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TRADERS NOTEBOOK FOR FUTURES

**www.TradingEducators.com
www.spread-trading.com**

FOR TRADING DAY 17 MARCH 2006

PLEASE MAKE SURE YOU READ AND STUDY THE INSTRUCTIONS FOR WATCHERS AND POSITION TRADERS. SOMETIMES WE MAKE LAST MINUTE CHANGES IN TN. BE SURE TO LOOK AT IT AGAIN BEFORE TRADING EACH DAY. WHENEVER YOU HAVE ANY PROBLEMS GETTING TRADERS NOTEBOOK BEFORE THE US MARKETS OPEN PLEASE SEND AN EMAIL TO andy@tradingeducators.com AND ANDY WILL SEND YOU OUT THE LATEST ISSUE OF TRADERS NOTEBOOK BY EMAIL.

[THE LAW OF CHARTS](#) and [THE TRADERS TRICK ENTRY](#) ARE FREE RESOURCES.

" Truth about trading: A life spent making mistakes is not only more honorable, but more useful than a life spent doing nothing. Just don't make too many, and learn from the ones you make." Old Trader

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Today's Comments

Guys, there is no need to take all the soy complex spreads...ok? I just post the new ones for the ones not in any other soy spreads yet. Choose carefully!

SM-SM just doesn't want to move up. My time stop is 3/24. Let's see if the spread can make up its mind! ☺

Happy trading,

Andy Jordan
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SPREAD TRADING

The following trades are only a collection of possible trades for your consideration. Try to find trades "with your name on them", the ones that fit your trading style. Please read our [Traders Notebook Guide](#) we created to make it easier for you to understand and use Traders Notebook. Also have a look at the [NOTES](#) below! If you have any questions or comments, e-mail me at Andy@TradingEducators.com.

Happy trading,

Andy Jordan
andy@tradingeducators.com

Entry Considerations

New

Consider entering a Soy Complex spread **100*SMN6 – 600*BOM6** at a spread value of \$3460. Please ask your broker about the margin. Suggested risk is \$600. Initial projected objective is \$600, then a move to \$7,500 or higher. Basis is seasonal and a RH. Please check with all your other spreads!

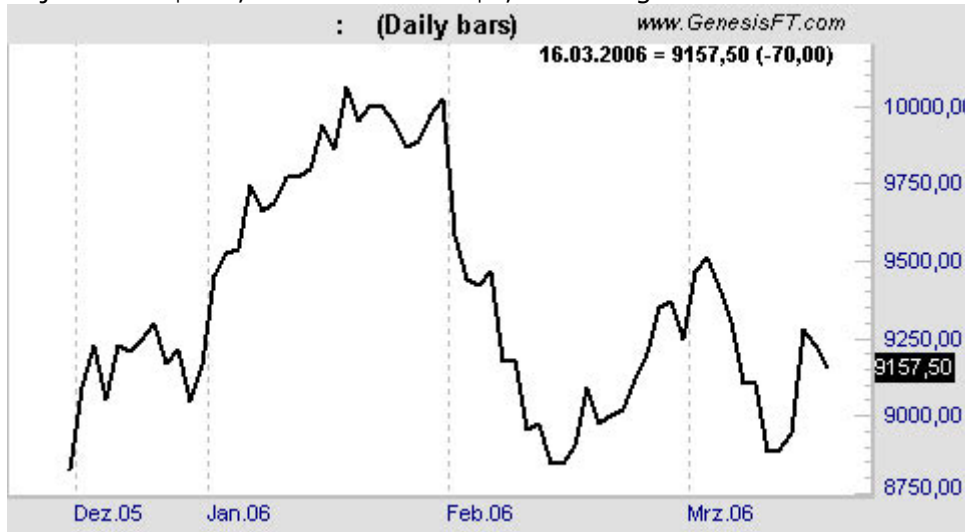




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Consider entering an Index spread **50*ESM6 – 5*YMM6** at a spread value of \$9,285. Please check with your broker for the margin. Suggested risk is \$500. Initial projected objective is \$500, then a move to \$9,800 or higher. Basis is correlation and a RH.



