

TRADING EDUCATORS

PRESENTS

An Introduction to the Business of

TRADING

FUTURES \$ OPTIONS

No one has as much interest in
your financial future as you
have.

This is so true, but very few people understand that they can do something about it. We will show you a method of making money that can give you a very good income for life.



GOALS OF TRADING

Trading is a business like any other. The prime objective is to make money. There are millions of people that trade the markets every day, but you need some advantage over “Mr. Average” to win on a consistent basis.

Massive amounts of money are changing hands every day, and we will show you how you can make sure that some of it lands up in your pocket.



WHAT ARE YOUR CHANCES?

I want to make money with some reasonable assurance
that I will be profitable.

The Casino always wins.

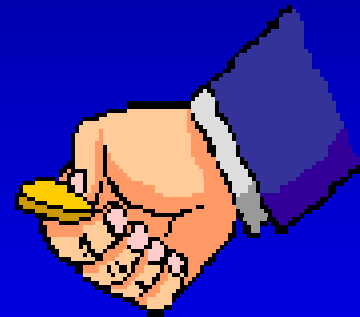
The Lotto never wins.

Trading shares is less than 50% predictable

Forex is less than 50% predictable.

Warrants are between 0% and 25% predictable.

I will show you our trading methods that can be better
than 80% to 90% predictable.



TO MAKE A SUCCESS OF TRADING

The best way to make a success of trading is to follow the methods of someone who has been down the road before you. Joe Ross has been trading for more than 45 years, and has many successful traders worldwide that follow his methods. I have successfully traded for more than 10 years using Joe's methods.



TRADING

“MY KIND OF BUSINESS”

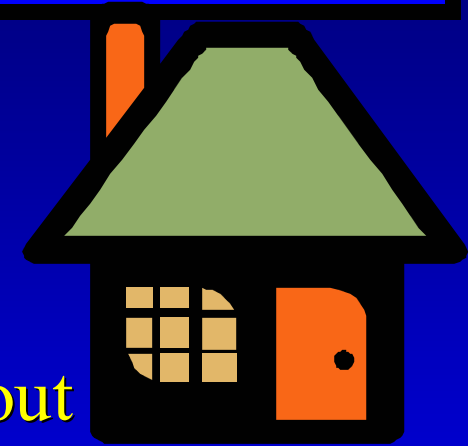
- You earn DOLLARS
- You select the profit and risk level
- No grumpy customers
- No employees on the payroll
- No damaged goods, shipping, insurance
- No “cheque in the post”



TRADING

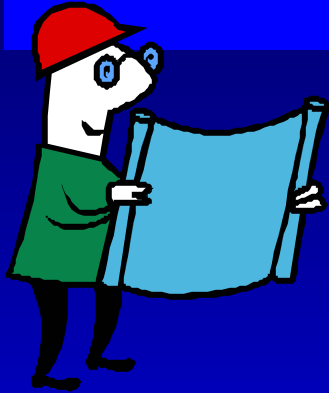
“MY KIND OF BUSINESS”

- Work from home
- Choose your own working hours
- No monthly red tape and returns to fill out
- Emigrate with your business and income
- No major assets to insure or replace
- Daily cash settlement for work done



WORK SMARTER

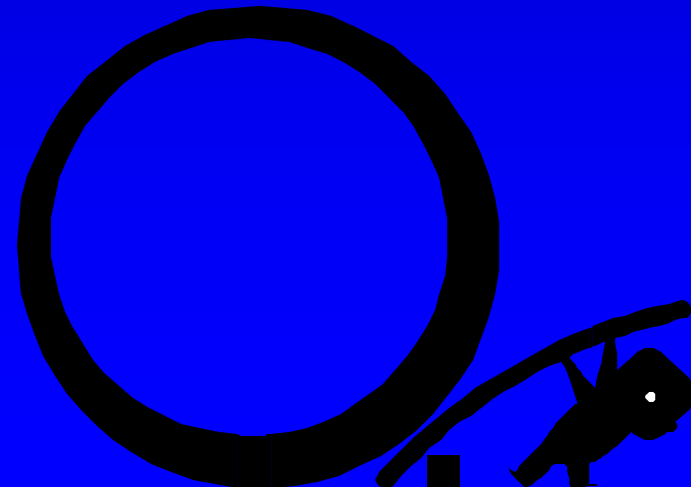
HOW DO I WORK SMARTER?



