1,580
1986	8/26	385.6	10/01	429.2	4,360
1987	8/26	465.8	10/01	459.7	-610
1988	8/24	444.4	9/29	401.6	-4,280
1989	8/24	370.6	9/29	372.0	140
1990	8/27	396.2	10/02	393.9	-230
1991	8/26	360.3	10/01	357.3	-300
1992	8/26	340.9	10/01	349.1	820
1993	8/25	375.5	9/30	357.1	-1,840
1994	8/24	388.6	9/29	398.7	1,010
1995	8/24	387.9	9/29	386.5	-140
1996	8/26	394.5	10/01	381.0	-1,350
1997	8/26	329.0	10/01	336.1	710
1998	8/26	285.9	10/01	302.1	1,620
1999	8/25	254.2	9/30	299.5	4,530
2000	8/24	277.5	9/29	276.9	-60
2001	8/24	274.9	10/03	291.6	1,670
2002	8/26	311.0	10/01	322.2	1,120
2003	8/26	366.8	10/01	385.0	1,820
2004	8/25	410.0	9/30	420.4	1,040
2005	8/24	442.2	9/29	475.8	3,360
2006	8/24	628.5	9/29	604.2	-2,430
2007	8/24	677.5	10/01	754.1	7,660
2008	8/26	828.1	10/01	887.3	5,920
2009	8/26	945.8	10/01	1000.7	5,490
2010	8/25	1243.3	9/30	1309.6	6,630
2011	8/24	1757.3	9/29	1617.3	-14,000
					37-Year Gain \$33,790

GOLD (GC) BARS AND SPDR GOLD (GLD) CLOSSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

AUGUST

End Long 30-Year Bond(U) (Apr. 24)

MONDAY

19

FN: CC

There has never been a commercial technology like this (Internet) in the history of the world, whereby the minute you adopt it, it forces you to think and act globally.

— Robert D. Hormats (Under Secretary of State Economic, Energy and Agricultural 2009-, Goldman Sachs 1982–2009, b.1943)

Start Long Cocoa(Z)—64.1% Accuracy Since 1973—End Sep. 24—Page 76

TUESDAY

20

LT: CL

Any human anywhere will blossom in a hundred unexpected talents and capacities simply by being given the opportunity to do so.

— Doris Lessing (British novelist, born in Persia 1919)

WEDNESDAY

21

I don't believe in intuition. When you get sudden flashes of perception, it is just the brain working faster than usual.

— Katherine Anne Porter (American author, 1890–1980)

THURSDAY

22

FN: CL, KC

You can't grow long-term if you can't eat short-term. Anybody can manage short. Anybody can manage long. Balancing those two things is what management is.

— Jack Welch (CEO of General Electric, *Business Week*, June 8, 1998)

FRIDAY

23

OE: US, C, S, W

I write an email about every week to ten days...and within about 24 hours everyone will have read it. The amazing thing is how I can change the direction of the entire company within 24 hours. Ten years ago I couldn't do that.

— Michael Marks (CEO Flextronics, *Forbes*, 7/7/03)

SATURDAY

24

SUNDAY

25

SEPTEMBER ALMANAC

◆ STOCKS AND BONDS

S&P's have shown a tendency to see mid-month selloffs lasting into early October (page 138). Even during the big rebound in 2009, S&P's posted a mid-September high and declined until October 2. 30-year Treasury bonds tend to rise when stock prices tend to decline (page 142).

◆ ENERGY

Crude oil tops out in September with the peak driving and hurricane seasons behind us. Refineries begin to focus on the production of heating oil and less on gasoline, thereby reducing the amount of crude oil inventories. Selling the February futures contract on or before September 12 and holding until on or about December 10 has produced 18 winning trades in the last 29 years (page 82). Natural gas is in the midst of its best two-month span from September through October (page 145). In mild hurricane seasons, heating oil prices see declines towards mid-month as threats of damage and refinery disruptions dissipate. Traders should prepare to go short as October marks seasonal peaks from pre-winter inventory buildup (page 92).

◆ METALS

Liquidate the long gold position from August (page 78) near month end. Silver has a tendency to follow gold higher during the month (page 155). Copper prices tend to stabilize in September but still lean toward a seasonal downturn until mid-December (Page 149).

◆ GRAINS

Soybeans are in a weak period under normal weather markets until the harvest lows come by late October (page 94). Wheat continues to remain in an uptrend, but prices have a tendency to stall or correct mid-month (page 164). Corn continues a seasonal decline in normal weather conditions apart from any early frost scare. Generally, the corn crop is made by now, and prices tend to decline until the seasonal harvest lows are posted in late October or early November (page 158).

◆ SOFTS

Exit the long cocoa trade from August 20 on or about September 24. In addition, we have a trading opportunity that overlaps this trade and the July short (page 76), which is to sell a December futures contract short on or about September 16 and hold until on or about October 31. In the last 39-years, this trade has worked 27 times, for a success rate of 69.2% (page 125). We also exit the long coffee trade from August 16, on or about September 5 (page 74). Sugar bottoms are typically posted in late August to early October (page 173).

◆ MEATS

Live cattle prices tend to press higher through year-end, as demand tends to rise in the fall. Fostering the bullish bias is the fact that people generally eat more meat in cooler temperatures. Also bullish for cattle prices, with children back in school, government-sponsored lunch programs reinforce the demand outlook (page 176). Lean hog prices continue their seasonal decline, typically lasting to November (page 102).

◆ CURRENCIES

The euro tends to rally after Labor Day, from approximately September 9 until about October 1. In the 13-year history, this trade has worked 11 times, good for a cumulative profit of \$22,775 (page 125). The Swiss franc is still in an uptrend until on or about October 16 (page 70). British pound is a buy in September. Look to go long around September 18, holding until about November 4 (page 84). The yen has a strong seasonal tendency to continue rallying against the U.S. dollar (page 190).

SEPTEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER STRATEGY CALENDAR*

Symbol	B	I	M	E
SP	L/S			
US	L/S			
CL	L/S			
NG	L/S			
HO	L/S			
HG	L/S			
GC	L/S			
SI	L/S			
C	L/S			
S	L/S			
W	L/S			
CC	L/S			
KC	L/S			
SB	L/S			
LC	L/S			
LH	L/S			
BP	L/S			
EC	L/S			
SF	L/S			
JY	L/S			

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124-125.
L = Long Trade, S = Short Trade. See pages 131-137 for contract symbols.

AUGUST/SEPTEMBER

Start Long Gold(Z)—59.5% Accuracy Since 1975—End Oct. 1—Page 78

MONDAY

26

In politics as in chess, or in the military or in business, when you have the advantage you must press it quickly – or lose it. For the first time in history, we are in a position to checkmate tyranny. Momentum is largely on the side of democracy.
— Garry Kasparov (World Chess Champion 1985–2000)

TUESDAY

27

OE: HO, NG, HG, GC, SI

All great truths begin as blasphemies.
— George Bernard Shaw (Irish dramatist, 1856–1950)

WEDNESDAY

28

LT: NG, HG, GC, SI

If the market does not rally, as it should during bullish seasonal periods, it is a sign that other forces are stronger and that when the seasonal period ends those forces will really have their say.
— Edson Gould (Stock market analyst, *Findings & Forecasts*, 1902–1987)

THURSDAY

29

FN: NG

It isn't as important to buy as cheap as possible as it is to buy at the right time.
— Jesse Livermore (Early 20th century stock trader and speculator, *How to Trade in Stocks*, 1877–1940)

FRIDAY

30

FN: US, HG, GC, SI, C, S, W

LT: HO, LC

Let me end my talk by abusing slightly my status as an official representative of the Federal Reserve. I would like to say to Milton [Friedman]: regarding the Great Depression, you're right; we did it. We're very sorry. But thanks to you, we won't do it again.
— Ben Bernanke (Fed Chairman 2006–, 11/8/02 speech as Fed Governor)

SATURDAY

31

SUNDAY

1

CRUDE OIL TAKES A BREATH

In most years, crude oil prices make significant price gains in the summer, as vacationers and the annual trek of students returning to college in August create increased demand for unleaded gasoline. The market also prices in a premium for supply disruptions due to threats of hurricanes in the Gulf of Mexico. However, towards mid-September, we see a seasonal tendency of prices to peak out, as the driving and hurricane seasons are behind us.

Selling on or before September 12 and holding until on or about December 10 has produced 18 winning trades in the last 29 years. This gives us a 62.1% success rate and total gains of \$55,100 per futures contract.

Below is a chart of crude oil overlaid with the price of Frontline Limited (FRO), a company that primarily transports crude oil. What better way to follow the price of a commodity that needs to be transported? This company's stock price does reflect the fact that when demand goes up, prices rise for both crude oil and the stock due to the need for increased shipments. In this scenario, the company should profit. However, as demand for crude oil declines, there is less need for shipping, and the company's revenues should also decline.

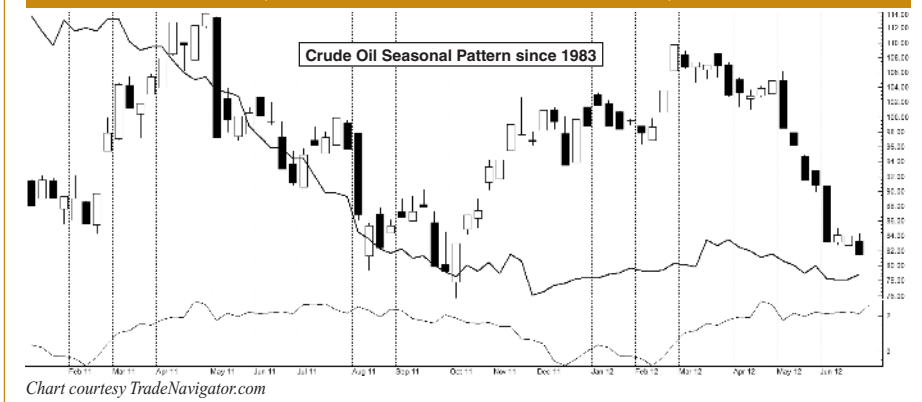
This ebb and flow of supply and demand tendencies are correlated, as the chart shows, with the price of crude oil, FRO, and the seasonal historic price of the company at the bottom. Frontline highly correlates to the seasonal price swings in crude oil. See pages 131–137 for additional correlated trades.

SEPTEMBER SHORT CRUDE OIL (FEBRUARY) TRADING DAY: 8–HOLD: 62 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1983	9/13	30.93	12/12	28.98	\$1,950
1984	9/13	29.65	12/12	26.80	2,850
1985	9/12	26.28	12/11	25.79	490
1986	9/11	14.76	12/10	15.24	-480
1987	9/11	19.00	12/10	18.16	840
1988	9/13	14.51	12/12	15.72	-1,210
1989	9/13	18.88	12/11	20.51	-1,630
1990	9/13	28.11	12/11	25.88	2,230
1991	9/12	21.16	12/10	19.46	1,700
1992	9/11	21.51	12/10	19.38	2,130
1993	9/13	18.11	12/10	15.36	2,750
1994	9/13	17.67	12/12	16.95	720
1995	9/13	17.74	12/12	18.42	-680
1996	9/12	22.23	12/11	22.93	-700
1997	9/11	19.62	12/10	18.41	1,210
1998	9/11	15.20	12/10	11.21	3,990
1999	9/13	22.54	12/10	24.71	-2,170
2000	9/13	31.24	12/12	29.10	2,140
2001	9/18	27.55	12/17	19.52	8,030
2002	9/12	28.05	12/11	27.42	630
2003	9/11	28.01	12/10	31.76	-3,750
2004	9/13	42.42	12/10	41.36	1,060
2005	9/13	65.19	12/12	62.26	2,930
2006	9/13	67.51	12/12	61.99	5,520
2007	9/13	76.05	12/11	89.92	-13,870
2008	9/11	101.94	12/09	44.66	57,280
2009	9/11	71.14	12/09	72.55	-1,410
2010	9/13	80.37	12/09	88.88	-8,510
2011	9/13	90.66	12/09	99.60	-8,940
29-Year Gain					\$55,100

CRUDE OIL (CL) BARS AND FRONTLINE LIMITED (FRO) CLOSE

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



SEPTEMBER

Labor Day (Market Closed)

MONDAY

2

What's money? A man is a success if he gets up in the morning and goes to bed at night and in between does what he wants to do.

— Bob Dylan (American singer-songwriter, musician and artist, b. 1941)

TUESDAY

3

New indicator: CFO Magazine gave Excellence awards to WorldCom's Scott Sullivan (1998), Enron's Andrew Fastow (1999), and to Tyco's Mark Swartz (2000). All were subsequently indicted.

— Roger Lowenstein (Financial journalist and author, *Origins Of The Crash*, b. 1954)

WEDNESDAY

4

FN: HO

Financial markets will find and exploit hidden flaws, particularly in untested new innovations—and do so at a time that will inflict the most damage to the most people.

— Raymond F. DeVoe, Jr. (Market strategist Jesup & Lamont, *The DeVoe Report*, 3/30/07)

Rosh Hashanah

End Long Coffee(Z) (Aug. 16)

THURSDAY

5

We prefer to cut back exposure on what's going against us and add exposure where it's more favorable to our portfolio. This way, we're always attempting to tilt the odds in our favor. This is the exact opposite of a long investor that would average down. Averaging down is a very dangerous practice.

— John Del Vecchio & Brad Lamensdorf (Portfolio managers Active Bear ETF, 5/10/12 *Almanac Investor* Interview)

FRIDAY

6

OE: CC, LC, BP, EC, SF, JY

The wisdom of the ages is the fruits of freedom and democracy.

— Lawrence Kudlow (Economist, 24th Annual Paulson SmallCap Conference, Waldorf Astoria NYC, 11/8/01)

SATURDAY

7

SUNDAY

8

BRITISH POUND AUTUMN RALLY

Great Britain is a multi-trillion-dollar economy, and its largest city, London, is considered the world's top financial trading center. Many market factors can influence the floating value of the pound versus other currencies such as the euro. However, when we compare the pound in terms of the U.S. dollar, we see several trading opportunities throughout the year.

Here is an interesting, relatively short-term trade, one that seems to have the same reaction with the trade direction in the yen, Swiss franc, and euro currencies during this time period. The British pound has a seasonal tendency to decline just ahead of the end of the third quarter and reach a bottom near mid-September.

We typically see rallies in October through the end of the calendar year. After that, the market starts to fade against the dollar again, before posting a bottom shortly before Britain's fiscal year begins in April. Seasonally speaking, the pound tends to trade higher in value against the U.S. dollar from about September 18 until about November 4. In the last 37 years, this trade has worked 25 times, for a success rate of 67.6%.

The chart below shows the pound with the exchange-traded fund, CurrencyShares British Pound (FXB), overlaid to illustrate the close correlation to price movement of these two trading vehicles. Technical timing tools could have improved the results from 2008 and 2009, boosting the potential profit of this seasonal trading opportunity. See pages 131–137 for additional correlated trades.