Consider entering an Inter-Market spread **SK6 – WK6** at a spread value of 225 ½. Margin for the spread is \$1,756 (no reduced margin). Suggested risk is \$1,000. Initial projected objective is \$1,000, then a move to 280 or higher. Basis is seasonal (3/3 – 3/28) and a RH. Please check with your other spreads.





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Consider entering an Inter-Market spread **SN6 – 2*CN6** at a spread value of 125 ¾. Margin for the spread is \$1,824 (no reduced margin). Suggested risk is \$1,000. Initial projected objective is \$1,000, then a move to 175 or higher. Basis is seasonal and a 1-2-3 low. Please note the spread has a 1:2 ratio! This spread can get very volatile!



Open Trades

Consider entering a Soy Complex spread **100*SMZ6 – 50*SX6** at a spread value of -\$12,430. Margin for the spread is \$865 (reduced margin). Suggested risk is \$500. Initial projected objective is \$500, then a move to -\$11,000 or higher. Basis is seasonal and a 1-2-3 low. Please check with your other spreads.

03/13 Some trader are already in the trade.



Consider entering a meats spread **LHQ6 – LHM6** at a spread value of -2.725 . Margin for the spread is \$608 (reduced margin). Suggested risk is \$400. Initial projected objective is \$400, then a move to 0 or higher. Basis is seasonal and a RH.

03/09 It was possible to enter the trade today.

03/15 Spread hit first suggested target. Suggest moving the stop to b/e or closer.

03/16 Suggest moving the stop to -2.43 .



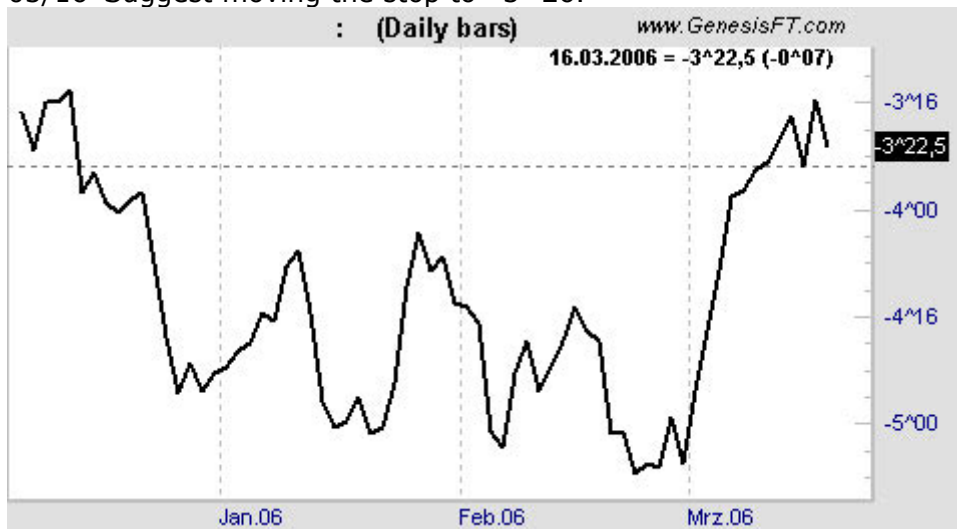
Consider entering an Interest Rates spread **TYM6 – USM6** at a spread value of -4^{30} (or -158 in 32nds). Please check with your broker for margin and for how to place the order. Suggested risk is \$500. Initial projected objective is \$500, then a move to -3^{00} or higher. Basis is seasonal (2/14 – 4/10) and a 1-2-3 low. Conservative trader can wait for the next RH to enter. It is possible to take this trade in the electronic markets.

03/01 It was possible to enter the trade today.

