

# Index

- Bonds, U.S. Treasury:  
  buying in uptrend, 151  
  commercial proxy index, 130  
  equity curve charts and volume,  
    77–78  
  large traders and, 56–57  
  moving averages and, 199–200  
  open interest and commercial  
    trading of, 197–199  
  small traders and, 48, 50, 52  
  trend moves and, 143, 147–151  
  WILLCO and, 113
- Briese, Steve, 33, 107
- British pound:  
  buying in uptrend, 151  
  commercial traders and, 30–31,  
    36–37  
  equity curve charts and volume,  
    72–76  
  open interest and, 85  
  small traders and, 43–44
- Caginalp, Gunduz, 169
- Canadian dollar, large traders and,  
  61–63
- Candlestick charts, 168–169
- Cattle:  
  large traders and, 57–58  
  open interest and, 98
- Changes in commitments, in COT  
  report, 17
- Charts, 165–195  
  candlestick, 168–169  
  closing-only price, 170  
  Fibonacci and, 179, 187–194  
  kagi bars, 173–174  
  market profile, 170–172  
  moving averages and, 175–177  
  open/high/low/close, 167–168  
  patterns of, 178–187  
  point-and-figure, 172–173  
  pros and cons of, 166–167, 195  
  renko, 174–175
- Citigroup, 133
- Citrix Systems, 135
- Closing-only price charts, 170
- Cocoa, commercial traders and,  
  36
- Coffee:  
  commercial traders and, 27, 28  
  large traders and, 63–64  
  in trend examples, 201–203
- Commercial traders. *See also*  
  Trading  
  in COT report, 16  
  entry and exit points of, 23–30  
  equation to quantify actions of,  
    33–40  
  examples of, 8–9  
  gold and, 158–160  
  long-term view of, 60  
  market randomness and, 116–121

- Commercial traders (*Continued*)  
 open interest longs and shorts,  
 91–98  
 open interest percentage as  
 indicator, 99–115  
 proxy index to apply to stocks,  
 129–135  
 regulation of, 2–3  
 trading goals of, 5–7  
 trends and, 105–106, 147–163
- Commitments of Traders (COT)  
 report, 7–8. *See also*  
 Commercial traders  
 explained, 13–21  
 Jiler on forecasting with, 9–11  
 long form example, 20  
 short form example, 19
- Commodity Futures Trading  
 Commission (CFTC), 1–3
- Concentration ratios, in COT report,  
 18–19
- Corn, WILLCO and, 114
- Corrections, timing of, 145
- Cotton:  
 large traders and, 60–61  
 small traders and, 42–43  
 WILLCO and, 114
- Crawford, Arch, 140
- Crop years, in COT report, 17–18
- Crude oil:  
 candlestick chart, 168  
 closing-only chart, 170  
 commercial traders and,  
 37–38  
 kagi bars chart, 174  
 open/high/low/close chart,  
 167–168  
 point-and-figure chart, 172  
 renko chart, 175  
 trend moves and, 144
- Currency exchanges, volume and,  
 7. *See also specific*  
*currencies*
- Depression/recession, gold and,  
 160–161
- Dollar:  
 Canadian, 61–63  
 U.S., 154–156
- Emotions. *See* Psychological factors  
 of trading
- Equity curve, volume and:  
 bonds, 77–78  
 British pound, 72–76  
 S&P 500, 66–73
- Extremes:  
 commercial traders and, 25–31  
 large traders and, 55–64
- Fastenal Company, 132
- Favors, Jerry, 140
- Fibonacci, Leonardo, 179
- Fibonacci ratio, 179, 187–194
- “Forecasting Methodology, The”  
 (Jiler), 9–11
- Fund managers, as trend followers,  
 58–60
- Futures markets, 2, 7. *See also*  
*specific commodities*
- Gann, W. D., 140
- Goepfert, Jason, 107
- Gold:  
 buying in uptrend, 151  
 commercial traders and, 26–27,  
 35, 111–113, 158–160  
 depressions/stock market crashes  
 and, 160–161  
 large traders and, 56  
 open interest and, 84–85, 97  
 seasonal pattern of, 156–158  
 simple moving averages and,  
 176–177  
 small traders and, 45–46  
 trend moves and, 152–161  
 U.S. dollar and, 154–156