SEPTEMBER LONG BRITISH POUND (DECEMBER) TRADING DAY: 12–HOLD: 33 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1975	9/17	205.65	11/3	206.50	\$1,062
1976	9/17	169.60	11/4	160.90	-10,875
1977	9/19	174.10	11/3	179.95	7,312
1978	9/19	194.40	11/3	196.00	2,000
1979	9/19	213.25	11/5	207.10	-7,688
1980	9/17	237.20	11/3	244.35	8,938
1981	9/17	184.50	11/3	189.30	6,000
1982	9/17	171.40	11/3	167.40	-5,000
1983	9/19	151.65	11/3	148.95	-3,375
1984	9/19	123.85	11/5	126.85	3,750
1985	9/18	132.30	11/4	143.50	14,000
1986	9/17	146.15	11/3	140.45	-7,125
1987	9/17	163.85	11/3	173.90	12,563
1988	9/19	166.32	11/3	176.96	13,300
1989	9/19	155.34	11/3	155.90	700
1990	9/19	185.46	11/5	196.32	13,575
1991	9/18	170.90	11/4	176.58	7,100
1992	9/17	174.66	11/3	154.22	-25,550
1993	9/17	152.24	11/3	147.82	-5,525
1994	9/19	156.72	11/3	161.66	6,175
1995	9/19	154.26	11/3	157.72	4,325
1996	9/18	156.00	11/4	164.44	10,550
1997	9/17	159.56	11/4	168.26	10,875
1998	9/17	167.54	11/4	165.76	-2,225
1999	9/17	162.38	11/4	162.14	-300
2000	9/19	141.20	11/6	143.02	2,275
2001	9/20	145.90	11/7	145.92	25
2002	9/18	154.12	11/5	155.86	2,175
2003	9/17	159.98	11/4	167.56	9,475
2004	9/17	178.07	11/4	183.72	7,063
2005	9/19	180.07	11/4	175.03	-6,300
2006	9/19	188.34	11/6	189.72	1,725
2007	9/19	199.77	11/6	208.45	10,850
2008	9/17	181.55	11/4	158.92	-28,288
2009	9/17	164.47	11/3	163.33	-1,425
2010	9/17	156.24	11/3	161.09	6,062
2011	9/19	156.78	11/3	160.31	4,413
37-Year Gain					\$62,613

BRITISH POUND (BP) BARS & CURRENCYSHARES BRITISH POUND (FXB) CLOSES (WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

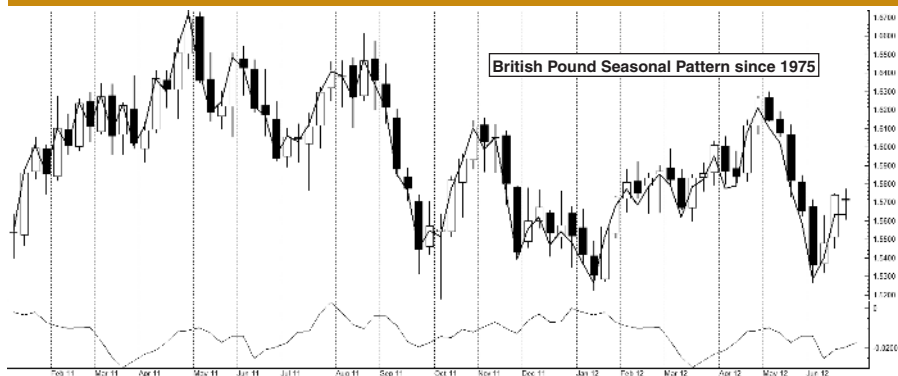


Chart courtesy TradeNavigator.com

SEPTEMBER

Start Long Euro(Z)—84.6% Accuracy Since 1999—End Oct. 1—Page 125

MONDAY

9

Brazil is the country of the future and always will be.
— (Brazilian joke)

TUESDAY

10

Executives owe it to the organization and to their fellow workers not to tolerate nonperforming individuals in important jobs.
— Peter Drucker (Austria-born pioneer management theorist, 1909–2005)

WEDNESDAY

11



[A contrarian's opportunity] If everybody is thinking alike, then somebody isn't thinking.
— General George S. Patton, Jr. (U.S. Army field commander WWII, 1885–1945)

Start Short Crude Oil(G)—62.1% Accuracy Since 1983—End Dec. 10—Page 82

THURSDAY

12

Entrepreneurs who believe they're in business to vanquish the competition are less successful than those who believe their goal is to maximize profits or increase their company's value.
— Kaihan Krippendorff (Business consultant, strategist, author, *The Art of the Advantage*, The Strategic Learning Center, b. 1971)

FRIDAY

13

LT: C, S, W, CC
OE: KC

640K ought to be enough for anybody.
— William H. Gates (Microsoft founder, 1981, Try running Microsoft Vista on less than a Gig)

Yom Kippur

SATURDAY

14

SUNDAY

15

SILVER SLUMPS IN OCTOBER

Silver has a tendency to move up in September, as jewelers and manufacturers accumulate inventories in preparation for increased demand for jewelry during the year-end holiday season. In addition, the harvest season in India is underway, where tradition has been that farmers sell grain and buy precious metals, including silver, in preparation for their wedding season. Once this demand has been satisfied, silver tends to peak in early October.

This trade goes short silver on or about October 4 until about October 29. In the last 40 years this trade has worked 23 times, for a success rate of 57.5%. The over-arching precious metals bull market of 2002–2012, negatively impacted this trade in seven of the last ten years.

The weekly chart below shows Newmont Mining (NEM) stock prices overlaid on the price of silver. This company's main business is mining precious metals, such as gold and silver. As you can see, the stock price does move in close correlation with the price of silver, and the line on the bottom shows the seasonal tendency for silver prices to move lower through the month of October.

Traders have several ways to take advantage of this seasonal tendency, with an outright short position in silver futures, options on the futures, shares in the exchange-traded fund, iShares Silver Trust (SLV), and stocks or options on stocks like Newmont Mining that correlate well with the underlying commodity price moves. See pages 131–137 for additional correlated trades.

OCTOBER SHORT SILVER (DECEMBER) TRADING DAY: 4–HOLD: 17 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1972	10/5	178.0	11/01	185.5	-\$375
1973	10/4	275.5	10/31	288.1	-630
1974	10/4	513.0	10/30	489.0	1,200
1975	10/6	446.5	10/30	422.5	1,200
1976	10/6	431.7	10/29	433.2	-75
1977	10/6	469.0	10/31	489.2	-1,010
1978	10/5	588.5	10/30	636.5	-2,400
1979	10/4	1691.0	10/29	1665.0	1,300
1980	10/6	2165.0	10/29	1943.0	11,100
1981	10/6	968.0	10/29	938.0	1,500
1982	10/6	833.0	10/29	1009.0	-8,800
1983	10/6	1042.0	10/31	863.0	8,950
1984	10/4	773.5	10/29	723.0	2,525
1985	10/4	640.0	10/29	625.0	750
1986	10/6	581.5	10/29	563.0	925
1987	10/6	773.5	10/29	692.5	4,050
1988	10/6	637.0	10/31	634.8	110
1989	10/5	524.3	10/30	528.3	-200
1990	10/4	473.0	10/29	415.7	2,865
1991	10/4	417.0	10/29	411.5	275
1992	10/6	375.5	10/29	376.5	-50
1993	10/6	428.7	10/29	436.7	-400
1994	10/6	566.5	10/31	526.2	2,015
1995	10/5	530.7	10/30	534.3	-180
1996	10/4	487.5	10/29	482.0	275
1997	10/6	520.7	10/29	479.5	2,060
1998	10/6	509.0	10/29	507.5	75
1999	10/6	553.0	10/29	518.0	1,750
2000	10/5	493.8	10/30	477.0	840
2001	10/4	466.5	10/29	424.3	2,110
2002	10/4	449.0	10/29	451.0	-100
2003	10/6	481.5	10/29	514.2	-1,635
2004	10/6	724.5	10/29	730.5	-300
2005	10/6	759.5	10/31	758.0	75
2006	10/5	1107.0	10/30	1225.0	-5,900
2007	10/4	1350.0	10/29	1443.0	-4,650
2008	10/6	1128.5	10/29	980.5	7,400
2009	10/6	1729.5	10/29	1665.5	3,200
2010	10/6	2304.3	10/29	2456.4	-7,605
2011	10/6	3200.5	10/31	3435.4	-11,745
			40-Year Gain		\$10,495

SILVER (SI) BARS AND NEWMONT MINING (NEM) CLOSURES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

SEPTEMBER

Start Short Cocoa(Z)—69.2% Accuracy Since 1973—End Oct. 31—Page 125

MONDAY

16

LT: BP, EC, SF, JY
OE: SB

I went to a restaurant that serves "breakfast at any time." So I ordered French toast during the Renaissance.
— Steven Wright (Comedian, b. 1955)

TUESDAY

17

OE: CL

The way a young man spends his evenings is a part of that thin area between success and failure.
— Robert R. Young (U.S. financier and railroad tycoon, 1897–1958)

Start Long British Pound(Z)—67.6% Accuracy Since 1975—End Nov. 4—Page 84

WEDNESDAY

18

LT: KC

A president is elected and tries to get rid of the dirty stuff in the economy as quickly as possible, so that by the time the next election comes around, he looks like a hero. The stock market is reacting to what the politicians are doing.
— Yale Hirsch (Creator of *Stock Trader's Almanac*, *NY Times* 10/10/2010, b. 1923)

THURSDAY

19

LT: SP, US
OE: SP

It's better to have your enemies inside the tent pissing out than outside pissing in.
— Lyndon B. Johnson (36th U.S. President, 1908–1973)



FRIDAY

20

LT: CL
OE: US, C, S, W

The political problem of mankind is to combine three things: economic efficiency, social justice, and individual liberty.
— John Maynard Keynes (British economist, 1883–1946)

SATURDAY

21

SUNDAY

22

JAPANESE YEN DIVES AGAINST THE DOLLAR

The Japanese economy runs on a fiscal year running from April through March. The midpoint of the second half of their fiscal year is in October. Accounting and balance sheet adjustments are made at these points in time and are responsible for large currency transactions that have a seasonal influence on prices. Some years, of course, are more dramatic than others, but in normal economic times, we see a seasonal weakness that prevails in the yen versus the dollar.

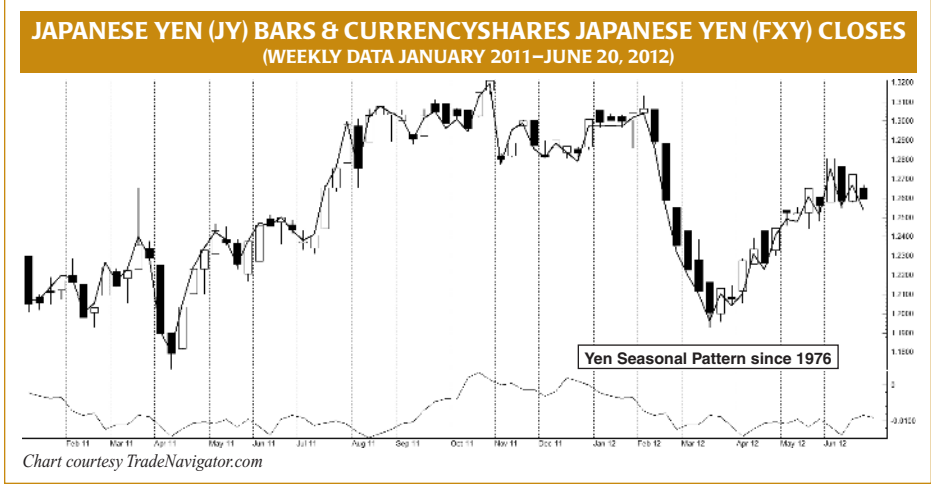
Traders need to be aware of several key elements at hand that can cause values to move violently. For one, intervention plays a role in the currencies. In past years, the Central Bank of Japan (BOJ) has been known for intervention on behalf of managing the yen's value versus the U.S. dollar.

Traders should be aware of these tendencies and the history of actions taken with respect to certain central bankers. If the yen does manage to overstep its value relative to the dollar, beware that the BOJ can and has stepped in.

Based on our seasonal studies, traders can look to sell the yen on or about October 16 and hold until about February 7. In the 36-year history of this trade, it has worked 23 years, for a success rate of 63.9%. Massive declines in the value of the U.S. dollar, since its peak in 2002, have adversely affected this trade six times over the last ten years, so it is crucial to use technical timing tools.

The chart below shows the exchange-traded fund, Currency-Shares Japanese Yen (FXJ) overlaid on the front-month yen futures contract. FXJ is highly correlated with the underlying commodity price moves. See pages 131–137 for additional correlated trades.

OCTOBER SHORT YEN (MARCH)						
TRADING DAY: 12–HOLD: 78 DAYS						
YEAR	ENTRY		EXIT		PROFIT/LOSS	
	DATE	CLOSE	DATE	CLOSE		
1976	10/18	34.08	2/08	34.79	-\$888	
1977	10/18	40.25	2/08	41.54	-1,613	
1978	10/17	56.62	2/09	50.67	7,437	
1979	10/16	44.18	2/07	41.92	2,825	
1980	10/16	48.55	2/10	49.45	-1,125	
1981	10/16	44.80	2/08	42.91	2,363	
1982	10/18	37.73	2/07	42.19	-5,575	
1983	10/18	43.53	2/09	42.85	850	
1984	10/16	40.98	2/06	38.55	3,038	
1985	10/16	46.48	2/06	52.51	-7,538	
1986	10/16	65.09	2/06	64.88	263	
1987	10/16	71.40	2/08	77.69	-7,862	
1988	10/18	79.95	2/08	77.64	2,888	
1989	10/17	70.73	2/07	68.81	2,400	
1990	10/16	78.80	2/06	78.00	1,000	
1991	10/16	76.55	2/06	79.41	-3,575	
1992	10/16	83.64	2/08	80.81	3,538	
1993	10/18	93.44	2/07	92.05	1,738	
1994	10/18	103.59	2/08	101.43	2,700	
1995	10/17	102.23	2/07	94.93	9,125	
1996	10/16	90.98	2/07	81.73	11,563	
1997	10/17	84.68	2/11	81.43	4,063	
1998	10/19	89.03	2/10	87.81	1,525	
1999	10/19	97.32	2/10	92.25	6,337	
2000	10/18	95.27	2/09	85.50	12,213	
2001	10/17	83.26	2/11	75.06	10,250	
2002	10/17	80.68	2/11	82.65	-2,463	
2003	10/17	91.83	2/11	94.99	-3,950	
2004	10/19	93.02	2/10	94.72	-2,125	
2005	10/19	88.17	2/13	85.26	3,638	
2006	10/18	85.84	2/09	82.61	4,038	
2007	10/17	87.29	2/11	93.73	-8,050	
2008	10/17	99.46	2/10	110.62	-13,950	
2009	10/16	110.17	2/09	111.57	-1,750	
2010	10/18	123.36	2/8	121.37	2,487	
2011	10/18	130.64	2/9	128.81	\$2,287	
36-Year Gain					\$38,100	



SEPTEMBER

MONDAY

23

There are two kinds of people who lose money: those who know nothing and those who know everything.

— Henry Kaufman (German-American economist, b. 1927, to Robert Lenzner in Forbes 10/19/98 who added, “With two Nobel Prize winners in the house, Long-Term Capital clearly fits the second case.”)