03/02 Spread reached the trend line of the down trend (blue line). If not already done, suggest taking some money from the table and moving the stop to break even.

03/03 Spread hit first suggested target. Suggest moving stop according to your trading plan.

03/16 Suggest moving the stop to -3^{26} .





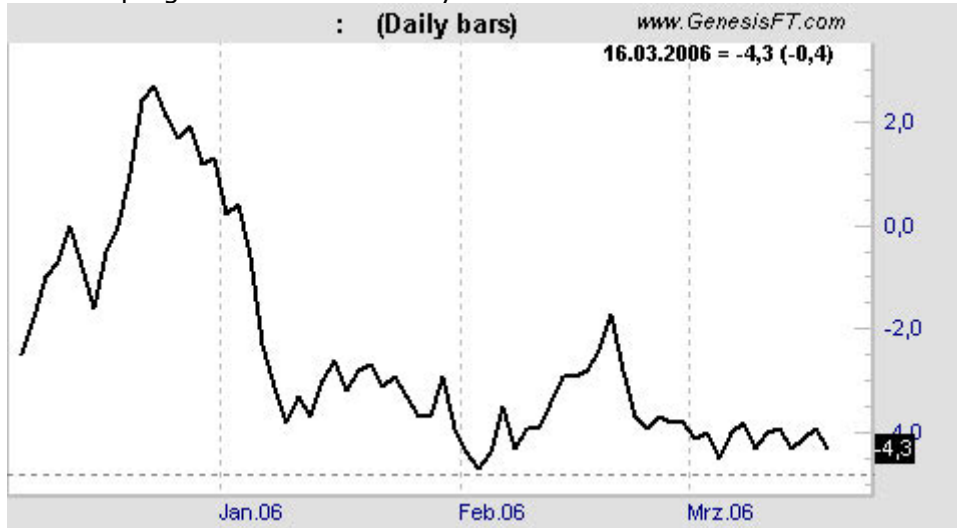
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Consider entering a Soybean Complex Spread **SMN6 – SMZ6** at a spread value of -3.0 limit. Margin for the spread is \$473 (reduced margin). Suggested risk is \$400. Initial projected objective is \$400, then a move to 20 or higher. Basis is seasonal (2/19 – 5/6) and support around -5 . It maybe seems a bit early to enter and if you want you can also wait until the spread starts to move up and enter on a RH.

01/19 It was possible to enter the trade today.

02/02 Spread moved below the low of November 05. Suggest exiting if it doesn't move up again the next few days.



Closed Trades

None

Spread charts provided by Moore Research Center, Inc. (800) 927-7259, www.mrci.com



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Notes

These are NOT trading recommendations. They are intended only as potential ideas (including suggested entry value, risk, initial stop, objective and target). Futures trading involves substantial risk of loss.

All Open and Closed trades must be considered as SIMULATED, since there is no way to guarantee that entries and exits by all parties would have been identical of that entries and exits have actually taken place.

Trades marked with ** are spreads having extremely low volume on one side of the spread. Such spreads often trade more explosively, and more closely to seasonal and correlation patterns. However, be aware that such spreads are often difficult to enter and exit. You can enter and exit these spreads only with MOC or LMT orders (check with your broker for the best entry). FOR EXPERIENCED TRADERS ONLY!

Legend: b/e = Break Even; b/o = Breakout; RH = Ross Hook; TTE = Traders Trick Entry

TTEFS (Trader Trick Entry For Spreads) – Please have a look into the following PDF to understand this very simple concept: <http://www.tradingeducators.com/newsletters/notebook/TTEFS.pdf>

Methods for setting specific profit-taking goals and protective stops are taught at our seminars. For seminar schedule [click here](#).

Dear Trader, since you are already a subscriber of Traders Notebook you can participate on the DAILY LIVE CHAT for free! Please follow the link below and apply to join the group at MSN (registration is free). <http://groups.msn.com/TradingEducators>. I try to be in the chat every day around 10:00AM CST to answer all your questions. Please check the Message Board for the latest News.