To work smarter you will need to understand how the wealthy make their money. They leverage their money to make above average returns.

They don't buy policies or put their money in the bank.

We will teach you the little-know-secrets of how leverage works and how you can share in this trading business without having to work 8 hours a day.



A close-up photograph of wheat grains, showing the green husks and the yellowish-green kernels. The grains are arranged in a dense, overlapping pattern, filling the entire frame. A blue rectangular banner is superimposed over the center of the image, containing the text "THE FUTURES MARKETS" in yellow, bold, serif capital letters.

THE FUTURES MARKETS

THE FUTURES MARKETS



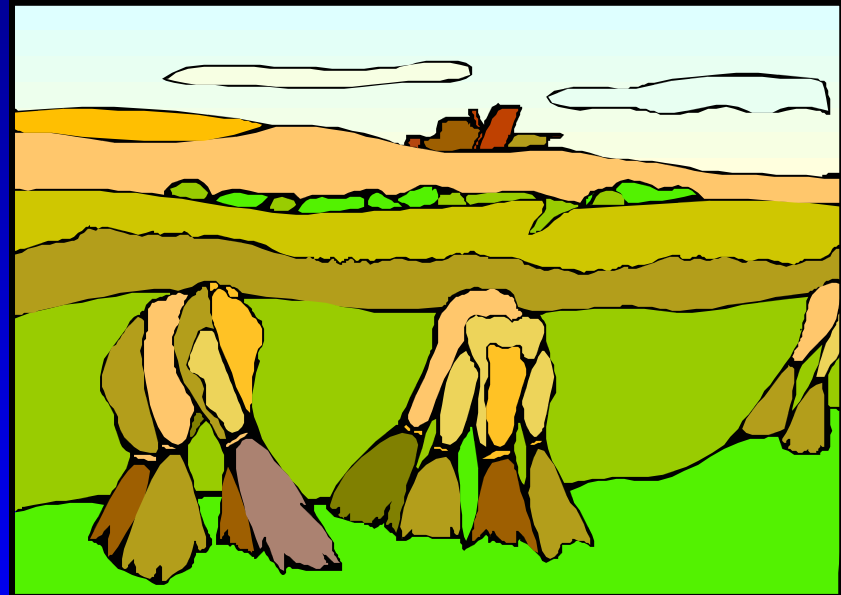
Commodity contracts for Wheat, Oil, Gold etc. are bought and sold every day in the Futures markets. The reason they are called futures contracts is because they have a certain time limit before the contracts expire sometime in the future. As a speculator you can buy and sell any of these commodity contracts at any time before the expiry date.



Let's see how we would go about buying a contract and how we would turn that into a profit.

A WHEAT TRADE

We will use the Wheat
Futures contract as an
example; the contract
consists of 5,000
bushels of Wheat



A WHEAT TRADE



If I believe that the price of Wheat will go up I would buy a Wheat contract.

Today I buy a December Wheat contract when Wheat is trading at \$2.50 a bushel.

Effectively I am promising to take delivery of 5000 bushels of Wheat in December, and when I take delivery I will pay \$2.50 per bushel, a total of \$12,500.

I now own a contract, which consists of 5000 bushels of Wheat, with a value of \$12,500, and I only have to put down a small deposit of say \$600 to own the contract (called margin).

MAKING A PROFIT



Tomorrow the price of Wheat is trading at \$2.60 per bushel. My contract is now worth \$13,000 ($\$2.60 \times 5,000$)

I decide to sell my contract to someone else, who is prepared to take over from me the promise to take delivery of the Wheat. As soon as the contract is sold I have made 10c profit per bushel.

$10 \text{ cents} \times 5000 \text{ bushels} = \500 , which is my profit.

BUY WHEAT FUTURES

The value of the contract when I buy it is;

$$5,000\text{bu} \times 250 \text{ c/bu} = \mathbf{\$12,500}$$

The value of the contract when I sell it back later is;

$$5,000\text{bu} \times 260 \text{ c/bu} = \mathbf{\$13,000}$$

So my profit is **\$500**

I no longer own a Wheat contract so I get my \$600 margin back!



SELL WHEAT FUTUIRES

If I believe that the price of Wheat will drop, I would sell a Wheat contract.

Today I sell a Wheat contract when Wheat is trading at \$3.90 a bushel.