End Long Cocoa(Z) (Aug. 20)

TUESDAY

24

FN: CL

If buying equities seem the most hazardous and foolish thing you could possibly do, then you are near the bottom that will end the bear market.

— Joseph E. Granville

WEDNESDAY

25

OE: HO NG, HG, GC, SI

It was never my thinking that made the big money for me. It was always my sitting. Got that? My sitting tight!

— Jesse Livermore (Early 20th century stock trader & speculator, *How to Trade in Stocks*, 1877–1940)

THURSDAY

26

LT: NG, HG, GC, SI

The first human who hurled an insult instead of a stone was the founder of civilization.

— Sigmund Freud (Austrian neurologist, psychiatrist, “father of psychoanalysis,” 1856–1939)

FRIDAY

27

FN: NG

Let's roll!

— Todd Beamer (Passenger on United Airlines Flight 93 just before foiling the hijackers, September 11, 2001)

SATURDAY

28

SUNDAY

29

OCTOBER ALMANAC

◆ STOCKS AND BONDS

S&P's have shown a tendency to see major bottoms in October, kicking off what is dubbed the "Best Six Months", according to *Stock Traders Almanac*. Our best seasonal percentage play gets long the March futures contract on or about the 25th and holds until December 24. This trade has a cumulative gain from the last 30 years of \$231,888 (page 100). 30-year Treasuries tend to move in tandem with equities during this time of year (page 140).

◆ ENERGY

Crude oil continues its seasonally weak period. We remain short from September, holding until about December 10 (page 82). Liquidate the natural gas long position from July, on or about October 21 (page 68). Heating oil prices see price surges as wholesalers begin to market to consumers, colder than normal temperatures add support as we begin the heating season. Traders can sell this strength by going short December heating oil around the 14th and hold until around Thanksgiving. This trade has a success rate of 62.5% over the past 32 years with a total gain of \$51,652.

◆ METALS

Gold tends to remain under pressure in October. Silver tends to follow gold's lead, and traders can enter a short December futures position on or about October 4, holding until on or about October 29. In the last 40 years, this trade has worked 23 times, for a success rate of 57.5% and a cumulative gain of \$10,495 (page 86). Copper continues its seasonal downtrend, as new construction begins to wind down for the winter months (page 149).

◆ GRAINS

Look to go long January soybeans on or about October 22, holding until about November 7 (page 94). Wheat prices generally consolidate, as harvest and new crop corn and soybean products dominate the trade (page 164). Corn's tends to post a harvest low in October (page 158).

◆ SOFTS

Cocoa is wrapping up its weak period. We are still holding the short December contract from September (page 76). Coffee prices tend to stabilize, as cold weather increases consumption, but not enough to offset inventories; thus, there is no significant price move during this month (page 170). Sugar generally maintains its seasonal uptrend (page 173).

◆ MEATS

Live cattle prices remain in a seasonal uptrend, as farmers and ranchers are focusing on the grain harvest business. Demand for beef continues to rise, as the temperature falls (page 176). Lean hogs prices remain in a seasonal downtrend. Producers are feeding newly harvested corn to fatten hogs. Weights are generally up, leading to a seasonal glut in pork through November (page 179).

◆ CURRENCIES

The euro is typically weak in October. However, we are in the beginning of a seasonally strong period until January. We have a strong seasonal bottom that we want to take advantage of by going long a March futures contract on or about the 24th and holding until January (page 96). Liquidate the long Swiss franc from August, on or about October 16 (page 70). The British pound is in a period of rising prices; maintain the long trade position from September 18 until on or about November 4 (page 84). The yen's seasonal weakness prevails versus the dollar. Traders can look to short the March yen futures contract on or about October 16, holding that position until on or about February 7 (page 88).

OCTOBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER						
S	M	T	W	T	F	S
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER STRATEGY CALENDAR*

Symbol		B	M	I	E		
SP	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
US	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
CL	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
NG	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
HO	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
HG	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
GC	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
SI	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
C	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
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S	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
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W	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
CC	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
KC	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
SB	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
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LC	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
LH	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
BP	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
EC	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
SF	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						
JY	<table border="1"><tr><td>L</td><td>S</td></tr></table>	L	S				
L	S						

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124-125.

L = Long Trade, S = Short Trade. See pages 131-137 for contract symbols.

SEPTEMBER/OCTOBER

MONDAY

30

FN: HG, GC, SI
LT: HO, SB

Let me tell you the secret that has led me to my goal. My strength lies solely in my tenacity.

— Louis Pasteur (French chemist, founder of microbiology, 1822–1895)

End Long Gold(Z) (Aug. 26)

End Long Euro(Z) (Sep. 9)

TUESDAY

1

FN: SB

Being uneducated is sometimes beneficial. Then you don't know what can't be done.

— Michael Ott (Venture capitalist)

WEDNESDAY

2

FN: HO

Get inside information from the president and you will probably lose half your money. If you get it from the chairman of the board, you will lose all your money.

— Jim Rogers (Financier, b. 1942)

THURSDAY

3

History is a collection of agreed upon lies.

— Voltaire (French philosopher, 1694–1778)

Start Short Silver(Z)—57.5% Accuracy Since 1972—End Oct. 29—Page 86

FRIDAY

4

OE: CC, LC, BP, EC, SF, JY

I cannot give you a formula for success but I can give you a formula for failure: Try to please everybody.

— Herbert Swope (American Journalist, 1882–1958)

SATURDAY

5

SUNDAY

6

PRE-WINTER PREP PRESSURES HEATING OIL

Somewhat counter intuitively, heating oil prices usually make a seasonal high well ahead of the peak demand time of the year. Refiners, retailers, and consumers are highly trained to stock up on heating oil months before the dead of winter when temperatures are coldest and the need for heat the greatest. In line with its parent crude oil, heating oil has a penchant for topping out in mid-October.

This sets up an autumn short trade opportunity. For the past 32 years, selling December heating oil short on or about October 14 and holding until around Thanksgiving has been profitable 62.5% of the time, posting gains in 20 of these years for a cumulative gain of \$51,652 per contract. This trade runs contiguous to the crude oil short from September to December on page 82.

In the chart below, the ELEMENTS Rogers International Commodity Energy ETN (RJN) is plotted against heating oil. Despite the fact that RJN is composed of a basket of six different energy futures (47.7% crude oil, 31.8% Brent crude oil, 6.8% natural gas, 6.8% RBOB gasoline, 4.1% heating oil, and 2.7% gas oil), it is extremely closely correlated to the price trend of heating oil.

There are not many liquid stocks or exchange trade products that track heating oil well. RJN is an exchange trade note (ETN). Like ETFs, ETNs trade intraday on a major exchange like a stock, but they are an unsecured, unsubordinated, debt security. However, the credit rating of the issuer of RJN, the reputation of renowned investor Jim Rogers, whose name is on the fund, the relatively robust liquidity of RJN, and the fact that it has options make RJN one of the best equity-oriented alternatives for trading heating oil futures.

OCTOBER SHORT HEATING OIL (DECEMBER) TRADING DAY: 10-HOLD: 29 DAYS					
YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1980	10/14	83.00	11/25	90.00	-\$2,940
1981	10/14	99.81	11/24	101.49	-706
1982	10/14	103.61	11/26	85.85	7,459
1983	10/14	82.86	11/28	80.67	920
1984	10/12	79.75	11/26	75.32	1,861
1985	10/14	82.21	11/22	89.34	-2,995
1986	10/14	40.90	11/24	41.90	-420
1987	10/14	56.25	11/24	55.46	332
1988	10/14	44.06	11/28	48.65	-1,928
1989	10/13	61.29	11/24	61.41	-50
1990	10/12	106.06	11/23	88.66	7,308
1991	10/14	69.94	11/22	62.06	3,310
1992	10/14	65.36	11/24	56.50	3,721
1993	10/14	56.32	11/24	50.06	2,629
1994	10/14	47.56	11/28	50.58	-1,268
1995	10/13	49.52	11/27	53.42	-1,638
1996	10/14	73.68	11/22	72.79	374
1997	10/14	58.17	11/24	55.60	1,079
1998	10/14	39.63	11/24	33.29	2,663
1999	10/14	59.09	11/24	69.84	-4,515
2000	10/13	101.99	11/27	108.52	-2,743
2001	10/12	64.76	11/26	52.17	5,288
2002	10/14	81.47	11/22	76.64	2,029
2003	10/14	88.21	11/24	82.03	2,596
2004	10/14	155.10	11/24	145.16	4,175
2005	10/14	199.04	11/28	163.56	14,902
2006	10/13	176.11	11/27	170.52	2,348
2007	10/12	226.69	11/23	270.42	-18,367
2008	10/14	228.82	11/24	178.44	21,160
2009	10/14	197.39	11/24	194.97	1,016
2010	10/14	230.27	11/24	232.55	-958
2011	10/14	304.66	11/25	292.73	5,011
32-Year Gain					\$51,652

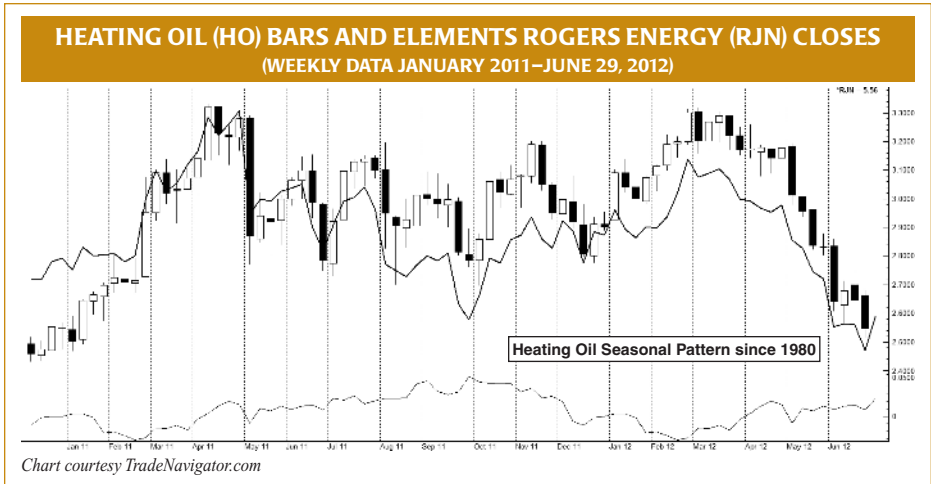


Chart courtesy TradeNavigator.com

MONDAY

7

FN: LC

When Paris sneezes, Europe catches cold.

— Prince Klemens Metternich (Austrian statesman, 1773–1859)

TUESDAY

8

One machine can do the work of fifty ordinary men. No machine can do the work of one extraordinary man.

— Elbert Hubbard (American author, *A Message To Garcia*, 1856–1915)

WEDNESDAY

9

Age is a question of mind over matter. If you don't mind, it doesn't matter.

— Leroy Robert "Satchel" Paige (Negro League and Hall of Fame Pitcher, 1906–1982)

THURSDAY

10

When the S&P Index Future premium over "Cash" gets too high, I sell the future and buy the stocks. If the premium disappears, well, buy the future and sell the stocks.

— Neil Elliott (Fahnestock)

FRIDAY

11

OE: KC

My best shorts come from research reports where there are recommendations to buy stocks on weakness; also, where a brokerage firm changes its recommendation from a buy to a hold.

— Marc Howard (Hedge fund manager, *New York Magazine* 1976, b. 1941)

SATURDAY

12

SUNDAY

13

SOYBEAN'S HARVEST LOWS OFFER POTENTIAL FREE MEAL

This is generally not the time to sell short, especially after a prolonged decline from a peak in price at the June highs. Traders should not be looking to sell on any further weakness in early October; in fact, this is the time to cover short bean positions. Typically, this is the time of year when soybeans post what is known as their harvest lows.

Soybeans are a cash commodity because end users with feed operations that use soy meal to feed livestock and poultry must purchase hand-to-mouth, as soy meal does not have a long shelf life. Fresh new product is being rushed to cattle and hog feed lots as well as to poultry operations, and exports of soybeans are being marketed. This wave of demand starts to create a floor of support in prices (page 161).

To take advantage of this seasonal trend, traders can go long soybeans on or about October 24 and hold until around November 7. In the last 44 years, this trade has worked 27 times, for a 61.4% success rate.

The chart below shows the price of Monsanto (MON) overlaid on the price of soybeans. MON makes Roundup Ready soybean seed and has a joint venture with Cargill to commercialize a proprietary grain processing technology under the name Extrax.

Monsanto correlates very well with the price direction of soybeans. It also forms its average seasonal low in October. See pages 131–137 for additional correlated trades.

OCTOBER LONG SOYBEANS (JANUARY)						
TRADING DAY: 16–HOLD: 12 DAYS						
YEAR	DATE	ENTRY		EXIT		PROFIT/LOSS
		DATE	CLOSE	DATE	CLOSE	
1968	10/22	255	11/08	261 1/4	\$313	
1969	10/22	250	11/07	249 1/2	-25	
1970	10/22	306 1/4	11/10	308	88	
1971	10/22	327 3/4	11/09	320 7/8	-344	
1972	10/23	342 3/8	11/09	356 1/4	694	
1973	10/23	554	11/08	556 1/2	125	
1974	10/22	867	11/08	863	-200	
1975	10/22	517 1/2	11/07	504 3/4	-638	
1976	10/22	658	11/10	675	850	
1977	10/24	535 3/4	11/09	595 1/2	2,988	
1978	10/23	681 1/2	11/09	669	-625	
1979	10/22	673 3/4	11/07	667	-338	
1980	10/22	922 1/2	11/10	911	-575	
1981	10/22	667 3/4	11/09	667 1/4	-25	
1982	10/22	543 1/4	11/10	578 1/4	1,750	
1983	10/24	841	11/09	872 1/2	1,575	
1984	10/22	634 1/2	11/07	639	225	
1985	10/22	522 1/4	11/07	527	238	
1986	10/22	493 1/2	11/07	500 1/4	338	
1987	10/22	544 3/4	11/09	553 1/4	425	
1988	10/24	780 1/2	11/09	808 1/4	1,388	
1989	10/23	575 1/4	11/08	576 3/4	75	
1990	10/22	625 1/2	11/07	597 1/2	-1,400	
1991	10/22	567	11/07	557	-500	
1992	10/22	552 3/4	11/09	551	-88	
1993	10/22	629 1/2	11/09	639	475	
1994	10/24	564 1/4	11/09	572	388	
1995	10/22	678 1/4	11/08	689 3/4	575	
1996	10/23	690	11/07	685 3/4	-213	
1997	10/22	704 3/4	11/07	739 1/2	1,738	
1998	10/22	565	11/09	573 1/2	425	
1999	10/22	484 1/2	11/09	479	-275	
2000	10/23	473 1/2	11/08	484	525	
2001	10/22	426 3/4	11/07	441 1/4	725	
2002	10/22	548 1/4	11/07	568 1/4	1,000	
2003	10/22	752	11/07	748 1/2	-175	
2004	10/22	532	11/09	510 1/2	-1,075	
2005	10/24	587 1/2	11/09	588 1/2	50	
2006	10/23	630 1/2	11/08	678	2,375	
2007	10/22	993 3/4	11/07	1038 1/2	2,238	
2008	10/22	864 3/4	11/07	921	2,813	
2009	10/22	1007	11/09	972	-1,750	
2010	10/22	1211 1/2	11/09	1329	5,875	
2011	10/24	1235 1/4	11/09	1185 1/2	-2,488	
44-Year Gain						\$19,538

SOYBEANS (S) BARS AND MONSANTO (MON) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

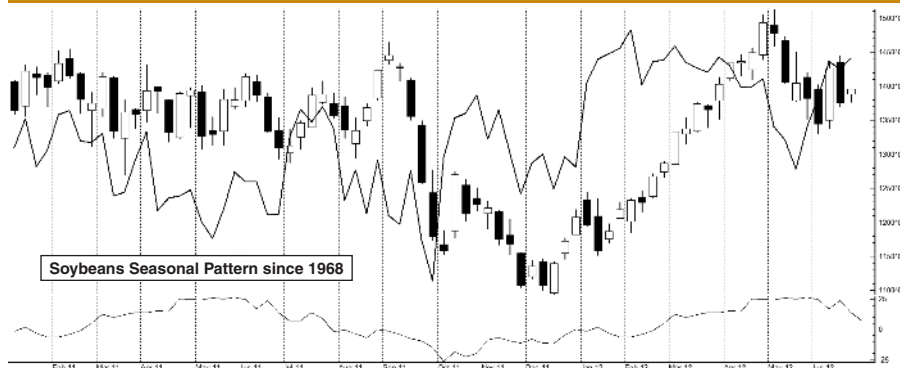


Chart courtesy TradeNavigator.com

OCTOBER

Columbus Day (Bond Market Closed)

Start Short Heating Oil(Z)—62.5% Accuracy Since 1980—End Nov. 22—Page 92

MONDAY

14

LT: LH

OE: LH

The authority of a thousand is not worth the humble reasoning of a single individual.