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TRADING TIDBITS

Hey Joe! I'm disappointed with my trading life. I've been day trading and somehow I keep failing to meet my trading goals. I wish I had more money. If I could make huge profits trading, maybe all my problems would be solved.

There are many traders who feel like you do. You think money can solve all of their problems. You dream of making a series of huge wins and having all your problems solved? It may be enjoyable to occasionally imagine how you'll solve all life's problems by making a few million bucks trading the markets, but it's unlikely to happen. For most aspiring traders, it is nothing but a dream. It's difficult to make that kind of money under most market conditions and without sufficient investment capital. In the end, that kind of thinking will just cause you to become more discouraged. It is critical for you to quit your dreaming and develop more conservative and realistic goals.

In establishing goals, it's important for you to have attainable goals. Trying to make huge profits quickly is not realistic; conservative goals are more likely to be realized, and are more satisfying when you achieve them. You can see yourself making progress, one step at a time.

Yet like most novice traders you may be turning up your nose at small, achievable goals. It could be that you would rather chase dreams you can't possibly achieve. The truth may be that your expectations are naive, so like so many others, you quickly fail, become disappointed, or just give up. The average life expectancy of a day trader is three to six months.

From what you wrote elsewhere it is obvious that you are now trading with insufficient capital hoping to make the win on a single trade. Your current account can't possibly cover a large drawdowns plus fees and commissions.

I have no way of knowing but it could be that you are also trading with an unreliable strategy and are expecting to make a profit even though market conditions have made what you are doing no longer viable. It's not only impossible for you to achieve unrealistic goals, it creates a great deal of stress, which itself can produce mistakes as you trade. Setting more realistic goals eases some of the pressure and helps you build up good trading habits.



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NEWS

U.S. Economy

U.S. consumer prices were up .1% in February and up 3.6% from a year ago, down from a 4.0% annual increase in January. The June T-bonds closed up 26/32nds at 111.12/32nds.

The Philadelphia Federal Reserve's regional business index fell from 15.4 to 12.3 in March, slightly weaker than expected, but still a sign of growth.

Grains

As of last week, USDA 2005-2006 exports of:

Corn were up 4% from a year ago.

Soybeans were down 23% from a year ago.

Wheat were down 3% from a year ago.

Cotton were up 34% from a year ago.

July cotton ended down .03 at 55.78 after showing an impressive 441,000 bales of net sales in the USDA report.

The USDA's latest drought monitor continues to show extreme drought conditions over Texas and Oklahoma with moderate drought conditions extending as far north as South Dakota and Illinois. Also, Minnesota, Iowa, Wisconsin, and Illinois are under winter storm warnings today and more winter storms are expected in the Midwest early next week.

The USDA said that Japan bought 105,000 tons of wheat from the U.S. and 28,000 tons from Canada. Egypt bought 60,000 tons of soft white wheat from the U.S. Also, the earlier sale of 102,501 tons of U.S. wheat to Iraq was cancelled. July wheat ended down 8.75 cents at \$3.647.

Currencies

Retail sales in the U.K. were up .5% in February and up 2.1% from a year ago, a little stronger than expected. The June British pound was up .0086 at \$1.7595.

In Canada, consumer prices were up 2.2% in February from a year ago, down from 2.8% in January. Excluding energy, prices were up 1.6% from a year ago.

Consumer prices in the Euro zone were up 2.3% in February from a year ago, down from 2.4% in January. In the EU25, prices were up 2.2% in February from a year ago. The June euro closed up .0103 at \$1.2247, the highest close in over a month.

The Swiss National Bank raised its interest rate from 1.00% to 1.25%, the second increase in three months.

The unemployment rate in Greece was 9.7% in the fourth quarter of 2005, the same as the previous quarter.