Effectively I am promising to deliver 5000 bushels of Wheat in December, and when I make delivery I will be paid \$3.90 a bushel, a total of \$19,500

I now own a contract, which consists of 5000 bushels of Wheat, with a value of \$19,500, and again I put up margin of \$600 to secure the contract.



MAKING A PROFIT

Tomorrow the price of Wheat has dropped and is now trading at \$3.10 a bushel. My contract is now worth \$15,500.

Because I can make a nice profit on this trade I now decide to break my promise to deliver the Wheat by buying back my contract, and make 80 cents profit per bushel.

$80 \text{ cents} \times 5000 \text{ bushels} = \$4,000$

I also get my \$600 margin back!



OPTIONS CONTRACTS

Options contracts can be bought and sold, just like Futures contracts.

If I think the price of Wheat is going up, I would buy a Call option.

If I think the price of Wheat is going down, I would buy a Put option.

If I think that the price of Wheat will not change much, I could sell a Call or Put option.



PUT OPTION EXAMPLE

We expect the market to go down, so we buy a Put option.

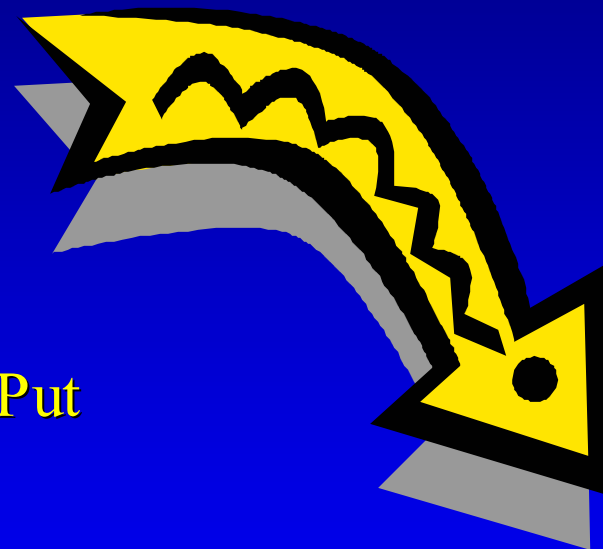
(See the graph on the next slide)