— Galileo Galilei (Italian physicist and astronomer, 1564–1642)

TUESDAY

15

OE: SB

Wall Street's graveyards are filled with men who were right too soon.

— William Peter Hamilton (Editor, *Wall Street Journal*, *The Stock Market Barometer*, 1922, 1867–1929)

End Long Swiss Franc(Z) (Aug. 8)

Start Short Yen(H)—63.9% Accuracy Since 1976—End Feb. 7, 2014—Page 88

WEDNESDAY

16

It's a lot of fun finding a country nobody knows about. The only thing better is finding a country everybody's bullish on and shorting it.

— Jim Rogers (Financier, *Investment Biker*, b. 1942)

THURSDAY

17

OE: CL

A government which robs Peter to pay Paul can always depend on the support of Paul.

— George Bernard Shaw (Irish dramatist, 1856–1950)

FRIDAY

18

OE: SP

It is totally unproductive to think the world has been unfair to you. Every tough stretch is an opportunity.

— Charlie Munger (Vice-Chairman Berkshire Hathaway, 2007 Wesco Annual Meeting, b. 1924)

SATURDAY

19

SUNDAY

20

TWO-MONTH YEAR-END EURO RALLY

Here is one of our best foreign currency (FX) plays. We had a hard time deciding whether or not share it. The euro is weak in the beginning of October and then, towards the end of the month, begins a seasonally strong period. Since it is a trade phenomenon that has been shared at several conferences in the past, after long discussions, we decided to add the trade in the 2010 edition. This, of course, jinxed the trade.

In the short history of the euro currency, the market seems to make a bottom around the third week of October; then we see a tendency to make a price gain against the U.S. dollar by year's end. Many factors could be at play to explain this, such as multi-conglomerate U.S. corporations' need to make fiscal year-end book adjustments as well as to make foreign payroll and bonuses.

The trade itself begins by going long on or about October 24 and holding until about January 2. Due to the expiration of the December futures contract, we ran the statistics using the March futures contract. Overall we have a 61.5% success rate with 8 wins and 5 losses. The best win was in 2000 with a whopping \$14,813 gain. Once again in 2011, European sovereign debt concerns trumped seasonal tendency.

Traders can use the spot FX markets, which would eliminate the need to buy a far out futures contract month. Stock traders can look at the exchange-traded fund, CurrencyShares Euro (FXE), or trade options on this instrument. In addition, the International Securities Exchange has a Euro Currency Index quoted in dollars per euro, symbol (EUI). It is accessible through your stock options broker; it is an exchange-listed security and is cash-settled in U.S. dollars with a European style exercise. See pages 131–137 for additional correlated trades.

OCTOBER LONG EURO (MARCH) TRADING DAY: 18 – HOLD : 47 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1999	10/28	106.22	1/6	103.49	-\$3,413
2000	10/26	83.39	1/4	95.24	14,813
2001	10/24	88.92	1/3	89.74	1,025
2002	10/25	97.15	1/6	104.42	9,087
2003	10/27	116.98	1/6	127.37	12,988
2004	10/27	127.05	1/5	132.74	7,113
2005	10/27	122.35	1/6	122.03	-400
2006	10/26	127.78	1/4	131.31	4,413
2007	10/25	143.37	1/4	147.77	5,500
2008	10/27	125.23	1/5	135.73	13,125
2009	10/26	148.50	1/4	144.10	-5,500
2010	10/26	138.20	1/3	133.62	-5,725
2011	10/26	138.88	1/4	129.44	-11,800
13-Year Gain					\$41,225

EURO (WU) BARS AND CURRENCYSHARES EURO (FXE) CLOSSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



OCTOBER

End Long Natural Gas(X) (Jul. 24)

MONDAY

21

You have to keep digging, keep asking questions, because otherwise you'll be seduced or brainwashed into the idea that it's somehow a great privilege, an honor, to report the lies they've been feeding you.

— David Halberstam (American writer, war reporter, 1964 Pulitzer Prize, 1934–2007)

Start Long Soybeans(F)—61.4% Accuracy Since 1968—End Nov. 7—Page 94

TUESDAY

22

LT: CL

The biggest change we made was the move to a boundary-less company. We got rid of the corner offices, the bureaucracy, and the not-invented-here syndrome. Instead we got every mind in the game, got the best out of all our people.

— Jack Welch (retiring CEO of General Electric, *Business Week*, September 10, 2001)

WEDNESDAY

23

Cannot people realize how large an income is thrift?

— Marcus Tullius Cicero (Great Roman Orator, Politician, 106–43 B.C.)

Start Long Euro(H)—61.5% Accuracy Since 1999—End Jan. 2, 2014—Page 96

THURSDAY

24

FN: CL

A "tired businessman" is one whose business is usually not a successful one.

— Joseph R. Grundy (U.S. Senator Pennsylvania 1929–1930, businessman, 1863–1961)

Start Long S&P 500(H)—73.3% Accuracy Since 1982—End Dec. 24—Page 100

FRIDAY

25

OE: US, C, S, W

Brilliant men are often strikingly ineffectual; they fail to realize that the brilliant insight is not by itself achievement. They never have learned that insights become effectiveness only through hard systematic work.

— Peter Drucker (Austrian-born pioneer management theorist, 1909–2005)

SATURDAY

26

SUNDAY

27

NOVEMBER ALMANAC

◆ STOCKS AND BONDS

We are holding our best seasonal percentage play, which is long the S&P's March futures contract from October 25 and holding until December 24 (page 100). Short-term traders watch for a rally the day before Thanksgiving and the day after, known as "Black Friday." 30-year Treasury bond prices tend to decline in late November. We have a seasonal short play selling the June futures contract on or about November 20 and holding through April 28 the following year (page 106).

◆ ENERGY

Crude oil continues to be in a seasonally weak period. We are still short from September, holding that position until about December 10 (page 82). November is a mixed month for natural gas, depending on the temperatures in the Midwest. Beginning in October, if weather patterns are mild, then we see less demand; prices tend to consolidate (page 145). Heating Oil has closed lower in November from October's close 17 of the past 32 years (page 148).

◆ METALS

Look to go long a gold February futures contract on or about November 19 until about December 4 (page 104). The long trade was outstanding, as gold posted an interim high on December 3, before giving back all November's gains. Aggressive traders can look to go long December silver in tandem with gold (page 155). Copper's seasonal downtrend continues through December (page 149).

◆ GRAINS

Liquidate the long soybeans positions from October, on or about November 7 (page 94). Also liquidate the long wheat position from June, on or about November 6 (page 125). Corn is just beginning its seasonally strong period after the harvest lows (page 158).

◆ SOFTS

Cover the short cocoa position from July, on or about November 1 (page 76). Enter a long March cocoa position on or about November 6 and hold until on or about December 26. This trade has worked 21 of 40 years, for a success rate of 52.5%, and has had a cumulative profit of \$15,720, suffering this trade's worst loss in 2011 (page 125). Coffee prices continue to stabilize, as cold weather increases consumption, but November rarely sees significant price moves (page 170). Sugar prices tend to peak out, but don't offer any solid trading opportunities (page 173).

◆ MEATS

Live cattle prices exhibit a push higher toward the middle of the month, but consumer demand declines, as the turkey-centric Thanksgiving holiday diminishes beef sales. This can cause a short-term glut of inventory that can push prices lower through the first part of December (page 176). Buy February lean hogs on or about November 4 and exit on or before November 21 (page 102).

◆ CURRENCIES

Over the last 13 years, the euro has rallied through year-end eight times. Our best year-end rally play in the euro is still long (page 96). Look to go long the Swiss franc on or about November 26 and hold through year end (page 125). Liquidate the long British pound position from September on or about November 4 (page 84). The yen remains in a seasonal weak period versus the U.S. dollar. Maintain a short position from about October 16 until about February 7 (page 88).

NOVEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER STRATEGY CALENDAR*

Symbol	B	I	M	E
SP	L	S		
US	L	S		
CL	L	S		
NG	L	S		
HO	L	S		
HG	L	S		
GC	L	S		
SI	L	S		
C	L	S		
S	L	S		
W	L	S		
CC	L	S		
KC	L	S		
SB	L	S		
LC	L	S		
LH	L	S		
BP	L	S		
EC	L	S		
SF	L	S		
JY	L	S		

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124-125.

L = Long Trade, S = Short Trade. See pages 131-137 for contract symbols.

OCTOBER/NOVEMBER

MONDAY

28

OE: HO, NG, HG, GC, SI

We will have to pay more and more attention to what the funds are doing. They are the ones who have been contributing to the activity, especially in the high-fliers.

— Humphrey B. Neill (Investor, analyst, author, *NY Times* 6/11/1966, 1895–1977)

End Short Silver(Z) (Oct. 4)

TUESDAY

29

LT: NG, HG, GC, SI

When teachers held high expectations of their students that alone was enough to cause an increase of 25 points in the students' IQ scores.

— Warren Bennis (Author, *The Unconscious Conspiracy: Why Leaders Can't Lead*, 1976)

WEDNESDAY

30

FN: NG

If you are not willing to study, if you are not sufficiently interested to investigate and analyze the stock market yourself, then I beg of you to become an outright long-pull investor, to buy good stocks, and hold on to them; for otherwise your chances of success as a trader will be nil.

— Humphrey B. Neill (Investor, analyst, author, *Tape Reading and Market Tactics*, 1931, 1895–1977)

Halloween 🎃

End Short Cocoa(Z) (Sep. 16)

THURSDAY

31

FN: HG, GC, SI, S

LT: HO, LC

Friendship renders prosperity more brilliant, while it lightens adversity by sharing it and making its burden common.

— Marcus Tullius Cicero (Great Roman Orator, Politician, 106–43 B.C.)

End Short Cocoa(Z) (Jul. 25)

FRIDAY

1

OE: CC, LC

To achieve satisfactory investment results is easier than most people realize. The typical individual investor has a great advantage over the large institutions.

— Benjamin Graham (Economist, investor, *Securities Analysis* 1934, *The Intelligent Investor* 1949, 1894–1976)

SATURDAY

2

Daylight Saving Time Ends

SUNDAY

3

MASSIVE S&P 500 GAINS HALLOWEEN TO CHRISTMAS

Here it is folks, the beginning of the best six months of the year to go long equities. October has been considered, on average, the best time to go long stocks with the reputation of having tremendous crashes, “acting as the bear market killer.”

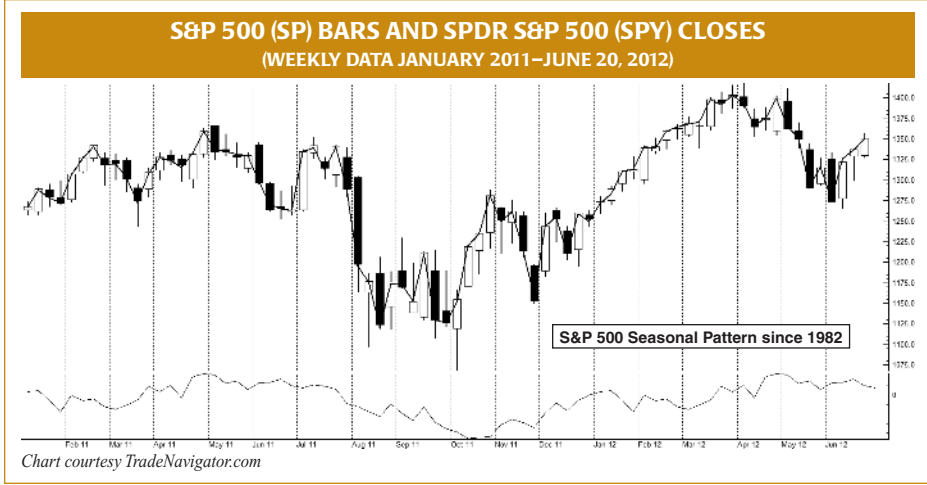
October has a spooky history that has scared many strong-willed and financially sound investors and traders with the likes of the fabled Friday the 13th crash in 1989, or the earlier double whammy, back to back debacles in 1978 and 1979. Once again, as an avid futures trader who was around and trading during the crash in 1987, John can testify that October can be a scary month, yet a lucrative one for the well-informed trader.

As is published in the *Stock Traders Almanac*, October can be a time to buy depressed stocks. This may be what helps in this situation, going long the March futures contract on or about October 25 and holding until December 24. Once again, due to the length of the holding period, we have featured this trade entering the next-month futures contract as opposed to the front-month December contract, which one would need to roll into the March contract due to expiration.

The success rate is a whopping 73.3%, registering a cumulative gain of \$231,888 per one lot futures contract. This is the *Commodity Trader Almanac’s* highest dollar amount winner by far. In fact, even during the worst of times in 2008, we registered a nice return of \$7,825. The best gain was in 1999 with a profit of \$38,975, and the worst loser was in 2000 with a loss of only \$13,600. In the last 30 years, we have had 22 wins and only 8 losses. Europe’s debt crisis spoiled the trade in 2011.

This is a trade well worth considering, and of course, there are several ways to participate: full-futures contracts, the e-mini electronic futures, the exchange-traded fund, SPDR S&P 500 (SPY), or in fact, devising a bullish option strategy on these products. See pages 131–137 for additional correlated trades.

