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TAG XVII • Las Vegas '95

Joseph B. Stowell

Joseph B. Stowell — "IDR," "LMI" & "TBS" Systems

Joseph Stowell is the sole proprietor of Money Management Services, a financial and trading consulting business. He is also the author and editor of *The Bond Investor Newsletter*, a publication primarily devoted to the teaching of successful, short term trading methods for the bond futures contract. Joseph has been trading for 31 years. This, combined with 24 years of teaching in the public schools of New York State, provide a unique background of trader and teacher.

As a trader Joseph often shares his trading methods through individual tutoring and seminars. He has developed several highly rated computerized and non-computerized technical trading systems for the Bond market. His unique and original work decidedly follows the precept of "keeping it simple".

You will receive a copy of a report generated by Formula Research, a firm which exhaustively tested one of the tools Joseph will teach you how to use. The results are quite good.

In late October Joseph participated in Dow Jones Telerate seminars in Singapore and Kuala Lumpur. This year, Joseph taught his techniques in 16 cities throughout Europe, India and the Mid-East. Although he will primarily use bonds as examples, he will also show you a variety of charts from various markets, including foreign exchange, stocks, futures, cash, rubber, indices, etc.

• Topic: Bonds and Other Futures, Equities and Cash Markets — A Master Trading Plan

Participants will learn several short term trading techniques, including three new trading signals, IDR (Inside Day Reversal), LMI (Leading Momentum Indicator) and the TBS (Third Bar Signal), through the use of a daily bar chart. Beginning, intermediate, and experienced traders will find a great deal of useful information in this presentation. Joseph will discuss mechanical entry points, protective stops, and profit objectives for short term trades of two to five days. Joseph's presentation will show you his integration of the various short term trading signals and how they form a Master Trading Plan for participating in various markets.

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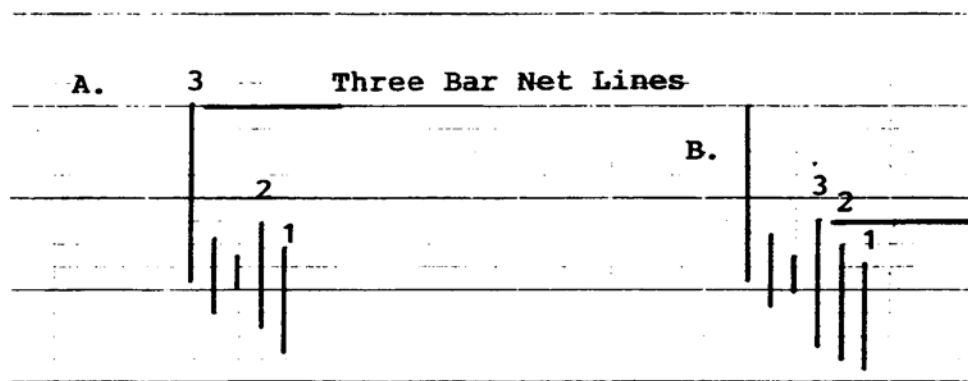
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THREE BAR NET LINE - Down Trend

1. Assuming the market is in a current down move, find the lowest low and use the high of this bar as bar #1.
2. Compare this high to the most recent previous high that is higher than the high of bar #1 and label this bar as bar #2.
3. Using the high of bar #2, compare this high to the previous high that is higher than the high of bar #2 and label the new high as bar #3.
4. You are working from right to left on your chart. Delete all Inside Bars from the calculation.

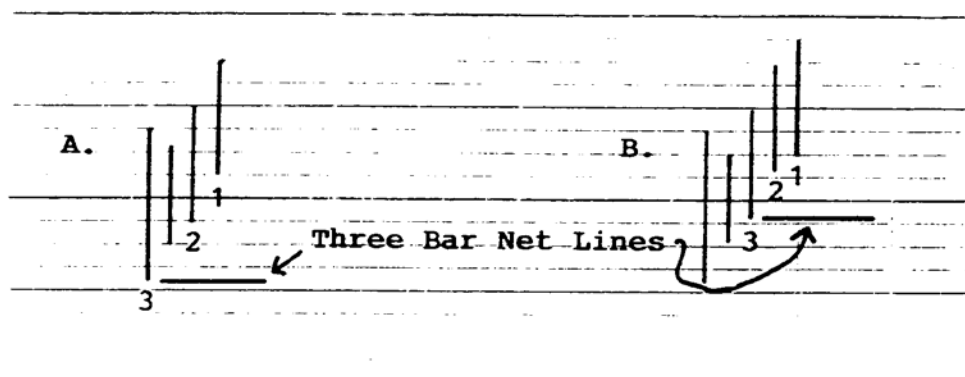


5. The high of bar #3 becomes the **THREE BAR NET LINE** for the current down move.
6. Each time the newest bar's low is lower than the previous lowest low, it is necessary to recalculate the location of the **THREE BAR NET LINE**.
7. This trend is a single value and extends directly across the chart.
8. As long as the market does not close above this trend line, the trend is down.

(2)

THREE BAR NET LINE - Up Trend

1. Assuming the market is in a current up move, find the highest high and use the low of this bar as bar #1.
2. Compare this low to the most recent previous low that is lower than the low of bar #1 and label this bar as bar #2.
3. Using the low of bar #2, compare this low to the previous low that is lower than the low of bar #2 and label the new low as bar #3.
4. You are working from right to left on your chart. Delete all Inside Bars from the calculation.