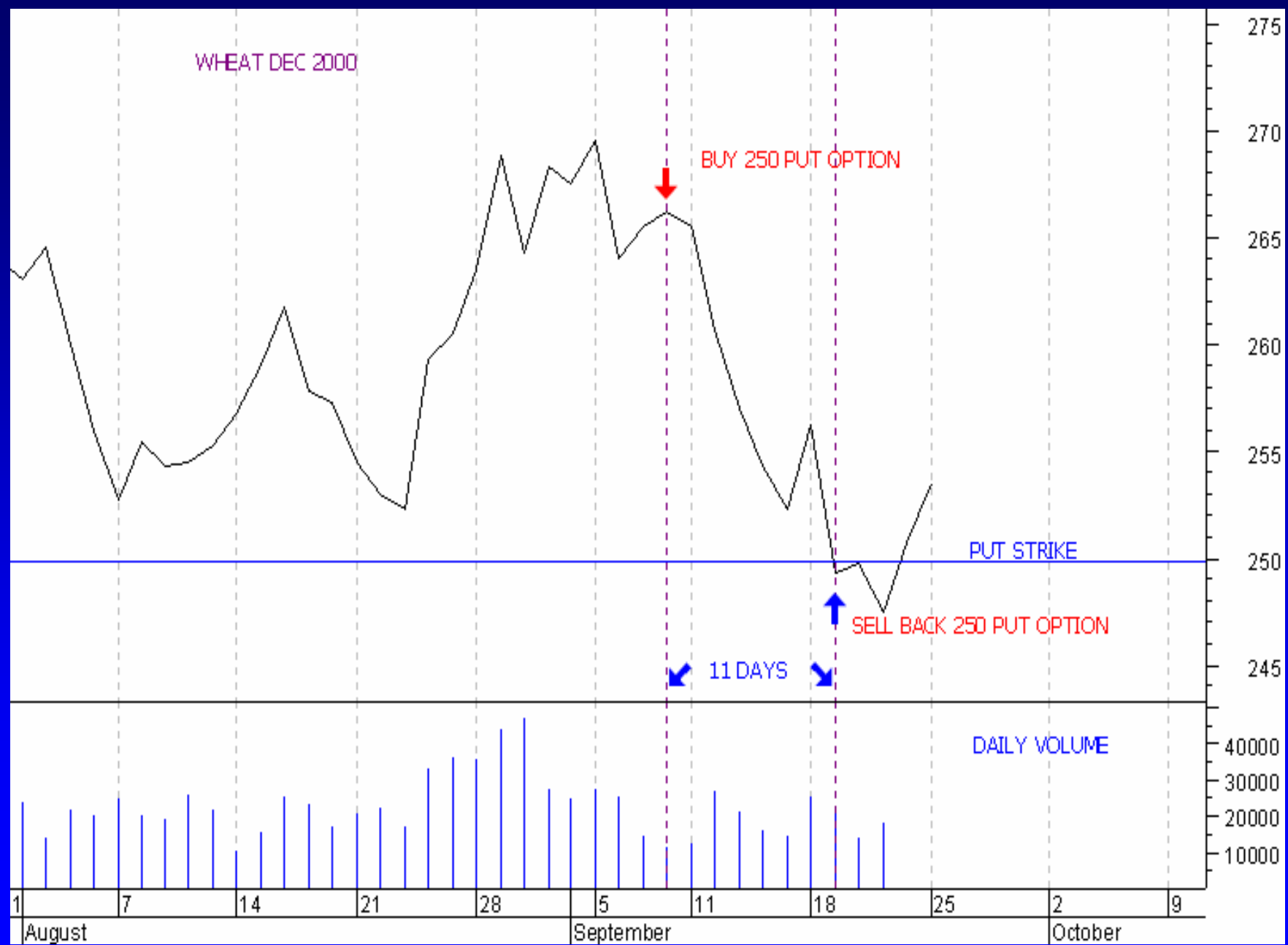
On 8 Sept we buy a Put option for \$225

On 19 Sept, 11 days later, we sell back the Put option for \$450

Profit is; $\$450 - \$225 = \$225$ in 11 days

(If this doesn't make any sense to you, don't worry; we explain everything in our trading course)

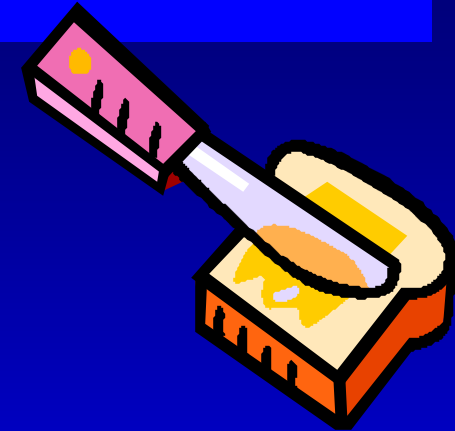




SPREAD TRADING

- What is spread trading?

When you Buy one Futures contract and Sell another related contract.



- Why should you consider spread trading?

1. You can be profitable when commodity prices move sideways.
2. Take advantage of a high commercial demand for a commodity.
3. Seasonality for high probability trades.
4. Used to protect Futures trades during high volatility.

SPREAD PROFITABILITY

5. Very much lower margin requirement.
6. Higher returns per unit move.
7. No stop running.
8. Liquidity can be much lower, which gives us more trading opportunities.
9. Seasonal correlation charts for highly accurate trades.
10. Trade along with Joe Ross