OCTOBER LONG S&P 500 MARCH)					
TRADING DAY: 19 – HOLD : 41 DAYS					
YEAR	ENTRY		EXIT		PROFIT/LOSS
	DATE	CLOSE	DATE	CLOSE	
1982	10/27	135.75	12/27	144.70	\$2,238
1983	10/27	169.10	12/28	167.40	-425
1984	10/25	171.95	12/24	171.15	-200
1985	10/25	189.05	12/24	209.25	5,050
1986	10/27	240.05	12/24	248.30	2,063
1987	10/27	229.75	12/24	253.30	5,888
1988	10/27	282.15	12/27	280.00	-537
1989	10/26	343.65	12/26	350.45	1,700
1990	10/25	314.10	12/24	331.20	4,275
1991	10/25	387.60	12/24	400.90	3,325
1992	10/27	418.30	12/24	440.65	5,587
1993	10/27	466.65	12/27	471.65	1,250
1994	10/27	470.40	12/27	466.00	-1,100
1995	10/26	583.35	12/26	619.55	9,050
1996	10/25	711.75	12/24	759.05	11,825
1997	10/27	884.40	12/24	942.20	14,450
1998	10/27	1084.10	12/24	1239.50	38,850
1999	10/27	1321.90	12/27	1477.80	38,975
2000	10/26	1391.30	12/26	1336.90	-13,600
2001	10/25	1104.70	12/24	1147.20	10,625
2002	10/25	898.50	12/24	891.50	-1,750
2003	10/27	1029.20	12/24	1092.90	15,925
2004	10/27	1126.00	12/27	1208.40	20,600
2005	10/27	1189.70	12/27	1264.00	18,575
2006	10/26	1404.70	12/26	1428.80	6,025
2007	10/25	1534.90	12/24	1506.60	-7,075
2008	10/27	833.70	12/24	865.00	7,825
2009	10/27	1055.50	12/24	1122.00	16,625
2010	10/27	1173.50	12/27	1253.30	19,950
2011	10/27	1276.60	12/27	1260.20	-4,100
30-Year Gain					\$231,888



NOVEMBER

End Long British Pound(Z) (Sep. 18)

Start Long Lean Hogs(G)—67.4% Accuracy Since 1969—End Nov. 21—Page 102

MONDAY

4

FN: HO

Those that forget the past are condemned to repeat its mistakes, and those that mis-state the past should be condemned.

— Eugene D. Cohen (Letter to the Editor Financial Times 10/30/06)

Election Day

TUESDAY

5

I know nothing grander, better exercise...more positive proof of the past, the triumphant result of faith in humankind, than a well-contested American national election.

— Walt Whitman (American poet, 1819–1892)

End Long Wheat(Z) (Jun. 10)

Start Long Cocoa(H)—52.5% Accuracy Since 1972—End Dec. 26—Page 125

WEDNESDAY

6

If all the economists in the world were laid end to end, they still wouldn't reach a conclusion.

— George Bernard Shaw (Irish dramatist, 1856–1950)

End Long Soybeans(F) (Oct. 22)

THURSDAY

7

In an uptrend, if a higher high is made but fails to carry through, and prices dip below the previous high, the trend is apt to reverse. The converse is true for downtrends.

— Victor Sperandeo (Trader Vic—Methods of a Wall Street Master)

FRIDAY

8

OE: KC, BP, EC, SF, JY

The reading of all good books is indeed like a conversation with the noblest men of past centuries, in which they reveal to us the best of their thoughts.

— René Descartes (French philosopher, mathematician & scientist, 1596–1650)

SATURDAY

9

SUNDAY

10

LEAN HOGS FATTEN UP BEFORE THANKSGIVING

Demand for pork increases, as consumers switch meat products when beef prices are too high. In addition, Canadian imports have started to fall off, and now we begin a cycle of demand outpacing inventories.

Seasonally, we have a low posted in the hog market in November, so traders should look to buy lean hogs on or about November 4 and exit on or about November 21. In the last 43 years, this trade has provided 29 years of gains, for a success rate of 67.4%. The cumulative profit is \$16,350. Again, using some simple timing techniques should have had you exiting after Thanksgiving at even more favorable prices in 2010.

The chart below is of Hormel Foods (HRL), overlaid on the lean hogs front-month futures contract to illustrate the correlation in the price action. This company is in the business of processing pork and producing hogs, both here in the United States and abroad.

As you can see, Hormel has a strong correlation to the price of hog futures. The price move of HRL and lean hog futures in 2011–2012 is rather similar to the historical seasonal price pattern of lean hogs, shown in the bottom line on the chart. Another company traders can follow based on hog price moves is Smithfield Foods (SFD), a pork product producer. These two stocks frequently move in tandem with hogs. See pages 131–137 for additional correlated trades and page 179 for more hog seasonalities.

NOVEMBER LONG LEAN HOGS (FEBRUARY) TRADING DAY: 2–HOLD: 13 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1969	11/4	25.550	11/21	27.050	\$600
1970	11/4	17.000	11/23	17.250	100
1971	11/2	22.175	11/19	23.425	500
1972	11/2	29.350	11/22	29.200	-60
1973	11/2	46.075	11/21	48.750	1,070
1974	11/4	43.650	11/22	44.075	170
1975	11/4	50.450	11/21	53.225	1,110
1976	11/3	29.925	11/22	33.300	1,350
1977	11/2	36.875	11/21	38.350	590
1978	11/2	49.400	11/22	53.700	1,720
1979	11/2	40.800	11/21	45.250	1,780
1980	11/5	55.575	11/24	55.450	-50
1981	11/3	49.000	11/20	46.300	-1,080
1982	11/2	53.825	11/19	56.750	1,170
1983	11/2	46.700	11/21	46.175	-210
1984	11/2	51.000	11/21	53.475	990
1985	11/4	46.125	11/21	46.300	70
1986	11/4	48.625	11/21	51.425	1,120
1987	11/3	41.275	11/20	43.750	990
1988	11/2	45.825	11/21	42.625	-1,280
1989	11/2	46.625	11/21	50.625	1,600
1990	11/2	50.050	11/21	51.725	670
1991	11/4	42.175	11/21	42.750	230
1992	11/3	42.925	11/20	44.225	520
1993	11/2	49.875	11/19	47.425	-980
1994	11/2	36.800	11/21	34.950	-740
1995	11/2	46.200	11/21	46.950	300
1996	11/4	75.950	11/21	76.275	130
1997	11/4	62.825	11/21	61.775	-420
1998	11/3	42.625	11/20	36.650	-2,390
1999	11/2	49.700	11/19	54.925	2,090
2000	11/2	53.700	11/21	56.850	1,260
2001	11/2	54.700	11/21	53.600	-440
2002	11/4	50.450	11/21	52.750	920
2003	11/4	58.550	11/21	54.075	-1,790
2004	11/2	69.725	11/19	73.400	1,470
2005	11/2	65.925	11/21	64.625	-520
2006	11/2	67.800	11/21	66.550	-500
2007	11/2	59.875	11/21	62.750	1,150
2008	11/4	61.850	11/21	64.100	900
2009	11/3	64.525	11/20	64.375	-60
2010	11/2	72.375	11/19	76.850	1,790
2011	11/2	89.725	11/21	91.000	510
43-Year Gain					\$16,350

LEAN HOGS (LH) BARS AND HORMEL FOODS (HRL) CLOSES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

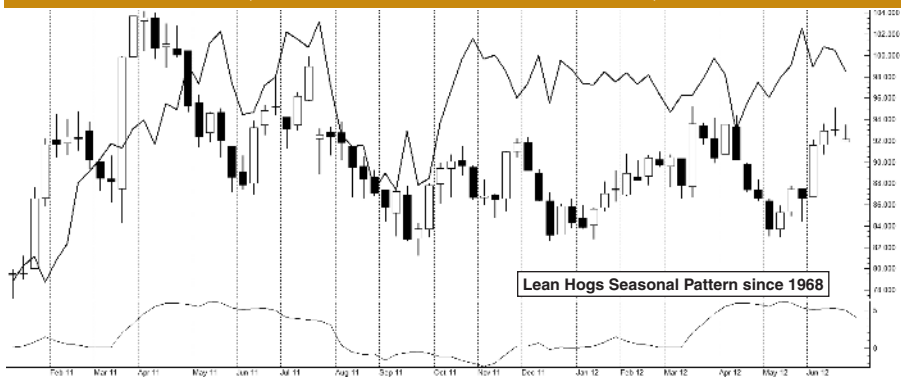


Chart courtesy TradeNavigator.com

NOVEMBER

Veterans' Day

MONDAY

11

Change is the law of life. And those who look only to the past or present are certain to miss the future.
— John F. Kennedy (35th U.S. President, 1917–1963)

TUESDAY

12

A national debt, if it is not excessive, will be to us a national blessing.
— Alexander Hamilton (U.S. Treasury Secretary 1789–1795, The Federalist 1788, in April 30, 1781 letter to Robert Morris)

WEDNESDAY

13

In my experience, selling a put is much safer than buying a stock.
— Kyle Rosen (Boston Capital Mgmt., *Barron's* 8/23/04)

THURSDAY

14

LT: S

It's not the strongest of the species (think "traders") that survive, nor the most intelligent, but the one most responsive to change.
— Charles Darwin



FRIDAY

15

FN: CC

OE: SP, CL, SB

Our firm conviction is that, sooner or later, capitalism will give way to socialism... We will bury you.
— Nikita Khrushchev (Soviet leader 1953–1964, 1894–1971)

SATURDAY

16

SUNDAY

17

GOLD BUGS GET A TREAT FOR THE HOLIDAYS

Gold prices tend to move up prior to the holidays, and the trend has worked especially well over the last 12 years. Seasonally speaking, it is best for traders to go long on or about November 19 and hold until about December 4. Over the last 37 years, this trade has worked 21 times, for a success rate of 56.8%. The cumulative profit tallies up to \$31,490. What is interesting is that this trade has had a 12-year win streak, starting from 2000. The longer-term record of this trade is not eye-popping, but with growing inflation concerns due to a global debt crisis and deficit spending, we would look for the current winning streak to continue in 2013 and beyond.

The chart below shows the correlation of gold with Freeport-McMoran Copper & Gold (FCX), a company in the business of the exploration and development of gold. The FCX stock price line chart is overlaid on the front-month gold futures contract. The line on the bottom section is the 37-year average seasonal price move for gold.

As you can see, both gold and FCX are highly correlated. What is important here is to see the seasonality of November's rally into December. Notice the price dip in November in gold and FCX. This price relationship between gold and producers should continue unless a gold producer begins an aggressive hedging operation, which entails selling gold in the futures to lock in production profits. In this scenario, if gold prices continue to rise during the seasonal buy period and a gold producer sells futures contracts to lock in a profit, the company could reduce its maximum profit exposure, and that is when trading a stock versus a commodity would not be effective. See pages 131–137 for additional correlated trades.

NOVEMBER LONG GOLD (FEBRUARY) TRADING DAY: 13–HOLD: 10 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1975	11/21	142.6	12/8	136.9	-\$570
1976	11/18	129.3	12/3	133.3	400
1977	11/17	162.6	12/2	160.1	-\$250
1978	11/20	201.8	12/5	199.1	-\$270
1979	11/19	399.0	12/4	438.5	3,950
1980	11/20	665.1	12/5	638.0	-\$2,710
1981	11/18	405.5	12/3	428.0	2,250
1982	11/18	419.6	12/3	447.8	2,820
1983	11/17	384.2	12/2	404.1	1,990
1984	11/19	348.5	12/4	334.1	-\$1,440
1985	11/19	328.8	12/4	325.7	-\$310
1986	11/19	392.1	12/4	391.7	-\$40
1987	11/18	470.8	12/3	493.8	2,300
1988	11/17	426.0	12/5	434.2	820
1989	11/17	401.0	12/4	406.6	560
1990	11/19	385.6	12/4	380.5	-\$510
1991	11/19	367.3	12/4	367.9	60
1992	11/18	336.5	12/3	336.4	-\$10
1993	11/17	379.2	12/3	378.6	-\$60
1994	11/17	389.7	12/5	379.0	-\$1,070
1995	11/17	389.1	12/5	388.7	-\$40
1996	11/19	380.2	12/5	373.0	-\$720
1997	11/19	306.3	12/5	290.5	-\$1,580
1998	11/18	300.3	12/4	294.3	-\$600
1999	11/17	297.5	12/3	282.1	-\$1,540
2000	11/17	268.9	12/5	273.3	440
2001	11/19	273.7	12/5	274.6	90
2002	11/19	319.8	12/5	325.6	580
2003	11/19	396.0	12/5	407.3	1,130
2004	11/17	447.2	12/3	457.8	1,060
2005	11/17	490.8	12/5	512.6	2,180
2006	11/17	628.7	12/5	647.9	1,920
2007	11/19	784.8	12/4	807.6	2,280
2008	11/19	736.0	12/4	765.5	2,950
2009	11/18	1142.7	12/3	1218.3	7,560
2010	11/17	1339.0	12/2	1389.3	5,030
2011	11/17	1722.9	12/2	1751.3	2,840
37-Year Gain					\$31,490

GOLD (GC) BARS AND FREEPORT-MCMORAN (FCX) CLOSES (WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

NOVEMBER

MONDAY

18

The advice of the elders to young men is very apt to be as unreal as a list of the best books.
— Oliver Wendell Holmes Jr. (U.S. Supreme Court Justice 1902–1932, *The Mind and Faith of Justice Holmes*, edited by Max Lerner, 1841–1935)

Start Long Gold(G)—56.8% Accuracy Since 1975—End Dec. 4—Page 104

TUESDAY

19

To succeed in the markets, it is essential to make your own decisions. Numerous traders cited listening to others as their worst blunder.

— Jack D. Schwager (Investment manager, author, *Stock Market Wizards: Interviews with America's Top Stock Traders*, b. 1948)

Start Short 30-Year Bond(M)—54.3% Accuracy Since 1977—End Apr. 28, 2014—Page 106

WEDNESDAY

20

FN: KC
LT: CL

There are very few instances in history when any government has ever paid off debt.
— Walter Wriston (Retired CEO of Citicorp and Citibank)

End Long Lean Hogs(G) (Nov. 4)

THURSDAY

21

We are nowhere near a capitulation point because it's at that point where it's despair, not hope, that reigns supreme, and there was scant evidence of any despair at any of the meetings I gave.

— David Rosenberg (Economist, Merrill Lynch, *Barron's* 4/21/2008)

End Short Heating Oil(Z) (Oct. 14)

FRIDAY

22

FN: CL
OE: US, C, S, W

Corporate guidance has become something of an art. The CFO has refined and perfected his art, gracefully leading on the bulls with the calculating grace and cunning of a great matador.
— Joe Kalinowski (I/B/E/S)

SATURDAY

23

SUNDAY

24

BONDS FREEZE UP IN WINTER

Typically, we see a seasonal tendency for bond prices to peak in November and then start a decline lasting into April, when we would be taking a seasonal long position, as covered on page 42.

Perhaps investors seeking a higher return feel more comfortable buying into the year-end stock market rally, so they sell bonds and reallocate funds into equities. Or perhaps end-of-year window dressing, or savvy traders wishing to take part in the up-coming January effect, play a role in the decline of bond prices.