5. The low of bar #3 becomes the **THREE BAR NET LINE** for the current up move.
6. Each time the newest bar's high is greater than the previous highest high, it is necessary to recalculate the location of the **THREE BAR NET LINE**.
7. This trend line is a single value and extends directly across the chart.
8. As long as the market does not close below this trend line, the trend is up.

(1)

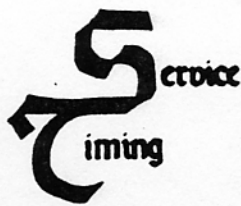
**LEADING MOMENTUM INDICATORS
and
THIRD BAR SIGNALS
and
INSIDE DAY REVERSALS**

**Created and Presented
by
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June 20, 1995

**Tim Slater
Dow Jones Telerate, Inc.
Telerate Seminars
One Shell Square, Suite 3900
701 Poydras Street
New Orleans, LA 70139**

Tim,

Enclosed are the materials for the fall conference in Las Vegas. I have put together a new presentation with most of the material being new. If you any questions, give me a call. After a couple of weeks, I have finally recovered from the "Indian Bug".

Regards,

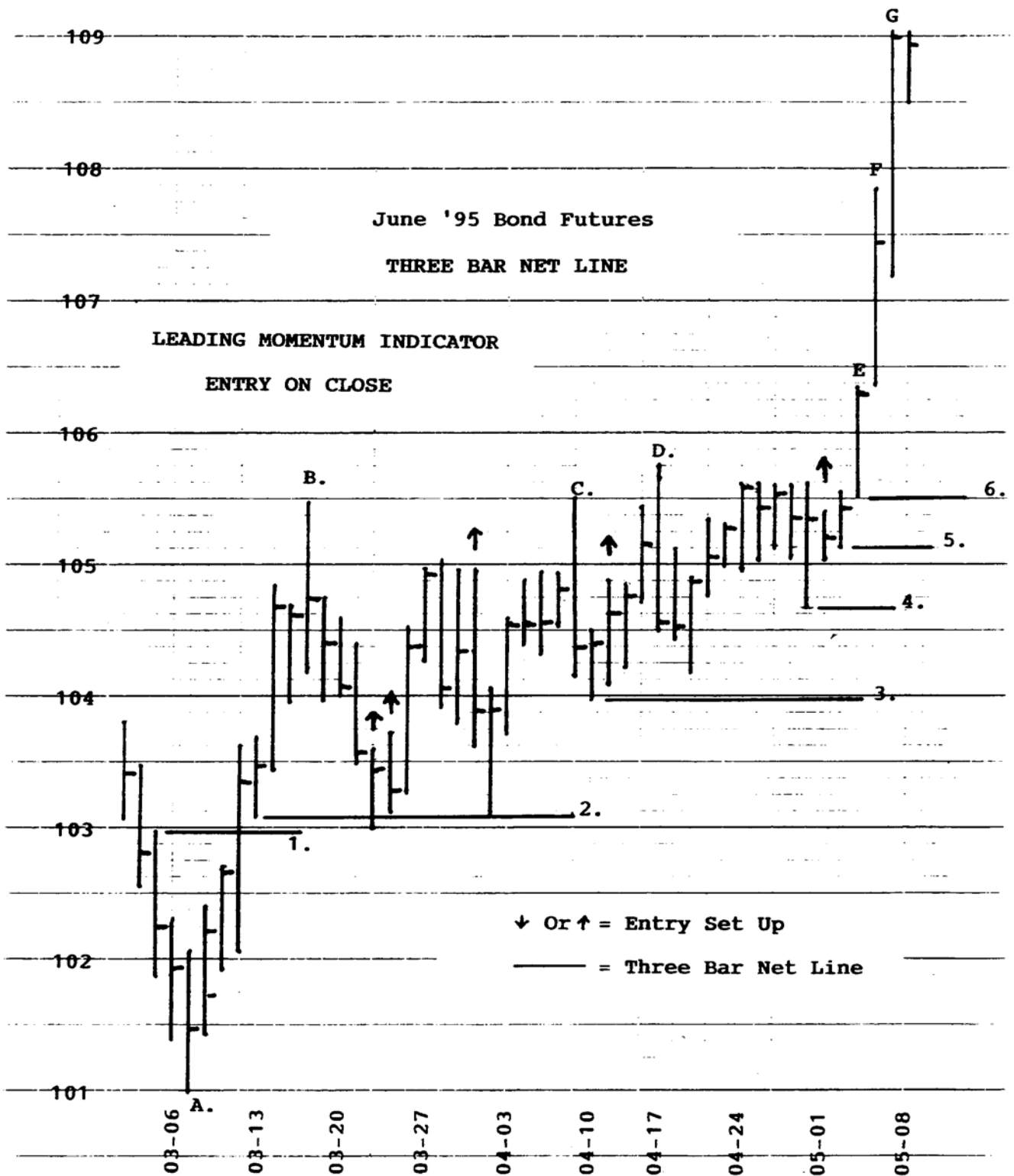
A handwritten signature in cursive script, appearing to read 'Joe Stowell'.

Joe Stowell

LEADING MOMENTUM INDICATOR

- 1. Construct the indicator by calculating the difference between the current time period and the second previous time period.**
- 2. The time periods may be monthly (stocks), weekly, daily, hourly, or even shorter time periods.**
- 3. The newest time period is considered #1 and you count back to time period #3. Calculate the difference between time period #1 and time period #3. If time period #1 is greater than time period #3, record the number as a positive value. If time period #1 is less than time period #3, record the number as a negative value.**
- 4. The values of the LMI can be recorded above and below a zero line to provide a visual effect or simply can be listed on a worksheet.**
- 5. In an UPTREND, if the values are below the zero line but are flat or trending higher, this is an indication of a potential BUY SIGNAL.**
- 6. In a DOWNTREND, if the values are above the zero line but are flat or trending lower, this is an indication of a potential SELL SIGNAL.**
- 7. This is a leading indicator and when a signal is given it will either be ahead of the change in direction of price activity or it will call the turn almost to the exact price.**
- 8. Volatile and/or non-trending markets can cause a sudden shift in the indicator from below to above - or - from above to below the zero line.**

(3)



LMI INDICATOR WORKSHEET

Contract/Market _____

Page _____

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(5)

LMI INDICATOR WORKSHEET

Contract/Market June 95 Bond Futures Page One

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
02-21	10124	- 15			03-22	10314	- 20	Buy	10314
02-22	10222	+ 21			03-23	10309	- 9	Buy	10309
02-23	10208	+ 16	Sell	10208	03-24	10412	+ 30		
02-24	10215	- 7			03-27	10430	+ 53		
02-27	10302	+ 26			03-28	10402	- 10		
02-28	10314	+ 31			03-29	10411	- 19		
03-01	10313	+ 11	Sell	10313	03-30	10329	- 5	Buy	10329
03-02	10226	- 20			03-31	10329	- 14		
03-03	10208	- 37			04-03	10418	+ 21		
03-06	10130	- 28	Buy	10130	04-04	10418	+ 21		
03-07	10115	- 25	Buy	10115	04-05	10418	0		
03-08	10207	- 9	Buy	10207	04-06	10426	+ 8		
03-09	10221	+ 38			04-07	10412	- 6		
03-10	10311	+ 36	Sell	10311	04-10	10413	- 13		
03-13	10315	+ 26	Sell	10315	04-11	10420	- 6	Buy	10420
03-14	10422	+ 75			04-12	10424	+ 11		
03-15	10420	+ 37	Sell	10420	04-13	10505	+ 17		
03-16	10424	+ 2	Sell	10424	04-17	10418	- 6		
03-17	10413	- 7			04-18	10417	- 20		
03-20	10402	- 22			04-19	10428	+ 10		
03-21	10318	- 27			04-20	10502	+ 17		

According to the THREE BAR NET LINE, the June 95 Bond Futures Contract was in an up trend from 03-10-95 through all of the time period for trading this contract (May 31) and into June. Therefore, only BUY SIGNALS are followed.

LMI INDICATOR WORKSHEET

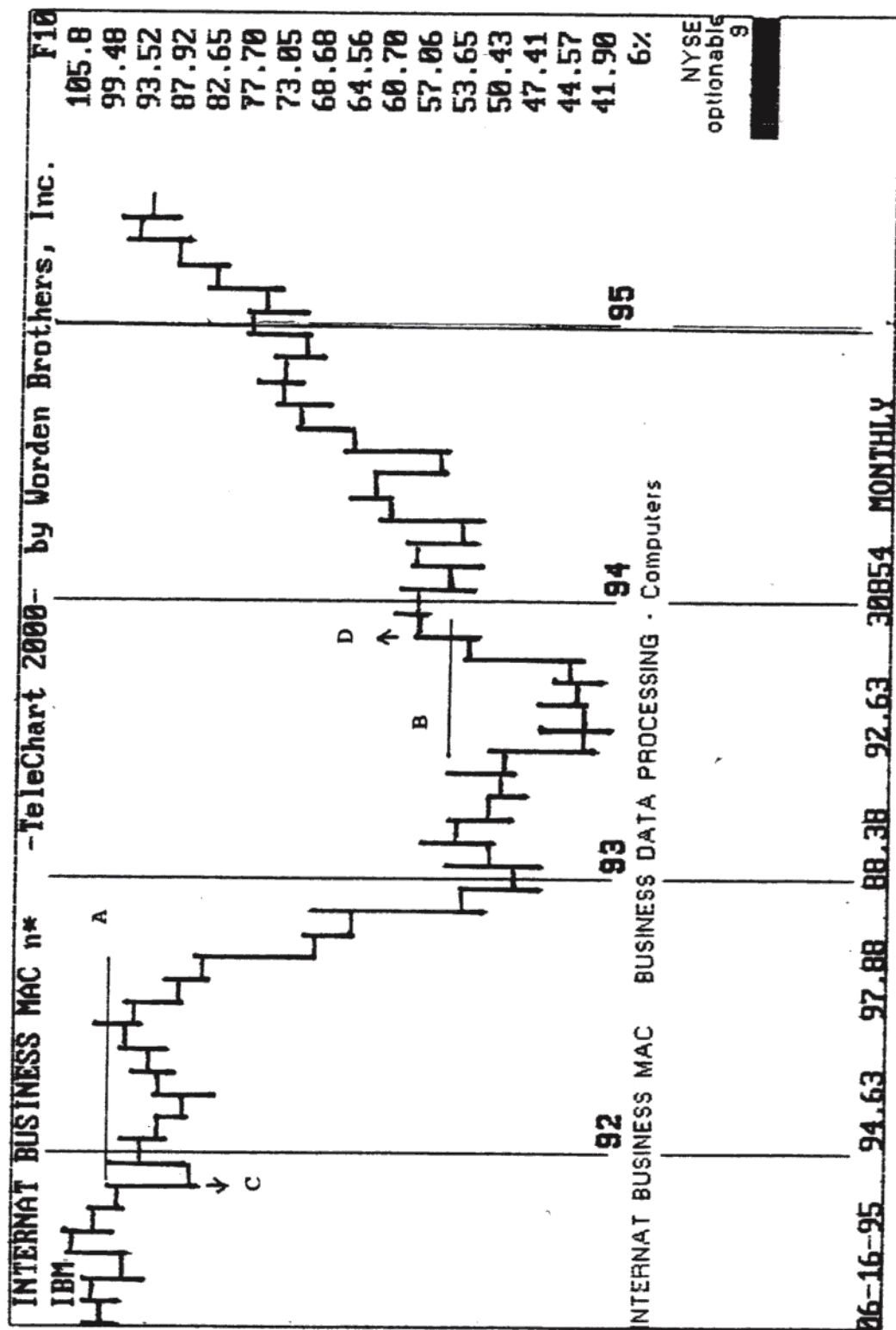
Contract/Market June 95 Bond Futures Page Two