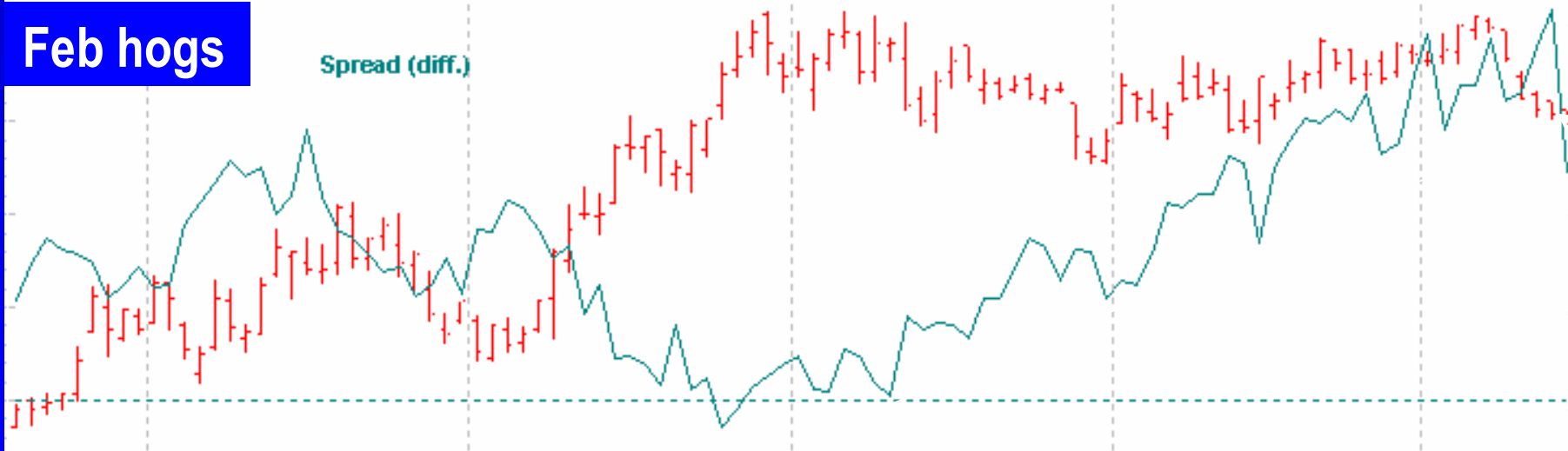
SPREAD EXAMPLE

Apr hogs



During the time the spread line was rising, Feb hog prices were flat.

Feb hogs



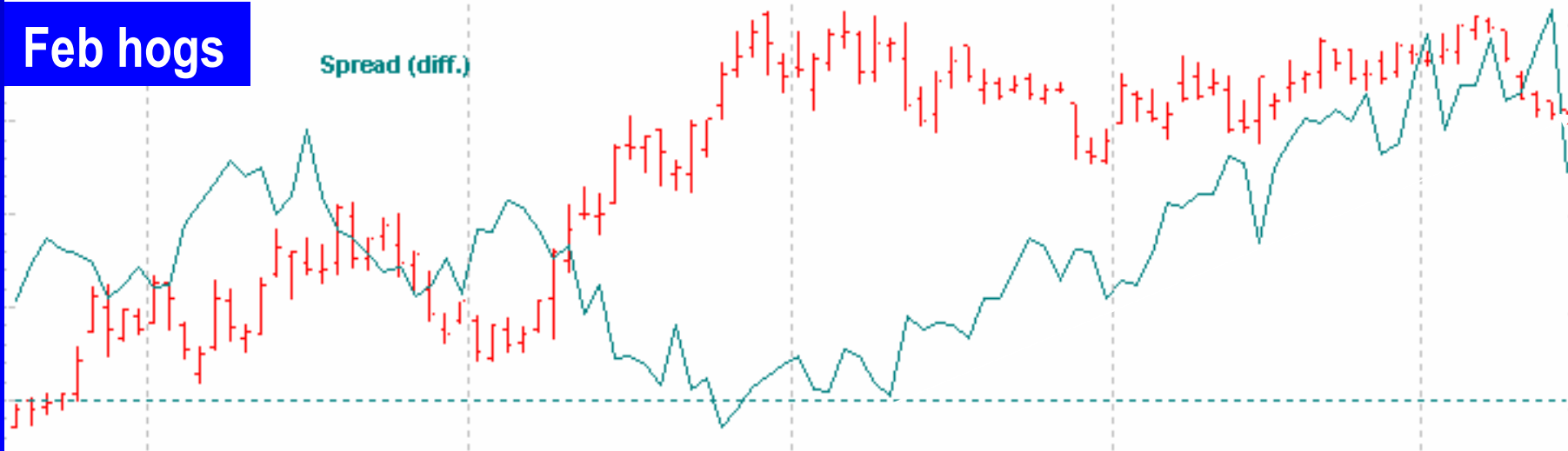
SPREAD EXAMPLE

Apr hogs



It was Apr hog prices that were rising, but only slightly.