In any event, this trade in the last 35 years has a 54.3% success rate. In late 2008, 30-year bonds made historic news with yields crashing and prices making all-time highs. The peak came on December 30, 2008, giving considerable heat to this trade. However, as time passed, this trade did unwind the massive equity loss, registering a small \$578 decline.

Consider the fact that in late 2008, we were experiencing the worst financial debacle in history with the fall of Bear Stearns and Lehman Brothers as well as the discovery of history's most incredible Ponzi scheme artist, Bernie Madoff, who had scammed money from investors surpassing tens of billion of dollars. It is no wonder that this trade did not act perfectly, but over time and with proper risk management, active traders should be aware of the decoupling effect between bonds and stocks. So if stocks are rising in late November, consider taking a short bond position on or about November 20 and holding until approximately April 28. Europe's debt crisis stymied this trade in 2011–2012 as traders and investors sought the safety of Treasury bonds.

Stock traders may consider the exchange-traded fund PIMCO 25+ Year Zero Coupon U.S. Treasury (ZROZ) as a replacement for this futures contract. See pages 131–137 for additional correlated trades.

NOVEMBER SHORT 30-YR BOND (JUNE) TRADING DAY: 14–HOLD: 107 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1977	11/18	101'070	4/25	95'240	\$5,469
1978	11/21	93'080	4/26	88'190	4,656
1979	11/20	80'200	4/25	75'120	5,250
1980	11/21	69'230	4/29	62'180	7,156
1981	11/19	64'170	4/26	64'100	219
1982	11/19	77'140	4/26	77'300	-500
1983	11/18	69'220	4/24	65'080	4,438
1984	11/20	70'010	4/25	70'260	-781
1985	11/20	78'260	4/25	98'080	-19,438
1986	11/20	97'220	4/27	91'060	6,500
1987	11/19	87'130	4/25	88'210	-1,250
1988	11/18	87'040	4/25	89'210	-2,531
1989	11/20	98'270	4/25	98'060	9,656
1990	11/20	93'130	4/25	95'290	-2,500
1991	11/20	98'050	4/27	97'230	438
1992	11/19	101'130	4/26	111'110	-9,938
1993	11/18	113'260	4/21	105'250	8,031
1994	11/18	95'200	4/26	105'170	-9,906
1995	11/20	116'310	4/24	109'240	7,219
1996	11/21	114'210	4/29	108'300	5,719
1997	11/21	118'230	4/29	118'220	31
1998	11/20	127'160	4/27	121'230	5,781
1999	11/19	94'070	4/25	97'020	-2,844
2000	11/20	100'140	4/26	101'170	-1,094
2001	11/21	101'270	4/29	101'310	-125
2002	11/21	107'220	4/29	113'030	-5,406
2003	11/21	108'120	4/28	107'110	1,031
2004	11/19	110'280	4/26	114'020	-3,188
2005	11/21	112'130	4/27	106'220	5,719
2006	11/20	112'280	4/25	111'160	1,375
2007	11/21	115'270	4/28	116'010	-188
2008	11/20	123'075	4/28	123'260	-578
2009	11/19	118'190	4/26	116'280	1,719
2010	11/18	123'240	4/25	121'160	2,250
2011	11/18	141'130	4/25	141'300	-531
35-Year Gain					\$21,859

30-YEAR BOND (US) BARS AND PIMCO 25+ YEAR ZERO COUPON U.S. TREASURY (ZROZ) CLOSURES (WEEKLY DATA JANUARY 2011–JUNE 20, 2012)



Chart courtesy TradeNavigator.com

NOVEMBER/DECEMBER

MONDAY

25

OE: HO, NG, HG, GC, SI

If a man can see both sides of a problem, you know that none of his money is tied up in it.
— Verda Ross

Start Long Swiss Franc(H)—54.1% Accuracy Since 1975—End Jan. 2, 2014—Page 125

TUESDAY

26

LT: NG, HG, GC, SI

If you spend more than 14 minutes a year worrying about the market, you've wasted 12 minutes.
— Peter Lynch (Fidelity Investments, *One Up On Wall Street*, b. 1944)

WEDNESDAY

27

FN: NG

If you can buy all you want of a new issue, you do not want any; if you cannot obtain any, you want all you can buy.
— Rod Fadem (Stifel Nicolaus & Co., *Barron's* 1989)

Thanksgiving and Chanukah (Market Closed)

THURSDAY

28

There is a vitality, a life force, an energy, a quickening, that is translated through you into action, and because there is only one of you in all time, this expression is unique. And if you block it, it will never exist through any other medium and will be lost.

— Martha Graham (American choreographer, dancer, teacher)

(Shortened Trading Day)

FRIDAY

29

FN: US, HG, GC, SI, C, W
LT: HO

The world hates change, but it is the only thing that has brought progress.
— Charles Kettering (Inventor of electric ignition, founded Delco in 1909, 1876–1958)

SATURDAY

30

SUNDAY

1

DECEMBER ALMANAC

◆ STOCKS AND BONDS

S&P's are prone to year-end buying pressure. Our best seasonal percentage play, which is long the March futures contract from October 25, exits on any strength from the "Santa Claus" rally by December 24 (page 100). 30-year Treasury bond prices are seasonally weak, as we are in a short June futures contract from November 20 and holding through April 28 (page 106).

◆ ENERGY

Cover the short crude oil seasonal best trade from September on or about December 10 (page 82). Natural gas tends to see price declines, especially if inventories have not been worked off due to warmer than expected weather conditions (page 145). Heating oil has a tendency to see a relief rally lasting into the first of January, especially when we have early-month-weakness carried over from November.

◆ METALS

Liquidate the long gold position from November on or about December 4 (page 104). Also, exit any complementary long silver positions that may have been established along side the November gold trade. Copper builds a solid base towards the middle to the end of the month. Go long May copper futures on or about December 13 and hold through on or about February 24 (page 112). The low in 2008 was made on December 26, and then prices made a rally into the first half of 2009. The trade worked even better the past three years.

◆ GRAINS

The end-of-year marketing for soybeans is winding down, and farmers are reluctant to sell in front of end-of-year tax liabilities (page 161). December can see modest declines in the wheat market, which continues its seasonal downtrend (page 164). The corn market is in its seasonal period of strength, but much like soybeans, prices tend to consolidate due to year-end tax liabilities, as farmers tend to defer sales until after the New Year.

◆ SOFTS

Exit the long cocoa position from November on or about December 26 (page 125). Coffee prices tend to rise through year-end, as cold northern winters help increase consumption (page 170). Sugar prices tend to decline by mid-December.

◆ MEATS

Live cattle prices tend to stabilize, as holiday sales demand can put a floor of support under the market. In addition, farmers try to minimize their tax liabilities by deferring sales until the New Year (page 176). Lean hogs prices tend to flat line or consolidate, as producers work off inventories until prices begin to resume a seasonal uptrend in March (page 179).

◆ CURRENCIES

The euro tends to rally through year-end (page 96). There is a seasonal short position for the Swiss franc, where we go short the March contract on or about December 27 until on or about February 27. This trade has worked 26 times in the last 37 years, for a success rate of 70.3% and a cumulative profit of \$54,413 (page 116). Sell the June British pound on or around December 27 and hold until about March 20 (page 114). The yen is in a seasonal weak period versus the U.S. dollar. The trade is to be short from about October 16 and hold until about February 7 (page 88).

DECEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JANUARY 2014						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

DECEMBER STRATEGY CALENDAR*

Symbol	L	S	B	I	M	E
SP						
US						
CL						
NG						
HO						
HG						
GC						
SI						
C						
S						
W						
CC						
KC						
SB						
LC						
LH						
BP						
EC						
SF						
JY						

* Graphic representation of the Commodity Seasonality Percentage Plays on pages 124-125.
L = Long Trade, S = Short Trade. See pages 131-137 for contract symbols.

DECEMBER

MONDAY

2

Whatever method you use to pick stocks..., your ultimate success or failure will depend on your ability to ignore the worries of the world long enough to allow your investments to succeed. It isn't the head but the stomach that determines the fate of the stockpicker.

— Peter Lynch (Fidelity Investments, *Beating the Street*, 1994)

TUESDAY

3

FN: HO

We were fairly arrogant, until we realized the Japanese were selling quality products for what it cost us to make them.

— Paul A. Allaire (former Chairman of Xerox)

End Long Gold(G) (Nov. 19)

WEDNESDAY

4

When someone told me "We're going with you guys because no one ever got fired for buying Cisco (products)." That's what they used to say in IBM's golden age.

— Mark Dickey (Former Cisco sales exec, then at SmartPipes, *Fortune* 5/15/00).

THURSDAY

5

Don't be the last bear or last bull standing, let history guide you, be contrary to the crowd, and let the tape tell you when to act.

— Jeffrey A. Hirsch (Editor, *Stock Trader's Almanac*, b. 1966)

Start Long Wheat(K)—61.9% Accuracy Since 1970—End Jan. 7, 2014—Page 110

FRIDAY

6

OE: CC, LC, BP, EC, SF, JY

Doubt is the father of invention.

— Galileo Galilei (Italian physicist and astronomer, 1564–1642)

SATURDAY

7

SUNDAY

8

EAT YOUR WINTER WHEATIES

The wheat market has posted a tradable low in early December the past 24 years, since the effects of the big grain boom/bust cycle of the 1970s and 1980s wore off in 1987. We have included the trade results since 1970 to illustrate the impact of the overarching cycles on seasonality.

This commodity has a strong seasonal pattern (page 164), and in recent years, we have seen unprecedented price gains. In fact in February 2008, this market marked a record high of over \$13.49 per bushel. This was an incredible move, partly due to what was suspected to be a speculative run on commodities from investors rather than a supply and demand imbalance.

CBOT wheat is considered winter wheat, as it is seeded in the September–October time frame and, during the winter, it enters its dormancy period. Southern Hemisphere supply puts pressure on prices into early December until the size and health of the newly planted Northern Hemisphere winter wheat crop is known, creating a seasonal peak in January.

Over the past 42 years, this trade has a 61.9% winning percentage with total gains of \$9,462 per contract. But since 1987, this trade has produced gains in 20 of the last 25 years, for an 80% success rate and total gains of \$15,063 per contract. Enter long positions on the May contract on or about December 7, and exit about 20 days later, when our January short wheat trade commences (page 18).

The chart below is of Kellogg (K), an end user or company that buys wheat to make cereals and snack cake items. Kellogg's line chart is overlaid on the price of wheat, and on the bottom is the seasonal price move of wheat. As you can see, wheat prices move mostly on an inverse relationship with this company. See pages 131–137 for additional correlated trades.

DECEMBER LONG CBOT WHEAT (MAY) TRADING DAY: 5–HOLD: 20 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1970	12/7	171 1/8	1/6	166 1/4	-\$244
1971	12/7	150 5/8	1/6	156 1/2	294
1972	12/7	249 1/4	1/9	256 1/2	363
1973	12/7	507	1/9	547	2,000
1974	12/6	494 1/2	1/7	417 3/4	-3,838
1975	12/5	363 3/4	1/7	362 1/4	-75
1976	12/7	275 1/4	1/6	286 1/2	563
1977	12/7	274 1/2	1/6	282 3/4	413
1978	12/7	349 3/4	1/8	328	-1,088
1979	12/7	447 3/4	1/11	435 1/2	-613
1980	12/5	523 1/4	1/7	513 1/4	-500
1981	12/7	426 3/4	1/6	410 1/4	-825
1982	12/7	350 3/4	1/6	337 1/2	-663
1983	12/7	351 1/2	1/6	353 1/2	100
1984	12/7	341 3/4	1/8	334	-388
1985	12/6	322	1/7	311 3/4	-513
1986	12/5	267	1/6	255 1/4	-588
1987	12/7	313 1/4	1/6	330	838
1988	12/7	406 3/4	1/6	434 3/4	1,400
1989	12/7	385	1/8	389 1/4	213
1990	12/7	273 3/4	1/8	260 3/4	-650
1991	12/6	357 1/4	1/7	376 1/4	950
1992	12/7	342	1/6	343 1/4	63
1993	12/7	342	1/6	364 3/4	1,138
1994	12/7	373 1/2	1/6	374 1/4	38
1995	12/7	468 1/4	1/8	460	-413
1996	12/6	356 1/2	1/7	370	675
1997	12/5	367 1/4	1/6	332 1/4	-1,750
1998	12/7	294 3/4	1/6	297 3/4	150
1999	12/7	256	1/6	259 1/2	175
2000	12/7	281 1/2	1/8	294 1/2	650
2001	12/7	286 1/2	1/9	298	575
2002	12/6	344 1/4	1/8	331 3/4	-625
2003	12/5	397	1/6	397 3/4	38
2004	12/7	306	1/6	315 1/2	475
2005	12/7	322	1/6	340 3/4	938
2006	12/7	502 1/4	1/9	465 1/4	-1,850
2007	12/7	918 1/2	1/8	920 1/2	100
2008	12/5	488 1/2	1/6	656 1/2	8,400
2009	12/7	561	1/6	579 3/4	938
2010	12/7	805 1/2	1/5	835	1,475
2011	12/7	621 1/4	1/6	643 3/4	1,125
42-Year Gain					\$9,462

CBOT WHEAT (W) BARS & KELLOGG (K) CLOSES (WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

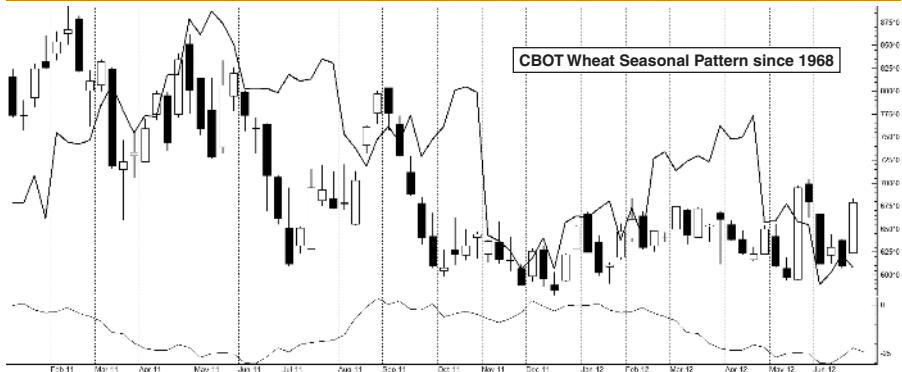


Chart courtesy TradeNavigator.com

DECEMBER

Start Long Corn(N)—66.7% Accuracy Since 1970—End Jan. 10, 2014—Page 125

MONDAY

9

FN: LC

Three billion new people will be active on the Internet within ten years, as wireless broadband becomes ubiquitous.
— John Mauldin (Millennium Wave Advisors, 2000wave.com, 2/2/07)

End Short Crude Oil(G) (Sep. 12)

TUESDAY

10

Inflation is the modern way that governments default on their debt.
— Mike Epstein (MTA, MIT/Sloan Lab for Financial Engineering)

WEDNESDAY

11

Institutions tend to dump stock in a single transaction and buy, if possible, in smaller lots, gradually accumulating a position. Therefore, many more big blocks are traded on downticks than on upticks.
— Justin Mamis (Author, *The Mamis Letter, When To Sell*, b. 1929)

