

# TradeScope

For Thursday, May 17, 2012



## Calendar

05/17/12	7:30 AM CDT - USDA Weekly Export Sales 7:30 AM CDT - Initial Claims-Weekly 9:00 AM CDT - Leading Indicators(Apr) 9:00 AM CDT - Philadelphia Fed(May)  LT: Jun Crude Lt Options(NYM)
05/18/12	2:00 PM CDT - Cattle On Feed 2:00 PM CDT - Milk Production  LT: May Coffee(ICE) May Nikkei Options(CME) May DJIA Options(CME) May S&P 500 Options(CME) May E-Mini S&P 500 Options(CME) May NASDAQ Options(CME) May E-Mini NASDAQ Options(CME) May Russell Options(CME) Jun Orange Juice Options(ICE)

The TradeScope results presented here are hypothetical in that they do not necessarily represent actual customer performance.

## Today's Trading Activity Recap:

- None

## Today's Recommendations:

- None.

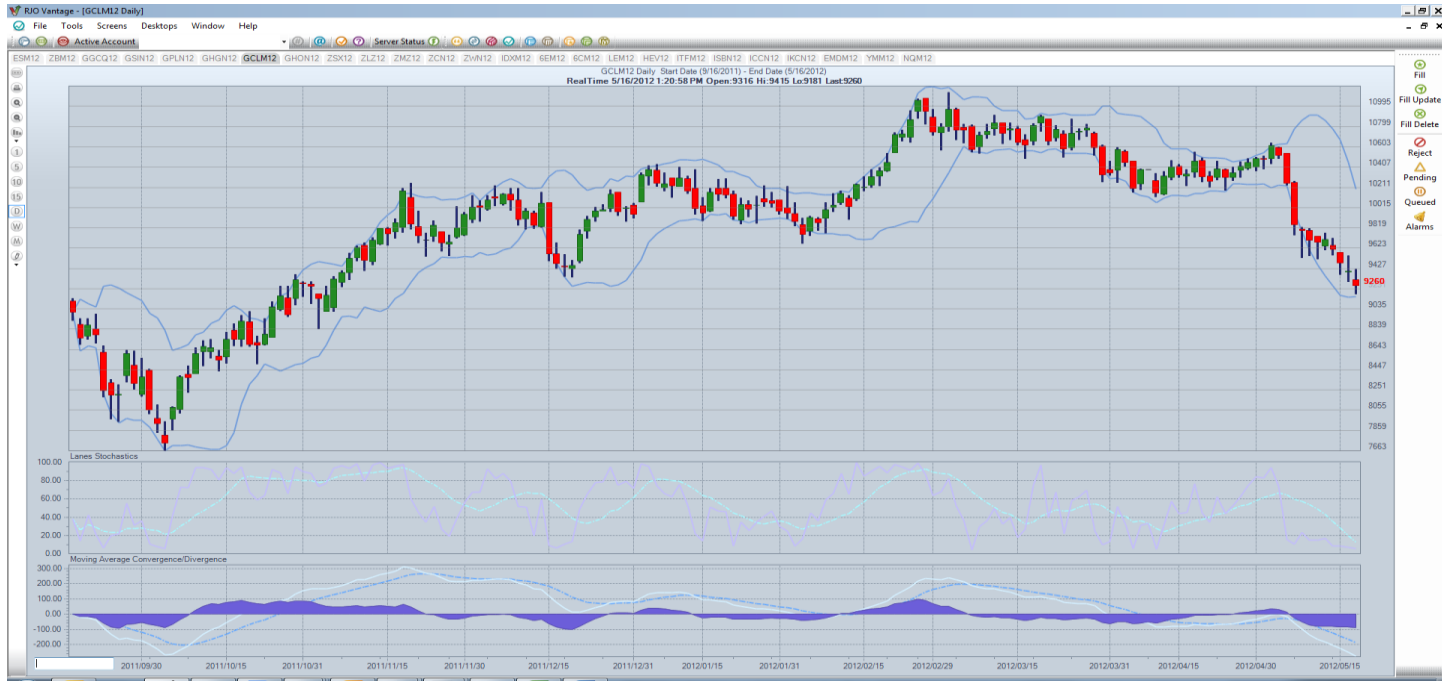
## Open Positions:

- **August Micro Gold** – Bought 2 @ \$1,660.00. Close = \$1,538.70 for an open loss of \$2,426.00. No stops yet. Gold spent the month of April moving sideways to lower as the yellow metal shadowed equity market movements. The correlation between the direction of the stock market and gold revolves around view that both are considered risk assets to be bought or sold during “risk on” or “risk off” market conditions. The connection linking equities and precious metals remains the US dollar. A weak US dollar is currently associated with both rising stock and gold markets and vice versa. Dollar strength is currently relative to other currencies such as the euro or the yen. One argument for higher gold prices is that nearly all major paper currencies are being debased by loose monetary policy. Loose monetary policy and a negative real interest rate environment are bullish conditions for precious metals. At some point in the near future, we expect to see precious metals resuming their uptrend even if the US dollar strengthens versus its rival currencies and/or the stock market continues to struggle. If stocks drop, look for central banks, including the US Federal Reserve, to rev up the printing presses in an attempt to reflate their respective economies. While gold prices could certainly continue to fall, it makes sense to us to have some bullish exposure at all times. Margin = \$1,000 per contract. \$1 = \$10 per contract.

### Daily Aug. Gold...



- **June Crude Oil \$130 Calls** – Long 2 Calls @ 70. The \$130 calls settled @ 1 for an open loss of \$1,380. June crude closed at \$94.78. Each cent (1 point) in a full-size crude oil contract or option = \$10. Crude Oil call options are similar to lottery tickets in this environment, they either pay off big if there is an “unexpected” event in the Middle East or expire worthless on no news. June Crude Oil options expire on May 17.



## Open Orders for New Trades:

- None.

***There is a risk of loss in trading futures & options. Past performance is not indicative of future results.***

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