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
04-21	10509	+ 13	Sell	10509	05-22	11005	- 3	Buy	11005
04-24	10519	+ 17			05-23	11021	+ 12		
04-25	10514	+ 5	Sell	10514	05-24	11131	+ 58		
04-26	10517	- 2			05-25	11207	+ 50	Sell	11207
04-27	10511	- 3			05-26	11203	+ 4	Sell	11203
04-28	10511	- 6			05-30	11230	+ 23		
05-01	10507	- 4	Buy	10507	05-31	11301	+ 30		
05-02	10514	+ 3							
05-03	10610	+ 35							
05-04	10714	+ 64							
05-05	10900	+ 86							
05-08	10830	+ 48	Sell	10830					
05-09	10926	+ 26	Sell	10926					
05-10	10912	+ 14	Sell	10912					
05-11	10910	- 16							
05-12	10908	- 4	Buy	10908					
05-15	10925	+ 15							
05-16	11023	+ 47							
05-17	11025	+ 32	Sell	11025					
05-18	11008	- 15							
05-19	11009	- 16							

According to the THREE BAR NET LINE, the June 95 Bond Futures Contract was in an up trend from 03-10-95 through all of the time period for trading this contract (May 31) and into June. Therefore, only BUY SIGNALS are followed.

(7)

"Charts are courtesy of Telechart 2000TM by Worden Brothers, Inc., 4905 Pine Cone Drive, Suite 12, Durham, NC 27707. PH (800) 776-4940



LMI INDICATOR WORKSHEET

Contract/Market IBM Monthly ClosePage One

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
03/88		- 525		↑	12/89		- 600	Buy	94.38
04/88		- 413	Buy	113.50	01/90		+ 100		
05/88		+ 550			02/90		+ 950		
06/88		+1388			03/90		+ 775	Sell	106.25
07/88		+1275	Sell	125.75	04/90		+ 512	Sell	109.00
08/88		-1588			05/90		+1363		
09/88		-1037	Buy	115.38	06/90		+1125	Sell	117.50
10/88		+1138			07/90		- 800		
11/88		+ 312	Sell	118.50	08/90		-1562		
12/88		- 113			09/90		- 500	Buy	106.38
01/89		+1238			10/90		+ 362		
02/89		- 25			11/90		+ 662		
03/89		-2163			12/90		+ 750		↑
04/89		- 750	Buy	114.00	01/91		+1338		
05/89		+ 38			02/91		+1500		
06/89		- 212			03/91		-1263		
07/89		+ 550			04/91		-2525		↓
08/89		+ 525	Sell	117.13	05/91		- 787	Buy	106.38
09/89		- 600			06/91		- 562	Buy	97.13
10/89		-1675		↓	07/91		- 513	Buy	101.25
11/89		-1163	Buy	97.50	08/91		- 25	Buy	96.88

P/L Column will list the price. A Profit/Loss can then be calculated from this column. Trades should be taken in the direction of the trend by buying in up trends and taking profits at the sell signal. Sell signals are followed in a down trend and profits are taken at the buy signal.

LMI INDICATOR WORKSHEET

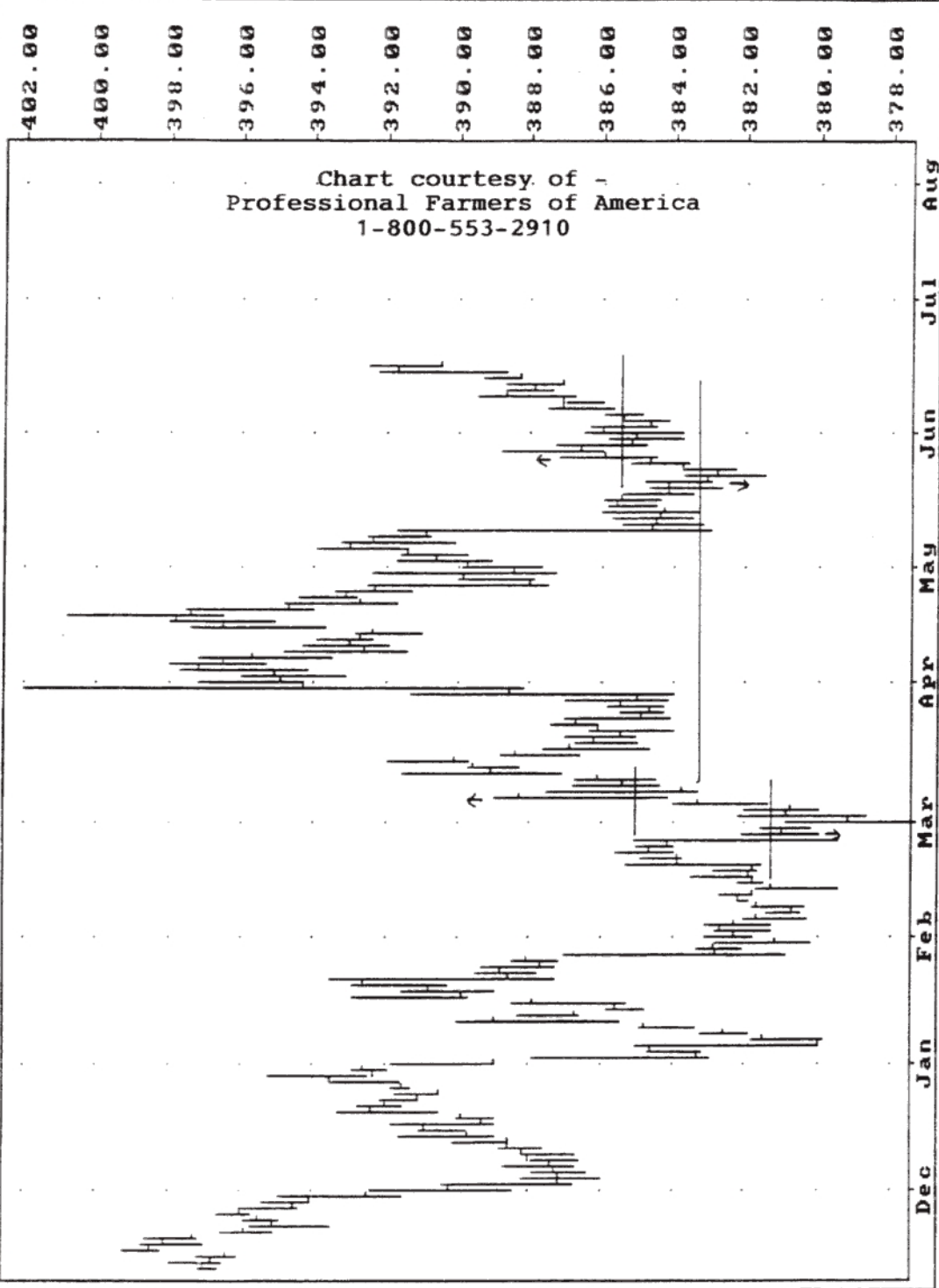
Contract/Market IBM Monthly ClosePage Two

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
09/91		+ 238		↓	06/93		+ 75	Sell	49.38
10/91		+ 137	Sell	98.25	07/93		- 825		
11/91		-1113			08/93		- 363	Buy	45.75
12/91		- 925	Buy	89.00	09/93		- 250	Buy	42.00
01/92		- 250	Buy	90.00	10/93		+ 25		
02/92		- 212	Buy	86.88	11/93		+1188		↑
03/92		- 650			12/93		+1050	Sell	56.50
04/92		+ 387			01/94		+ 287	Sell	56.75
05/92		+ 725			02/94		- 362		
06/92		+ 713	Sell	97.88	03/94		- 225	Buy	54.50
07/92		+ 388	Sell	94.63	04/94		+ 437		
08/92		-1125			05/94		+ 875		
09/92		-1388			06/94		+ 150	Sell	58.75
10/92		-1975			07/94		- 150		
11/92		-1250	Buy	68.25	08/94		+ 988		
12/92		-1650			09/94		+ 775	Sell	69.50
01/93		-1675			10/94		+ 587	Sell	74.50
02/93		+ 400			11/94		+ 125	Sell	70.75
03/93		- 62			12/94		- 100		
04/93		- 575			01/95		+ 138		
05/93		+ 187			02/95		+ 175		

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Jun95 COMEX Gold

Rev: 6/16/95



LMI INDICATOR WORKSHEET

Contract/Market June '95 Gold Futures Page One

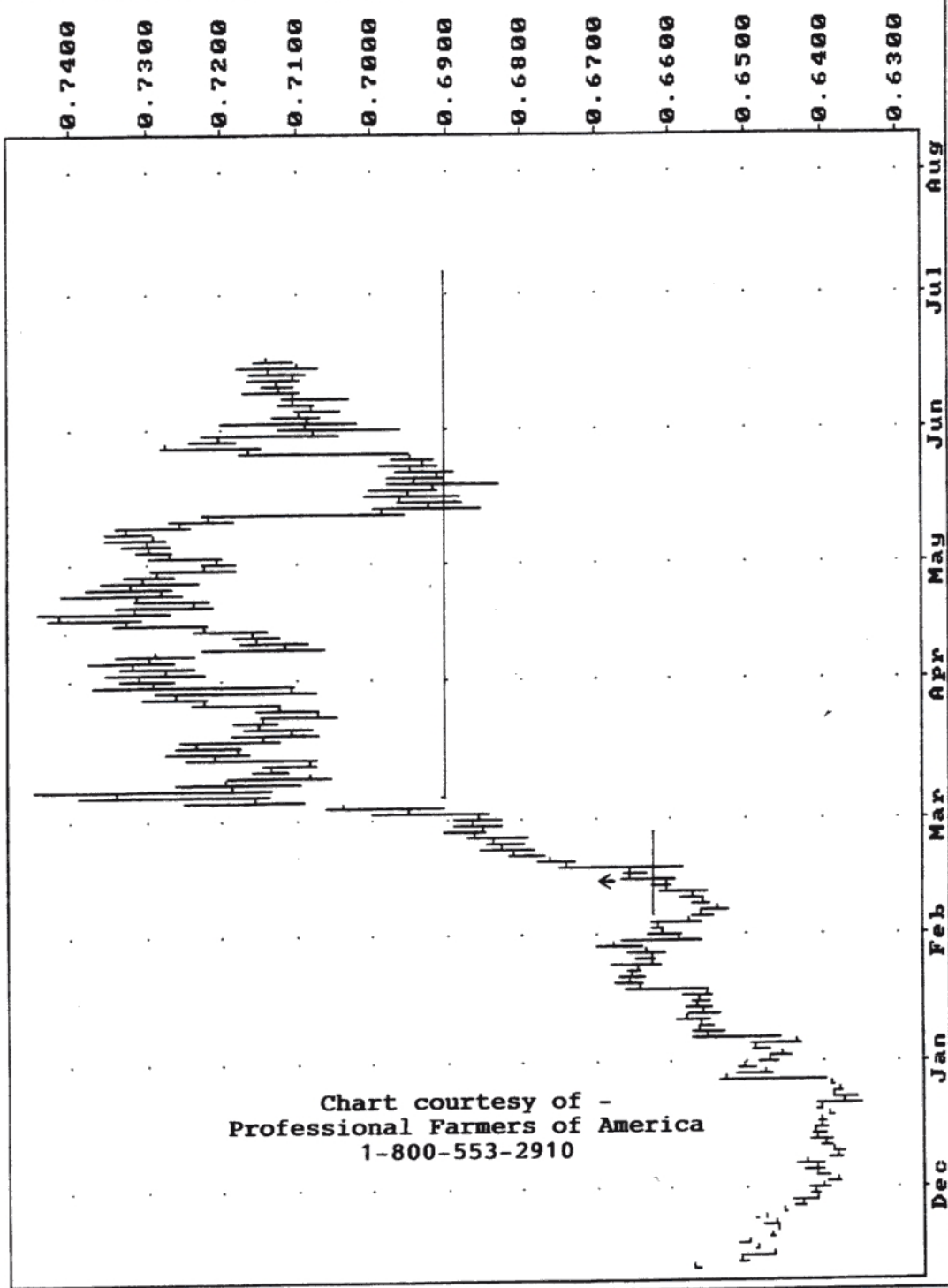
Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
03-01	37920				03-30	38860	+310		
03-02	38090				03-31	39430	+930		
03-03	38080	+160			04-03	39490	+630	Sell	39490
03-06	38380	+240			04-04	39510	+ 80	Sell	
03-07	38830	+750		↑	04-05	39720	+230		
03-08	38380	+ 50	Sell		04-06	39650	+140	Sell	
03-09	38540	-290			04-07	39570	-150		
03-10	38610	+230			04-10	39260	-390		
03-13	38910	+370			04-11	39300	-270	Buy	39300
03-14	38960	+350	Sell		04-12	39270	+ 10		
03-15	39010	+100	Sell		04-13	39240	- 60		
03-16	38840	-120			04-17	39650	+380		
03-17	38690	-320			04-18	39780	+540		
03-20	38620	-220	Buy	38620	04-19	39740	+ 90	Sell	39740
03-21	38550	-140	Buy	38550	04-20	39770	- 10		
03-22	38610	- 10	Buy	38610	04-21	39270	-470		
03-23	38670	+120			04-24	39310	-460	Buy	39310
03-24	38490	-120			04-25	39230	- 40		
03-27	38470	-200			04-26	38800	-510		
03-28	38550	+ 60			04-27	38990	-340	Buy	38990
03-29	38500	+ 30			04-28	38850	+ 50		

LMI INDICATOR WORKSHEET

Contract/Market June '95 Gold FuturesPage Two

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
05-01	38980	- 10							
05-02	39069	+210							
05-03	39140	+160	Sell	39140					
05-04	39300	+240							
05-05	39240	+100	Sell						
05-08	39090	-210							
05-09	38460	-780							
05-10	38450	-640	Buy	38450					
05-11	38440	- 20	Buy	38440					
05-12	38430	- 20	Buy	38430					
05-15	38560	+120							
05-16	38550	+120	Sell	38550					
05-17	38420	-140							
05-18	38420	-130	Buy	38420					
05-19	38310	-110	Buy	38310↓					
05-22	38280	-140							
05-23	38380	+ 70							
05-24	38470	+190							
05-25	38590	+210		↑					
05-26	38660	+190	Sell	38660					

Using the THREE BAR NET LINE to determine trend and requiring a minimum move of at least 100 beyond the zero line before taking profits resulted in nearly all of the trading signals in the June '95 Gold Futures Contract returning a profit.