THURSDAY

12

If I had eight hours to chop down a tree, I'd spend six sharpening my axe.
— Abraham Lincoln (16th U.S. President, 1809–1865)

Start Long Copper(K)—70% Accuracy Since 1972—End Feb. 24, 2014—Page 112

FRIDAY

13

LT: C, W, CC, LH
OE: KC, LH

When everybody thinks alike, everyone is likely to be wrong.
— Humphrey B. Neill (Investor, analyst, author, *Art of Contrary Thinking* 1954, 1895–1977)

SATURDAY

14

SUNDAY

15

COPPER STARTS TO BUILD A BULLISH FOUNDATION

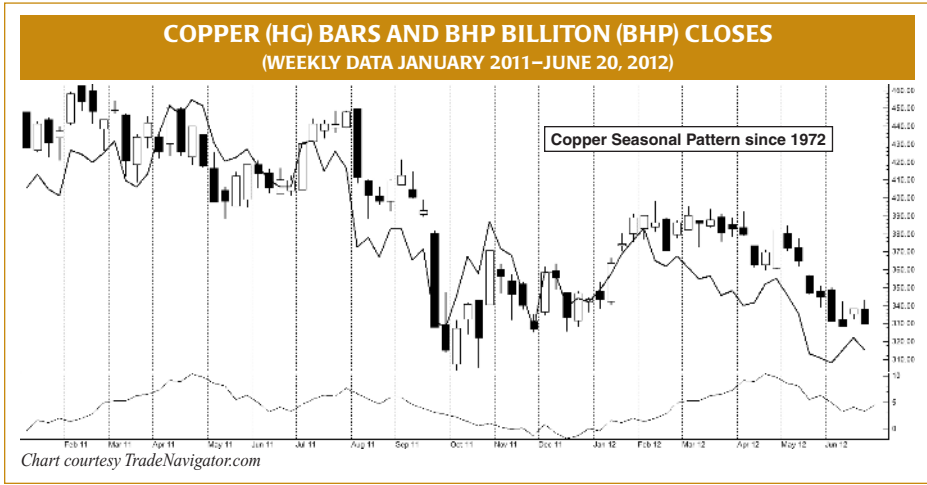
Copper prices tend to form seasonal bottoms during the month of December (page 149). Traders can look to go long on or about December 13 and hold until about February 24. This trade in the last 40-year history has worked 28 times, for a success rate of 70.0%.

Cumulative profit is a whopping \$83,000. Nearly one-fourth of that profit came from 2007, as the cyclical boom in the commodity market magnified that seasonal price move. However, this trade has produced other big gains per single contract, such as an \$14,475 gain in 2011, and even back in 1973, another substantial \$9,475 gain. The biggest loss was for \$5,000 back in 2006. These numbers show this trade can produce big wins and big losses.

The futures contract does have electronic access, and there are options on this commodity. But due to the potential volatility and thinness of the market, options are a consideration but are also not as actively traded as other commodities. Therefore, let's introduce a stock that mirrors the price moves of copper without the excess volatility. The chart below shows BHP Billiton's (BHP) prices overlaid on copper's. This company mines copper, silver, lead, and gold in Australia, Chile, Peru, and the United States.

Notice the price correlation to copper. The bottom line on the graph illustrates copper's average seasonal price moves, which BHP tracks rather closely. See pages 131–137 for additional correlated trades.

DECEMBER LONG COPPER (MAY) TRADING DAY: 10–HOLD: 47 DAYS					
YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1972	12/14	49.65	2/27	62.20	\$3,138
1973	12/14	77.00	2/26	114.90	9,475
1974	12/13	57.00	2/24	58.50	375
1975	12/12	54.70	2/23	59.40	1,175
1976	12/14	60.50	2/22	67.00	1,625
1977	12/14	60.50	2/24	56.20	-1,075
1978	12/14	70.35	2/22	90.20	4,963
1979	12/14	101.00	2/25	121.00	5,000
1980	12/12	85.85	2/23	84.15	-425
1981	12/14	76.65	2/22	73.95	-675
1982	12/14	67.60	2/22	77.30	2,425
1983	12/14	66.65	2/22	66.35	-75
1984	12/14	60.35	2/25	58.00	-588
1985	12/13	64.35	2/21	64.65	75
1986	12/12	61.10	2/23	62.90	450
1987	12/14	97.70	2/22	89.60	-2,025
1988	12/14	125.10	2/22	129.25	1,038
1989	12/14	102.65	2/22	108.00	1,338
1990	12/14	106.00	2/25	109.70	925
1991	12/13	97.20	2/21	100.40	800
1992	12/14	99.70	2/22	99.50	-50
1993	12/14	79.80	2/22	86.75	1,738
1994	12/14	128.75	2/22	129.45	175
1995	12/14	122.70	2/23	114.20	-2,125
1996	12/13	96.20	2/21	109.70	3,375
1997	12/12	82.90	2/23	73.70	-2,300
1998	12/14	67.10	2/23	62.65	-1,113
1999	12/14	81.60	2/24	84.65	763
2000	12/14	88.60	2/23	80.10	-2,125
2001	12/14	68.50	2/26	70.85	587
2002	12/13	73.65	2/24	79.20	1,388
2003	12/12	98.40	2/25	131.25	8,213
2004	12/14	133.15	2/23	149.50	4,088
2005	12/14	191.30	2/23	219.95	7,162
2006	12/14	307.00	2/26	287.00	-5,000
2007	12/14	296.95	2/25	375.70	19,688
2008	12/12	144.10	2/23	145.75	413
2009	12/14	316.85	2/23	323.45	1,650
2010	12/14	420.05	2/22	436.30	4,063
2011	12/14	329.10	2/24	387.00	14,475
40-Year Gain					\$83,000



DECEMBER

MONDAY

16

LT: BP, EC, SF, JY
OE: CL, SB

People do not change when you tell them they should; they change when they tell themselves they must.
— Michael Mandelbaum (Johns Hopkins foreign policy specialist, *NY Times*, 6/24/2009, b. 1946)

TUESDAY

17

There are ways for the individual investor to make money in the securities markets. Buying value and holding long term while collecting dividends has been proven over and over again.
— Robert M. Sharp (Author, *The Lore and Legends of Wall Street*)

WEDNESDAY

18

LT: KC

If you bet on a horse, that's gambling. If you bet you can make three spades, that's entertainment. If you bet cotton will go up three points, that's business. See the difference?
— Blackie Sherrod (Sportswriter, b. 1919)

THURSDAY

19

LT: SP, US, CL
OE: SP

Companies already dominant in a field rarely produce the breakthroughs that transform it.
— George Gilder

 FRIDAY

20

A.I. (artificial intelligence) is the science of how to get machines to do the things they do in the movies.
— Professor Astro Teller (Carnegie Mellon University)

SATURDAY

21

SUNDAY

22

BRITISH POUND INVASION FADES AWAY

We hear and see information daily on the values of currencies on CNBC, Bloomberg, Fox News, and in print journals, such as *The Wall Street Journal* or *Investors Business Daily*. Analysts and investors talk about the many ways currencies can affect everyday finances, one of which is the bottom line of a multinational corporation's earnings. Another ramification of currency value fluctuations is the effect they have on individuals through their impact on the cost of vacations and business travel abroad.

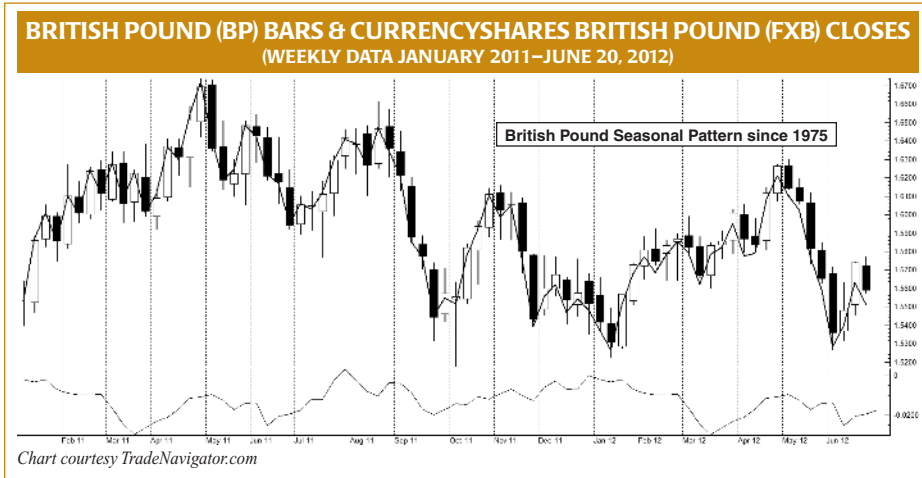
One currency, the British pound or "cable," as it is referred to, has a strong seasonal tendency to decline in December. The term cable refers to the British pound/U.S. dollar exchange rate. The term was derived from the method used to report the pound/dollar exchange rate. Back in the middle 1800s, the rate was quoted via the transatlantic cable. If you are an individual investor or just happening to visit London for the holidays, perhaps this statistical trading information will be of use. If you are traveling, I would suggest holding off buying pounds until late in December.

The British pound tends to show an average seasonal weakness from late December into March, partly because U.S. dollars tend to return to the U.S., and partly because there is some book squaring pressure prior to England's new fiscal year, which begins in April. Traders can look to sell on or about December 27 and hold until on or about March 20. This trade has worked in the past 37-year history 24 times, for a success rate of 64.9%.

The chart below shows the direct correlation between the British pound/U.S. dollar futures and CurrencyShares British Pound (FXB). The 37-year average seasonal price move is the bottom line of the chart and depicts the pound's tendency to peak in late December and decline through March. See pages 131–137 for additional correlated trades.

DECEMBER SHORT BRITISH POUND (JUNE) TRADING DAY: 19–HOLD: 56 DAYS

YEAR	ENTRY DATE	ENTRY CLOSE	EXIT DATE	EXIT CLOSE	PROFIT/LOSS
1975	12/29	198.10	3/18	189.30	\$11,000
1976	12/28	163.35	3/18	169.20	-7,312
1977	12/28	190.25	3/20	190.45	-250
1978	12/28	202.60	3/20	202.10	625
1979	12/31	219.00	3/20	219.45	-562
1980	12/29	239.50	3/19	228.00	14,375
1981	12/28	188.25	3/18	181.60	8,313
1982	12/28	162.20	3/17	149.90	15,375
1983	12/28	144.00	3/19	144.45	-562
1984	12/28	116.30	3/20	113.40	3,625
1985	12/27	142.15	3/19	147.40	-6,563
1986	12/26	142.80	3/18	159.50	-20,875
1987	12/28	185.25	3/17	182.45	3,500
1988	12/28	176.10	3/20	170.90	6,500
1989	12/28	155.18	3/20	157.48	-2,875
1990	12/28	188.28	3/20	176.22	15,075
1991	12/27	181.82	3/18	170.20	14,525
1992	12/28	146.88	3/18	147.74	-1,075
1993	12/28	149.62	3/17	148.82	1,000
1994	12/28	157.50	3/20	157.34	200
1995	12/28	154.14	3/19	153.12	1,275
1996	12/27	168.70	3/20	159.14	11,950
1997	12/26	166.58	3/19	165.90	850
1998	12/28	167.08	3/19	162.70	5,475
1999	12/28	161.54	3/17	157.30	5,300
2000	12/28	149.58	3/21	142.88	8,375
2001	12/28	143.64	3/21	141.82	2,275
2002	12/27	158.48	3/20	155.72	3,450
2003	12/26	174.74	3/18	181.92	-8,975
2004	12/28	191.16	3/18	191.08	100
2005	12/28	171.61	3/21	174.98	-4,212
2006	12/28	196.28	3/21	196.80	-650
2007	12/28	198.30	3/20	196.91	1,738
2008	12/26	146.51	3/19	145.15	1,700
2009	12/28	159.87	3/19	151.00	11,088
2010	12/28	153.47	3/18	161.99	-10,650
2011	12/28	154.25	3/21	158.49	-5,300
37-Year Gain					\$77,825



DECEMBER

MONDAY

23

FN: CL

Capitalism is the legitimate racket of the ruling class.
— Al Capone (American gangster, 1899–1947)

(Shortened Trading Day)

End Long S&P 500(H) (Oct. 25)

TUESDAY

24

We are all born originals; why is it so many die copies?
— Edward Young (English poet, 1683–1765)

Christmas Day (Market Closed)

WEDNESDAY

25

I believe in the exceptional man—the entrepreneur who is always out of money, not the bureaucrat who generates cash flow and pays dividends.

— Armand Erpf (Investment banker, partner Loeb Rhoades, 1897–1971)

End Long Cocoa(H) (Nov. 6)

THURSDAY

26

OE: HO, NG, HG, GC, SI

There is no great mystery to satisfying your customers. Build them a quality product and treat them with respect. It's that simple.

— Lee Iacocca (American industrialist, Former Chrysler CEO, b. 1924)

Start Short British Pound(M)—64.9% Accuracy Since 1975—End Mar. 20, 2014—Page 114
Start Short Swiss Franc(H)—70.3% Accuracy Since 1975—End Feb. 27, 2014—Page 116

FRIDAY

27

LT: NG, HG, GC, SI

OE: US, C, S, W

I'd be a bum on the street with a tin cup, if the markets were always efficient.

— Warren Buffett (CEO Berkshire Hathaway, investor & philanthropist, b. 1930)

SATURDAY

28

SUNDAY

29

SWISS FRANC TRADES LIKE GOLD

As we covered on page 70, the “Swissie” has tracked the price movement of gold. In the past, this currency had been a safe haven in times of geopolitical tensions. However, this relationship has tended to depart from the norm since the introduction of the euro currency. Moreover, with the exposure of risk from a European sovereign debt crisis, Swiss banks have been perceived to be in jeopardy. This has put downward pressure on the Swiss franc versus the U.S. dollar, while gold prices increased during the first half of 2010. But do not rule out the flight of investors to the Swissie in times of trouble in the future.

There are periods of European upheavals, as occurred in 2004, when there was dissension among members of the European Union. In fact, there were riots in Paris, and some investors flocked to the Swiss franc as a short-term safe haven. A similar situation arose in 2011 when Greece’s future in the EU was uncertain. This propped up the value of the Swissie against all major currencies, including the U.S. dollar.

One of our seasonal studies suggests that traders can establish a short position that correlates with the seasonal decline in gold in the New Year. Traders can look to go short the Swiss franc on or about December 27 and hold through the end of February.

In the 37-year history, this trade has worked 26 times, for a success rate of 70.3%. The seasonal chart of gold (page 152) closely correlates to the Swiss franc. Therefore, traders may want to take note that trading both gold and the Swiss franc simultaneously would not be considered diversified trading strategies. If the trade works, then that would be great; however, traders are exposed to double the risk.

There are several ways to take advantage of this situation, such as the trade strategies for gold mentioned on page 104, trading futures or a gold stock like Freeport-McMoran Copper & Gold (FCX), or this trade in the Swiss franc or the exchange-traded fund (ETF), CurrencyShares Swiss Franc (FXF). The chart below shows the direct correlation of the Swiss franc futures and the ETF. See pages 131–137 for additional correlated trades.