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REPORTS AND NOTICES

03/13/06 FN: Mar Currencies (CME)
LT: Mar Eurodollar (CME)
Mar LIBOR (CME)
Mar US Dollar Index (NYBOT)
Mar T-bills (CME)
Mar Orange Juice (NYBOT)

03/14/06 7:30 AM CST - Current Account (Q4)
7:30 AM CST - Retail Sales (Feb)
9:00 AM CST - Business Inventories (Jan)
NOPA Crush

FN: Mar Canadian Dollar (CME)
LT: Mar Corn (CBT)
Mar Oats (CBT)
Mar Soybeans (CBT)
Mar Soybean Oil & Meal (CBT)
Mar Wheat (CBT)
Mar Canadian Dollar (CME)

03/15/06 7:30 AM CST - Import & Export Prices (Feb)
7:30 AM CST - NY Empire State Index (Mar)
8:00 AM CST - Net Foreign Purchases (Jan)
9:30 AM CST - API & DOE Energy Stats
1:00 PM CST - Fed's Beige Book

LT: Mar Lumber (CME)
Mar GSCI (CME)
Apr Platinum Options (NYBOT)

03/16/06 7:30 AM CST - Housing Starts & Building Permits (Feb)
7:30 AM CST - CPI & Core CPI (Feb)
7:30 AM CST - USDA Weekly Export Sales
7:30 AM CST - Initial Claims-Weekly
9:30 AM CST - EIA Gas Storage
11:00 AM CST - Philadelphia Fed (Mar)
3:30 PM CST - Money Supply

LT: Mar DJIA (CBT)
Mar S&P 500 (CME)
Mar Nasdaq 100 (CME)
Mar Russell 2000 (CME)
Mar Value Line (KCBT)
Mar Cocoa (NYBOT)
Mar S&P 500 Options (CME)
Mar Nasdaq 100 Options (CME)
Mar Value Line Options (KCBT)
Apr Crude Oil Options (NYM)

Disclaimer: The above calendar is compiled from sources believed to be reliable. Trading Educators, Inc. assumes no responsibility for any errors or omissions. It is meant as an alert to events that may affect trading strategies and is not necessarily complete. The release dates for certain economic reports may have been rescheduled.



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Mission Statement

To show aspiring futures traders the truth in trading by teaching them how to read a chart so that they can successfully trade what they see and by revealing to them all of the insider knowledge they need in order to understand the markets. To enable them to trade profitably by training them to properly manage their trades as well as their mind set and self-control. To accomplish our mission for our students we will educate them so that they know and understand:

- Where prices are likely to move next
- Why prices will move there
- Who and what causes prices to move
- How far prices are likely to move when they do move
- Their own role in the movement of prices
- How to take advantage of the knowledge they receive
- How to properly manage and exit a trade which they have entered
- How to manage themselves and acquire the discipline needed to become successful traders

Benefits for our Clients

- Independence from complicated trading methods, magic indicators, and black-box systems
- Independence from opinion, anyone's opinion, including their own
- Independence achieved through knowing how to read a chart
- Independence through having knowledge of insider actions
- Independence achieved by taking a holistic approach
- Independence coming from knowing how to manage both the trade and themselves
- Independence because they understand and trade what they see
- Independence because they have learned the truth in trading and the truth about markets, and how and why they move as they do.
- Students learn only proven methods and techniques, which helps them to preserve capital and create consistent profits
- They learn to work effectively and smart
- They learn to treat trading as a business: we offer no holy grail or magic systems
- They learn to adapt to changing market conditions
- They learn a systematic approach *to* trading rather than a mechanical system *for* trading

DERIVATIVE TRANSACTIONS, INCLUDING FUTURES, ARE COMPLEX AND CARRY A HIGH DEGREE OF RISK. THEY ARE INTENDED FOR SOPHISTICATED INVESTORS AND ARE NOT SUITABLE FOR EVERYONE.

THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS. PAST RESULTS ARE NOT INDICATIVE OF FUTURE RESULTS. HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT.