

# Contents

<b>Preface</b>	<b>ix</b>
<b>CHAPTER 1 Developing a Trading System</b>	<b>1</b>
<b>CHAPTER 2 Patterns, Trends, and Price Objectives</b>	<b>13</b>
Chart Patterns	14
Trend Lines	15
Price Objectives	25
<b>CHAPTER 3 Using Spot Charts</b>	<b>31</b>
Commodity Market Indexes	32
Spot Currency Charts	41
Other Useful Spot and Continuous Charts	48
<b>CHAPTER 4 Relative Strength with Commodities</b>	<b>59</b>
RS Calculation Example	60
<b>CHAPTER 5 Other Strategies and Tools</b>	<b>71</b>
Support and Resistance	71
Big Base Breakouts	75
Changing Box Size	77
Using Pullbacks and Rallies to Improve Risk-Reward	82
Momentum	85
Trading Bands	90

<b>CHAPTER 6 Putting It All Together</b>	<b>95</b>
<b>Part One: Old Friends with a New Trend</b>	<b>95</b>
Our Approach	97
True Diversification—You Don't Have to Go Far to Find It	98
Putting It All Together	100
<b>Part Two: Initiating and Managing a Position</b>	<b>102</b>
Risk Management	102
Diversification	103
Stop Loss Points	105
Risk-Reward	106
Putting It All Together: Specific Trading Examples	110
<b>CHAPTER 7 Exchange-Traded Funds (ETFs) and Commodity Markets</b>	<b>129</b>
<b>Timing Is Everything</b>	<b>129</b>
<b>History of Exchange-Traded Funds</b>	<b>131</b>
<b>Today's Commodity/Currency ETF Market</b>	<b>133</b>
<b>Evaluating the Point &amp; Figure Chart of Commodity ETFs</b>	<b>136</b>
<b>Relative Strength Comparisons</b>	<b>139</b>
<b>Know What Is Inside</b>	<b>147</b>
<b>What Does the Future Hold?</b>	<b>151</b>
<b>CHAPTER 8 Mutual Funds and the Evolution of the Commodity Markets</b>	<b>153</b>
<b>From Fruit Baskets to Baskets of Fruit</b>	<b>153</b>
<b>Oils Well That Ends Well?</b>	<b>155</b>
<b>Soft Dollar? Try Franklin's Hard Currency Fund</b>	<b>168</b>
<b>Thinking Tactically about Cash</b>	<b>172</b>
<b>Contemplating Cash</b>	<b>174</b>
<b>The Big Picture?</b>	<b>177</b>
<b>Commodity/Futures-Related Mutual Fund Vehicles</b>	<b>178</b>
<b>CHAPTER 9 Final Thoughts</b>	<b>179</b>
<b>APPENDIX: Commodity and Futures Reference Sheet</b>	<b>191</b>
<b>Index</b>	<b>193</b>