DECEMBER SHORT SWISS FRANC (MARCH) TRADING DAY: 19–HOLD: 41 DAYS

YEAR	ENTRY		EXIT		PROFIT/ LOSS
	DATE	CLOSE	DATE	CLOSE	
1975	12/29	38.32	2/26	39.07	-\$938
1976	12/28	41.12	2/25	39.19	2,413
1977	12/28	49.89	2/27	54.35	-5,575
1978	12/28	63.34	2/27	60.35	3,738
1979	12/31	63.94	2/28	60.04	4,875
1980	12/29	57.81	2/26	51.26	8,188
1981	12/28	55.66	2/25	53.38	2,850
1982	12/28	50.65	2/24	49.15	1,875
1983	12/28	46.25	2/27	46.20	62
1984	12/28	38.94	2/27	35.44	4,375
1985	12/27	48.62	2/26	52.90	-5,350
1986	12/26	61.27	2/25	65.03	-4,700
1987	12/28	78.17	2/25	72.02	7,688
1988	12/28	66.70	2/27	64.44	2,825
1989	12/28	64.69	2/27	67.35	-3,325
1990	12/28	78.35	2/27	75.90	3,062
1991	12/27	73.39	2/26	66.80	8,238
1992	12/28	67.60	2/25	65.79	2,262
1993	12/28	69.35	2/24	69.74	-488
1994	12/28	77.13	2/27	80.62	-4,363
1995	12/28	87.24	2/27	84.78	3,075
1996	12/27	74.65	2/27	67.95	8,375
1997	12/26	70.41	2/26	68.24	2,713
1998	12/28	73.65	2/26	69.22	5,538
1999	12/28	63.16	2/25	60.68	3,100
2000	12/28	61.52	2/28	59.94	1,975
2001	12/28	59.72	2/28	58.91	1,013
2002	12/27	72.03	2/27	73.67	-2,050
2003	12/26	79.96	2/26	78.91	1,313
2004	12/28	88.48	2/25	86.03	3,063
2005	12/28	76.48	2/28	76.32	200
2006	12/28	82.40	2/28	82.25	188
2007	12/28	89.16	2/28	95.24	-7,600
2008	12/26	93.86	2/26	85.85	10,013
2009	12/28	96.65	2/26	93.08	4,463
2010	12/28	105.18	2/25	107.72	-3,175
2011	12/28	106.29	2/29	110.69	-5,500
37-Year Gain					\$54,413

SWISS FRANC (SF) BARS & CURRENCYSHARES SWISS FRANC (FXF) CLOSURES

(WEEKLY DATA JANUARY 2011–JUNE 20, 2012)

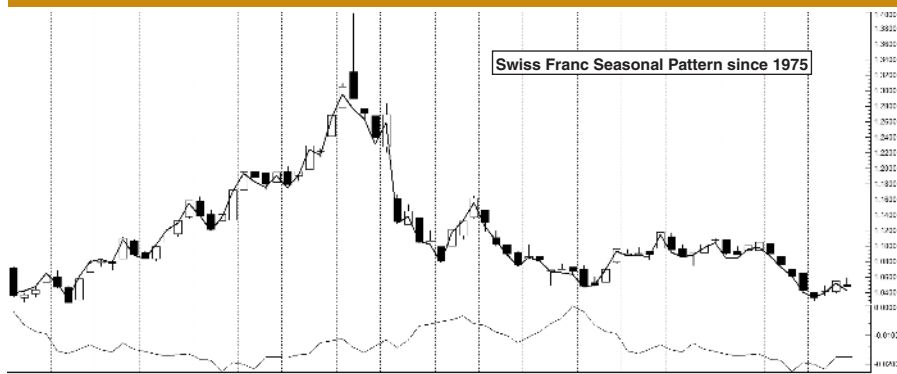


Chart courtesy TradeNavigator.com

DECEMBER/JANUARY 2014

MONDAY

30

FN: NG

The fear of capitalism has compelled socialism to widen freedom, and the fear of socialism has compelled capitalism to increase equality.

— Will and Ariel Durant

TUESDAY

31

FN: HG, GC, SI, S

LT: HO, LC

If banking institutions are protected by the taxpayer and they are given free reign to speculate, I may not live long enough to see the crisis, but my soul is going to come back and haunt you.

— Paul A. Volcker (Fed Chairman 1979–1987, Chair Economic Recovery Advisory Board, 2/2/2010, b. 1927)

New Year's Day

WEDNESDAY

1

To an imagination of any scope the most far-reaching form of power is not money, it is the command of ideas.

— Oliver Wendell Holmes Jr. (U.S. Supreme Court Justice 1902–1932, *The Mind and Faith of Justice Holmes*, edited by Max Lerner, 1841–1935)

THURSDAY

2

The four most expensive words in the English language, "This time it's different."

— Sir John Templeton (Founder Templeton Funds, philanthropist, 1912–2008)

FRIDAY

3

FN: HO

It wasn't raining when Noah built the ark.

— Warren Buffett (CEO Berkshire Hathaway, investor & philanthropist, b. 1930)

SATURDAY

4

SUNDAY

5

2013 FUTURES AND OPTIONS EXPIRATION DATES

First Notice, Last Trade, and Option Expiration Days for all 20 markets included in the Almanac appear on the weekly calendar pages, where under the date you will see FN (First Notice), LT (Last Trade), and OE (Option Expiration) followed by the applicable futures code.

For example, "FN: S," on Thursday, February 28, 2013, is the First Notice Day of the March Soybeans contract. In order to leave more room for notes, we have omitted the contract month code "H" for March Soybeans. All First Notice, Last Trade and Option Expiration Dates refer to the front-month or near-term contract, so monthly codes are not necessary. Please refer to the contract specification pages 131–137 for an explanation of all the trading symbols and contract month codes.

As a handy cross-reference, all the important Futures and Option Expiration Dates are listed below and in the 2013 Strategy Calendar on pages 10–11. We hope you find these reference pages useful.

Aside from being aware of these key dates, traders must be well versed in the nuances of the nomenclature and implications of these events. Though not all markets have First Notice Dates, this is the point where all speculative longs need to be out of a specific contract; otherwise they risk getting a delivery notice. Last Trading Date refers to the date that the futures contract month is delisted and becomes a cash market.

Some New York markets, mainly the energy complex, list this the other way around. With the monthly expiration of crude oil, this information is helpful to traders by not establishing a new long position on or before Last Trading Day. Option Expiration Day is the last day on which an option may be exercised and exchanged for the underlying futures contract, stock, or ETF.

	FND	LTD	OED		FND	LTD	OED
S&P 500 (SP)				30-Year Treasury Bond (US)			
January	—	—	1/18/13	January	—	—	12/27/12
February	—	—	2/15/13	February	—	—	1/25/13
March	—	3/14/13	3/14/13	March	2/28/13	3/19/13	2/22/13
April	—	—	4/19/13	April	—	—	3/22/13
May	—	—	5/17/13	May	—	—	4/26/13
June	—	6/20/13	6/20/13	June	5/31/13	6/19/13	5/24/13
July	—	—	7/19/13	July	—	—	6/21/13
August	—	—	8/16/13	August	—	—	7/26/13
September	—	9/19/13	9/19/13	September	8/30/13	9/19/13	8/23/13
October	—	—	10/18/13	October	—	—	9/20/13
November	—	—	11/16/13	November	—	—	10/25/13
December	—	12/19/13	12/19/13	December	11/29/13	12/19/13	11/22/13
				Jan-14	—	—	12/27/13
Crude Oil (CL)				Heating Oil (HO)			
January	12/21/12	12/19/12	12/14/12	January	1/3/13	12/31/12	12/26/12
February	1/24/13	1/22/13	1/16/13	February	2/4/13	1/31/13	1/28/13
March	2/22/13	2/20/13	2/14/13	March	3/4/13	2/28/13	2/25/13
April	3/22/13	3/20/13	3/15/13	April	4/2/13	3/28/13	3/25/13
May	4/24/13	4/22/13	4/17/13	May	5/2/13	4/30/13	4/25/13
June	5/23/13	5/21/13	5/16/13	June	6/4/13	5/31/13	5/28/13
July	6/24/13	6/20/13	6/17/13	July	7/2/13	6/28/13	6/25/13
August	7/24/13	7/22/13	7/17/13	August	8/2/13	7/31/13	7/26/13
September	8/22/13	8/20/13	8/15/13	September	9/4/13	8/30/13	8/27/13
October	9/24/13	9/20/13	9/17/13	October	10/2/13	9/30/13	9/25/13
November	10/24/13	10/22/13	10/17/13	November	11/4/13	10/31/13	10/28/13
December	11/22/13	11/20/13	11/15/13	December	12/3/13	11/29/13	11/25/13
Jan-14	12/23/13	12/19/13	12/16/13	Jan-14	1/3/14	12/31/13	12/26/13
Natural Gas (NG)				Copper (HG), Gold (GC) & Silver (SI)			
January	12/28/12	12/27/12	12/26/12	January	12/31/12	1/29/13	12/26/12
February	1/30/13	1/29/13	1/28/13	February	1/31/13	2/26/13	1/28/13
March	2/27/13	2/26/13	2/25/13	March	2/28/13	3/26/13	2/25/13
April	3/27/13	3/26/13	3/25/13	April	3/28/13	4/26/13	3/25/13
May	4/29/13	4/26/13	4/25/13	May	4/30/13	5/29/13	4/25/13
June	5/30/13	5/29/13	5/28/13	June	5/31/13	6/26/13	5/28/13
July	6/27/13	6/26/13	6/25/13	July	6/28/13	7/29/13	6/25/13
August	7/30/13	7/29/13	7/26/13	August	7/31/13	8/28/13	7/25/13
September	8/29/13	8/28/13	8/27/13	September	8/30/13	9/26/13	8/27/13
October	9/27/13	9/26/13	9/25/13	October	9/30/13	10/29/13	9/25/13
November	10/30/13	10/29/13	10/28/13	November	10/31/13	11/26/13	10/28/13
December	11/27/13	11/26/13	11/25/13	December	11/29/13	12/27/13	11/25/13
Jan-14	12/30/13	12/27/13	12/26/13	Jan-14	12/31/13	1/29/14	12/26/13

2013 FUTURES AND OPTIONS EXPIRATION DATES

FND			LTD			OED					
Corn (C) & Wheat (W)						Soybeans (S)					
January	—	—	—	—	12/21/12	January	12/31/12	1/14/13	12/21/12		
February	—	—	—	—	1/25/13	February	—	—	1/25/13		
March	2/28/13	3/14/13	2/22/13	3/14/13	2/22/13	March	2/28/13	3/14/13	2/22/13		
April	—	—	—	—	3/22/13	April	—	—	3/22/13		
May	4/30/13	5/14/13	4/26/13	5/14/13	4/26/13	May	4/30/13	5/14/13	4/26/13		
June	—	—	—	—	5/24/13	June	—	—	5/24/13		
July	6/28/13	7/12/13	6/21/13	7/12/13	6/21/13	July	6/28/13	7/12/13	6/21/13		
August	—	—	—	—	7/26/13	August	7/31/13	8/14/13	7/26/13		
September	8/30/13	9/13/13	8/23/13	9/13/13	8/23/13	September	8/30/13	9/13/13	8/23/13		
October	—	—	—	—	9/20/13	October	—	—	9/20/13		
November	—	—	—	—	10/25/13	November	10/31/13	11/14/13	10/25/13		
December	11/29/13	12/13/13	11/22/13	12/13/13	11/22/13	December	—	—	11/22/13		
Jan-14	—	—	—	—	12/27/13	Jan-14	12/31/13	1/14/14	12/27/13		
Cocoa (CC)						Coffee (KC)					
January	—	—	—	—	12/7/12	January	—	—	12/14/12		
February	—	—	—	—	1/4/13	February	—	—	1/11/13		
March	2/14/13	3/13/13	2/1/13	3/13/13	2/1/13	March	2/20/13	3/18/13	2/8/13		
April	—	—	—	—	3/1/13	April	—	—	3/8/13		
May	4/17/13	5/15/13	4/5/13	5/15/13	4/5/13	May	4/22/13	5/20/13	4/12/13		
June	—	—	—	—	5/3/13	June	—	—	5/10/13		
July	6/17/13	7/16/13	6/7/13	7/16/13	6/7/13	July	6/20/13	7/19/13	6/13/13		
August	—	—	—	—	7/5/13	August	—	—	7/12/13		
September	8/19/13	9/13/13	8/2/13	9/13/13	8/2/13	September	8/22/13	9/18/13	8/9/13		
October	—	—	—	—	9/6/13	October	—	—	9/13/13		
November	—	—	—	—	10/4/13	November	—	—	10/11/13		
December	11/15/13	12/13/13	11/1/13	12/13/13	11/1/13	December	11/20/13	12/18/13	11/8/13		
Jan-14	—	—	—	—	12/6/13	Jan-14	—	—	12/13/13		
Sugar (SB)						Live Cattle (LC)					
January	—	—	—	—	12/17/12	January	—	—	1/4/13		
February	—	—	—	—	1/15/13	February	2/4/13	2/28/13	2/1/13		
March	3/1/13	2/28/13	2/15/13	3/1/13	2/15/13	March	—	—	3/1/13		
April	—	—	—	—	3/15/13	April	4/8/13	4/30/13	4/5/13		
May	5/1/13	4/30/13	4/15/13	5/1/13	4/15/13	May	—	—	5/3/13		
June	—	—	—	—	5/15/13	June	6/10/13	6/28/13	6/7/13		
July	7/1/13	6/28/13	6/17/13	7/1/13	6/17/13	July	—	—	7/5/13		
August	—	—	—	—	7/15/13	August	8/5/13	8/30/13	8/2/13		
September	—	—	—	—	8/15/13	September	—	—	9/6/13		
October	10/1/13	9/30/13	9/16/13	10/1/13	9/16/13	October	10/7/13	10/31/13	10/4/13		
November	—	—	—	—	10/15/13	November	—	—	11/1/13		
December	—	—	—	—	11/15/13	December	12/9/13	12/31/13	12/6/13		
Jan-14	—	—	—	—	12/16/13						
B. Pound (BP), Euro (EC), S. Franc (SF), J. Yen (JY)						Lean Hogs (LH)					
January	—	—	—	—	1/4/13	February	—	2/14/13	2/14/13		
February	—	—	—	—	2/8/13	April	—	4/12/13	4/12/13		
March	—	3/18/13	3/8/13	—	3/8/13	May	—	5/14/13	5/14/13		
April	—	—	—	—	4/5/13	June	—	6/14/13	6/14/13		
May	—	—	—	—	5/3/13	July	—	7/15/13	7/15/13		
June	—	6/17/13	6/7/13	—	6/7/13	August	—	8/14/13	8/14/13		
July	—	—	—	—	7/5/13	October	—	10/14/13	10/14/13		
August	—	—	—	—	8/9/13	December	—	12/13/13	12/13/13		
September	—	9/16/13	9/6/13	—	9/6/13						
October	—	—	—	—	10/4/13						
November	—	—	—	—	11/8/13						
December	—	12/16/13	12/6/13	—	12/6/13						