Feb hogs

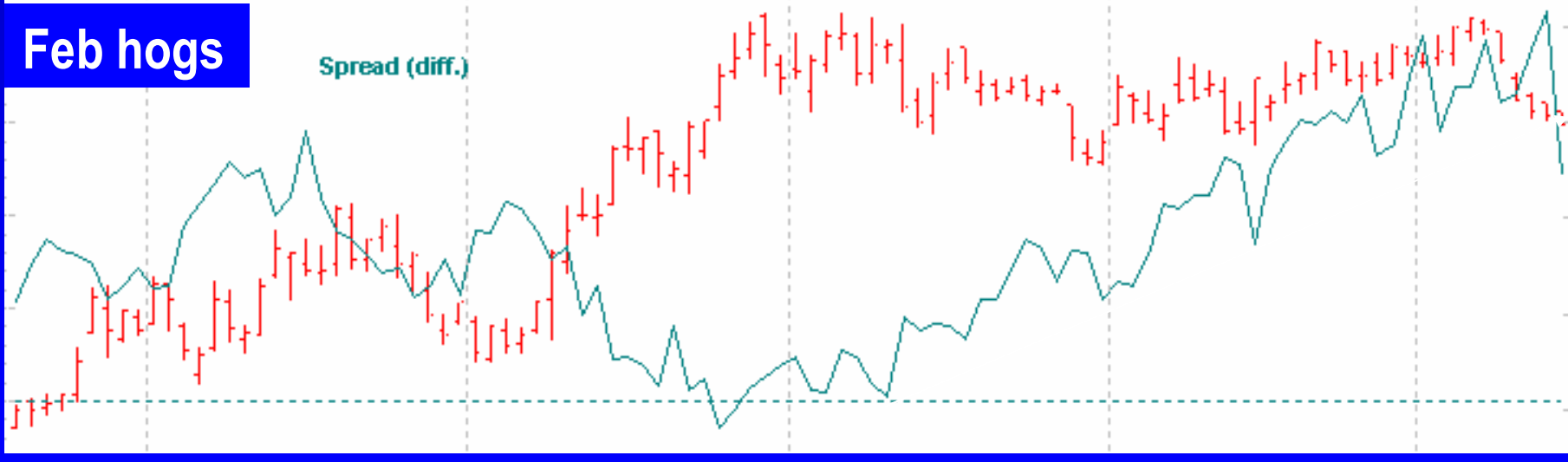


SPREAD EXAMPLE

Apr hogs



Feb hogs

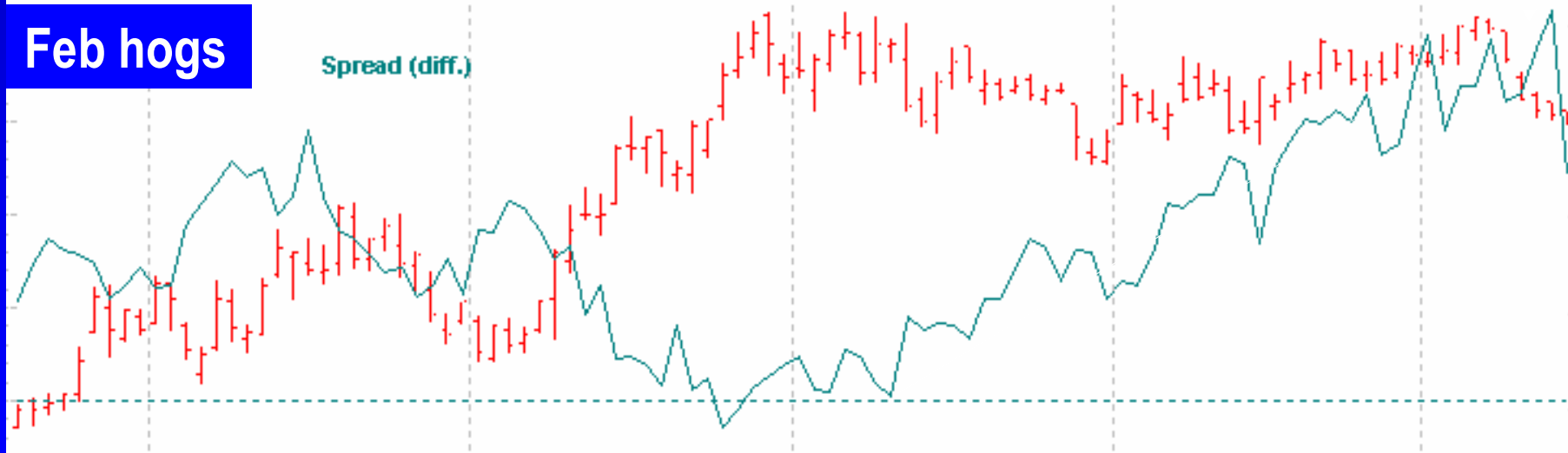


SPREAD EXAMPLE

Apr hogs



Feb hogs



FUTURES AND SHARES COMPARISON

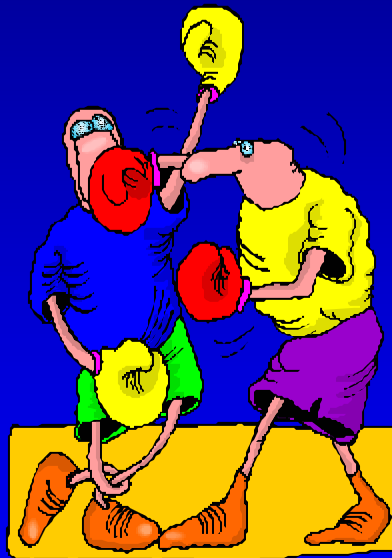
Shares

Buy 100 Shares at \$10

Outlay is \$1,000

Share price would have to increase by 50% in 3 days to give a profit of \$500

Commissions variable



Futures

Buy futures contract

Outlay is \$600

Price increase of 3.9% in 3 days, gives a profit of \$500

Commissions fixed (\$18)

YOU CAN MAKE MONEY WHEN:



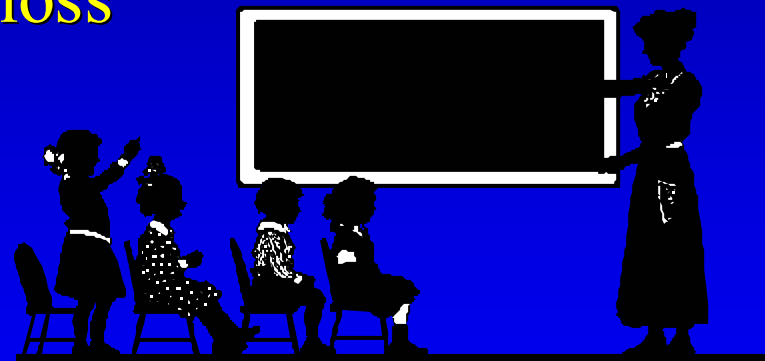
Commodity prices go ^{up}

Commodity prices go _{down}

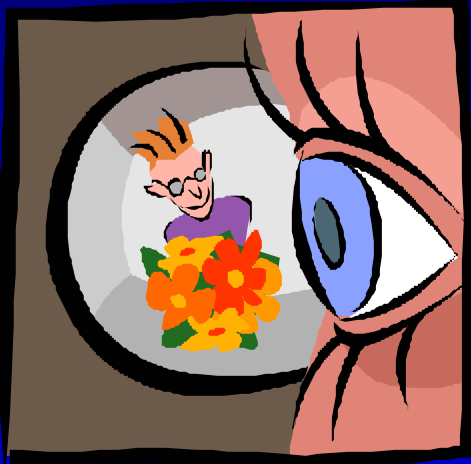
Commodity prices go *sideways*

WE TEACH YOU ...

- How to select the good trades
- How to avoid the losing trades
- How to take your profit
- How to take a minimum loss
- How to sell your losses
- How to box a trade
- To trade independently
- We will also provide you with our in-house Option's training software.



OUR TRADING METHODS



Trade what you see - not
what you think

We will show where we
believe prices will go.

Use high-probability seasonal trades

Hedge your trades (capital preservation)

Use technical analysis for confirmation

Only trade liquid markets

Use futures and options in combination

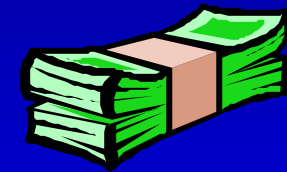
USING THE INTERNET



- Enter buy and sell orders via the Internet
- Talk to your broker via the Internet
- Transfer money using the Internet
- Collect trading data via the Internet
- Our web site for support
- Email us for help

LOOK AT THE MONEY!

The next slide is taken from the free software that we will give you. It shows the sort of money that is traded every day in the option's markets that we trade. You can see that over 6.8 billion dollars changed hands between the buyers and sellers of the options. We will show you how to keep some of this money for yourself (not all of it)!



Date: 2005-Apr-29

Number of Options Available: 15,838

Number of Options Contracts traded: 2,196,037

Value of Options Contracts traded: \$6,844,234,556

Number of Open Interest Contracts: 21,127,387

Value of Open Interest Contracts: \$16,551,179,130

**Percentage of Options Expiring
Worthless Today: 74%**

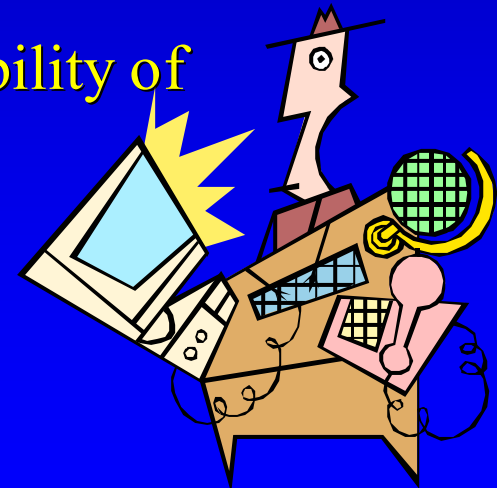
SEARCHING FOR TRADES

- We will provide you with FREE option's software to analyze more than 18,000 trades every day, in a matter of minutes
- You will be able to look for the best possible trades that give:
 - maximum return
 - lowest cost
 - shortest possible time
 - Highest probability of success



MANAGING YOUR TRADE

- We will also give you FREE option's software to:
 - Manage your trades to completion.
 - Adjust the trades to increase your probability of success.
 - Lock in trades with no loss
 - Select strategies for the various option's markets.



OUR APPROACH TO TRADING

- Build up and preserve Capital
- Trade using Futures
- Trade using Options
- Trade by Combining Futures & Options
- Trade using Spreads and Seasonal Trades
- Don't just wait for the big moves
- Lock in your profits as the market moves
- Trading is a Business



**HOW DO I GET TO TRADE
FUTURES & OPTIONS IN
THE USA?**

DID YOU KNOW THAT...



- The Joe Ross organisation has established a relationship with one of the top brokerages in the USA, and our clients world-wide receive preferential rates. As a client of Ross Trading you will be able to open your own trading account, and place your trades with the broker via the Internet. We do not have any say or control over your money!
- You are able to access and check the status of your account at any time
- Money from the broker's account can be transferred to your bank at any time you choose.
- You can trade Futures & Options from anywhere in the world
- You will require a minimum of \$5,000 to open your account.

OUR SUPPORT NETWORK

- A Web Site for clients with:
 - Chat with Joe Ross
 - Subscription to Traders Notebook (daily trade recommendations)
 - Option's Trading Spreadsheets
 - Trading ideas
 - Useful tips and information
 - Links to relevant sites
- Free attendance for 2 years at any subsequent seminars (pay only for venue and catering)
- Support via email and telephone

WHAT WILL IT COST ME?

TRAINING COSTS

- 3-Day course and support until successful R15,000
(Includes a comprehensive Trading Manual, and all Matrix Options Software and Manual)

SETUP COSTS

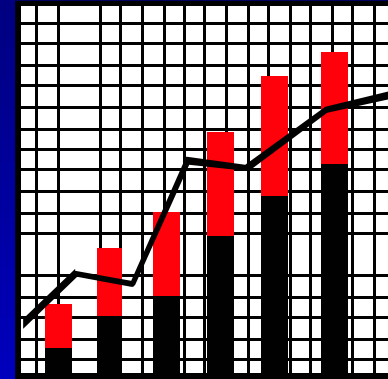
- | | |
|---------------------------|--------------------|
| ■ Charting Software | \$500 (or Free) |
| ■ Data vendor | \$25/mth (or Free) |
| ■ Minimum broker's margin | \$5,000 |
| ■ Spreadsheets | \$Free |

(Please note there is no further payment required in the future for support or web access).

FINALLY

OUR OBJECTIVE IS TO:

- Help you INCREASE your capital
- Show you how to consistently make serious money
- Help you become a SUCCESSFUL *independent* trader
- Provide you with continuing support
- Inform you of international opportunities



HOW MUCH MONEY CAN I MAKE?

■ You will go through a learning curve, but you should strive to conservatively make about 20% per month. However, results will depend on your efforts, and some of our traders do a lot better than the 20%



*“YOUR FINANCIAL INDEPENDENCE
DEPENDS ON YOU”*

For the next 3-day seminar or to arrange
a one-on-one seminar.

Please Contact Alan Parry.

011-442-4839 or 021-701-9856

Email midas@telkomsa.net

Web sites: <http://www.tradingeducators.co.za> <http://www.options.tradingeducators.co.za>