- Golden Ratio, 188
- Gunther, Max, 195
- Hedgers. *See* Commercial traders
- Hogs:
  - large traders and, 62
  - small traders and, 52–53
- Inflation, gold and, 161
- Inge, Gene, 116
- Innovo Group, 134
- Intel Corporation, 134
- Japanese yen, commercial open interest/seasonal patterns, 99–107
- Jiler, Bill, 9–11
- Jones, Paul Tudor, 113
- Kagi bars, 173–174
- Keen, Sam, 137
- Kendall, Maurice, 117
- Large traders, 5
  - as contrarian indicators at extremes, 55–64
  - reporting of, 21
- Laurent, Henry, 169
- Learning to Fly* (Keen), 137
- Livermore, Jesse, 141
- Long open interest, 79
- Long positions, equation to index to last three years, 33–40
- Losses. *See also* Stop-loss orders
  - acceptance of, 124–125, 137–138, 142–145
  - avoiding taking small profits to offset, 141–142
- Lumber:
  - open interest and, 85, 86, 94–95
  - small traders and, 49
- Mad cow disease, 98
- Market profile charts, 170–172
- Markets, “randomness” of, 116–121
- Microsoft Corp., 131
- Mind-set. *See* Psychological factors of trading
- Moving averages:
  - charts and, 175–177
  - trends and, 199–200
- Noncommercial traders (speculators), 7, 16
  - trading goals of, 5–6
- Nonreportable positions, in COT report, 16
- Number of traders, in COT report, 17
- Office of External Affairs (OEA), of CFTC, 2–3
- Old and other futures, in COT report, 17–18
- Open/high/low/close charts, 167–168
- Open interest (OI), 79–98
  - commercials as percentage of, as indicator, 99–115
  - commercials *vs.* public longs and shorts, 91–98
  - COT net position and, 201–204
  - in COT report, 15, 17
  - difference from volume, 79
  - price movement and conventional wisdom, 80–83
  - as timing/entry tool, 83–89, 197–199
- Orange juice, trend moves and, 152
- Overtrading, avoiding, 146
- Parent, Jeff, 189–190
- Percent of open interest, in COT report, 17. *See also* Open interest (OI)

- Philip Morris, 132
- Point-and-figure charts, 172–173
- Pound. *See* British pound
- “Predictive Power of Price Patterns, The” (Caginalp and Laurent), 169
- Reframing, 142–145
- Principles of Corporate Finance* (Meyers and Brealy), 117
- ProGo, silver and, 108–111
- Proxy index to stocks, 129–135
- Psychological factors of trading:
  - acceptance of losses and, 124–125, 137–138, 142–145
  - basic beliefs about market and, 122–124
  - stop-loss protection and, 125–127
  - third party arguments and, 115–116
- Public traders. *See also* Small traders
  - as contrarian indicator, 20
  - open interest and, 80
  - separating from professionals, 109–111
- Randomness of market, 116–121
- Recessions, gold and, 160–161
- Regulation. *See* Commodity Futures Trading Commission (CFTC)
- Renko charts, 174–175
- Reportable positions, in COT report, 15–16
- Rotter, Paul, 125
- S&P 500:
  - buying in uptrend, 151
  - equity curve charts and volume, 66–73
  - extremes and, 27–29
  - Fibonacci retracement percent levels, 189–190
  - open interest and, 85–86, 95–96
  - “randomness” of ups and downs in, 117–121
  - retracement charts, 191–194
- Seasonal patterns, of gold, 156–158
- Short open interest, 79
- Short positions, equation to index to last three years, 33–40
- Silver:
  - commercial traders and, 38–40, 105–111
  - open interest and, 87–88, 95–96
- Small traders, 5. *See also* Public traders
  - as contrarian indicator, 41–53
- Soybeans:
  - commercial proxy index, 130
  - large traders and, 63
  - open interest and, 81–84, 92–94
  - small traders and, 46–47
  - trend moves and, 145
- Speculation, as thinking business, 139–140
- Speculators (noncommercial traders), 7, 16
  - trading goals of, 5–6
- Spreading, in COT report, 16–17, 18
- Starbucks, 133
- Steidlmayer, J. Peter, 170
- Stocks:
  - market crashes and gold, 160–161
  - open interest and, 85–87
  - proxy index to, 129–135
- Stop-loss orders, 51–52, 137–140, 145
  - successful traders and, 125–127
- Sugar, WILLCO and, 115
- Swiss franc, buying in uptrend, 151
- Thatcher, F. B., 140
- Third party arguments, 115–116

- Trading. *See also* Commercial traders
- bad habits and, 145–146
  - holding onto big trades, 141–144
  - no perfect system for, 137–141
  - reframing and, 142–145
  - psychological factors of, 115–116, 122–127
  - reasons for small traders'
    - mistiming of, 51
  - trapeze analogy to, 137–139
  - trends and, 147–163
- Treasury bonds:
- buying in uptrend, 151
  - commercial proxy index, 130
  - equity curve charts and volume, 77–78
  - large traders and, 56–57
  - moving averages and, 199–200
  - open interest and commercial trading of, 197–199
  - small traders and, 48, 50, 52
  - trend moves and, 143, 147–151
  - WILLCO and, 113
- Trends:
- as basis of all profits, 150
  - bonds and, 147–151
  - commercials and, 105–106, 147–163
  - following of, 58–60
  - gold and, 153–161
  - moving averages and, 199–200
  - other commodities and, 151–153
  - time and, 165–166
- Upperman, Floyd, 107
- U.S. dollar, gold and, 154–156
- Van Nice, Joe, 33
- Volume, 68–78
- bonds and, 77–78
  - British pound equity curve and, 72–76
  - difference from open interest, 79
  - S&P 500 equity curve and, 66–73
- Wheat:
- commercial traders and, 24–26
  - open interest and, 89
  - small traders and, 48
  - trend moves and, 152
- WILLCO (Williams Commercial Index)
- metals/currency trends and, 105–113
  - other commodities and, 113–115
- Zurich Axioms* (Gunther), 195