LMI INDICATOR WORKSHEET

Contract/Market June '95 D-Mark Futures Page One

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
03-01	6859			↑	03-30	7107	-117		
03-02	6951				03-31	7290	+ 30		
03-03	7038	+179			04-03	7310	+203		
03-06	7157	+206			04-04	7275	- 15		
03-07	7340	+302			04-05	7318	+ 8		
03-08	7186	+ 29	Sell		04-06	7297	+ 22		
03-09	7194	-146			04-07	7288	- 30		
03-10	7084	-102	Buy	7084	04-10	7116	-181		
03-13	7134	- 60	Buy	7134	04-11	7153	-135	Buy	7153
03-14	7084	0	Buy	7084	04-12	7161	+ 45		
03-15	7209	+ 45			04-13	7223	+ 70		
03-16	7180	+ 96			04-17	7327	+166		
03-17	7234	+ 25	Sell	7234	04-18	7413	+190		
03-20	7147	- 33			04-19	7317	- 10		
03-21	7107	-127			04-20	7235	-178		
03-22	7151	+ 4			04-21	7312	- 5	Buy	7312
03-23	7146	+ 39			04-24	7281	+ 46		
03-24	7071	- 80			04-25	7320	+ 8	Sell	7320
03-27	7125	- 21	Buy	7125	04-26	7306	+ 25		
03-28	7224	+153			04-27	7285	- 35		
03-29	7260	+135	Sell	7260	04-28	7224	- 82		

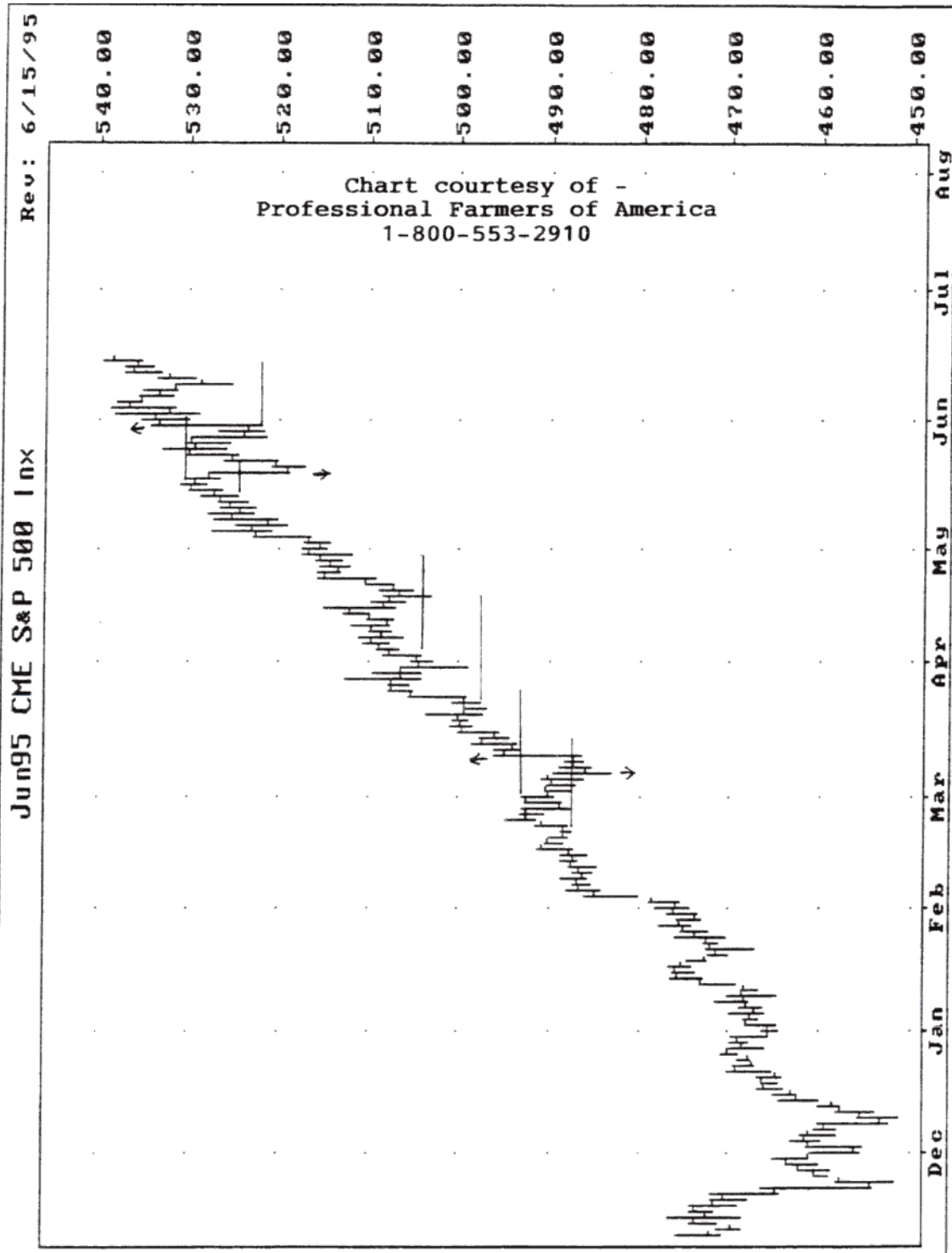
(15)

LMI INDICATOR WORKSHEET

Contract/Market June '95 D-Mark Futures Page Two

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
05-01	7207	- 78	Buy	7207					
05-02	7268	+ 44							
05-03	7296	+ 89							
05-04	7299	+ 31	Sell	7299					
05-05	7292	- 4							
05-08	7328	+ 29							
05-09	7255	- 37							
05-10	7217	-111							
05-11	6988	-267							
05-12	6925	-292							
05-15	6962	- 26	Buy	6962					
05-16	6951	+ 26							
05-17	6918	- 44							
05-18	6944	- 7	Buy	6944					
05-19	6914	- 4	Buy	6914					
05-22	6948	+ 4							
05-23	6932	+ 18							
05-24	6949	+ 1							
05-25	7165	+233							
05-26	7275	+326							
05-30	7204	+ 39	Sell	7204					

The June '95 D-Mark Futures Contract was in an up trend throughout the trading period of March - May. Only Buy Signals were followed and profits taken on Sell Signals that occurred following a minimum move of 25 points above the zero line. Profits are substantial for this time period.



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LMI INDICATOR WORKSHEET

Contract/Market June '95 S & P 500Page One

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
03-01	49015				03-30	50640	-100	Buy	50640
03-02	49045				03-31	50440	-205		
03-03	48985	- 30			04-03	50460	-180	Buy	50460
03-06	49010	- 35			04-04	50780	+340		
03-07	48605	-380		↓	04-05	50890	+430		
03-08	48735	-275	Buy		04-06	50960	+180	Sell	50960
03-09	48725	+120			04-07	50865	- 35		
03-10	49500	+765		↑	04-10	50970	+ 10		
03-13	49405	+680	Sell		04-11	50800	- 65		
03-14	49740	+240	Sell		04-12	50995	+ 25		
03-15	49610	+205	Sell		04-13	51215	+415		
03-16	49955	+215			04-17	50840	-155		
03-17	49975	+365			04-18	50775	-440		
03-20	50015	+ 60	Sell		04-19	50665	-175	Buy	50665
03-21	49935	- 40			04-20	50730	- 45	Buy	50730
03-22	49935	- 80			04-21	51030	+365		
03-23	49935	0	Buy	49935	04-24	51500	+770		
03-24	50540	+605			04-25	51340	+310	Sell	51340
03-27	50755	+820			04-26	51420	- 80		
03-28	50740	+200	Sell	50740	04-27	51530	+190		
03-29	50645	-110			04-28	51675	+255		

LMI INDICATOR WORKSHEET

Contract/Market June '95 S & P 500Page Two

Date	Price	Chg	Signal	P/L	Date	Price	Chg	Signal	P/L
05-01	51530	0	Sell		05-31	53335	+950		↑
05-02	51665	- 10			06-01	53375	+1025		
05-03	52260	+730							
05-04	52300	+635	Sell						
05-05	52135	-125							
05-08	52530	+230							
05-09	52445	+310							
05-10	52540	+ 10	Sell						
05-11	52665	+220							
05-12	52725	+185	Sell						
05-15	52990	+325							
05-16	52950	+225	Sell						
05-17	52780	-210							
05-18	51910	-1040		↓					
05-19	52035	-745	Buy						
05-22	52530	+620							
05-23	53000	+965							
05-24	52945	+415	Sell	52945					
05-25	52990	- 10							
05-26	52385	-560							
05-30	52350	-640							

On March 7, the S&P was in a down trend. An up trend was signaled on March 10. The up trend continued until May 18 when the trend changed to the down side. A new up trend was signaled on May 31. All signals produced profits and some profits were substantial. The Sell Signal (Short Position) on May 24 at 529.45 required a protective stop to capture the profits of the quick down move between May 24 and May 30.

TRADING EXAMPLES

June '95 Bond Futures Contract (Daily Chart)

03-22 Buy	103-14	04-21 Sell	105-09 =	\$1843.75
03-30 Buy	103-29	04-21 Sell	105-09 =	1375.00
04-11 Buy	104-20	04-21 Sell	105-09 =	656.25
05-01 Buy	105-07	05-08 Sell	108-30 =	3718.75
05-12 Buy	109-08	05-17 Sell	110-25 =	1531.25
05-22 Buy	110-05	05-25 Sell	112-07 =	2062.50

IBM Common Stock (Monthly Chart)

04-88 Buy	113.50	07-88 Sell	125.75 =	12.25
09-88 Buy	115.38	11-88 Sell	118.50 =	3.12
04-89 Buy	114.00	08-89 Sell	117.13 =	3.13
03-90 Sell	106.25	09-90 Buy	106.38 =	.13
04-90 Sell	109.00	09-90 Buy	106.38 =	2.62
06-90 Sell	117.50	09-90 Buy	106.38 =	11.12
10-91 Sell	98.25	12-91 Buy	89.00 =	9.25
06-92 Sell	97.88	11-92 Buy	68.25 =	29.63
07-92 Sell	94.63	11-92 Buy	68.25 =	26.38
06-93 Sell	49.38	08-93 Buy	45.75 =	3.63
03-94 Buy	54.50	06-94 Sell	58.75 =	4.25

June '95 Gold Futures Contract (Daily Chart)

03-20 Buy	386.20	04-03 Sell	394.90 =	870.00
03-21 Buy	385.50	04-03 Sell	394.90 =	940.00
03-22 Buy	386.10	04-03 Sell	394.90 =	880.00
04-11 Buy	393.00	04-19 Sell	397.40 =	440.00
04-24 Buy	393.10	05-03 Sell	391.40 =	-170.00
04-27 Buy	389.90	05-03 Sell	391.40 =	150.00

TRADING EXAMPLES cont.

June '95 Gold Futures Contract (Daily Chart)

05-10 Buy 384.50	05-16 Sell 385.50 =	100.00
05-11 Buy 384.40	05-16 Sell 385.50 =	110.00
05-12 Buy 384.30	05-16 Sell 385.50 =	120.00
05-18 Buy 384.20	05-26 Sell 386.60 =	240.00
05-19 Buy 383.10	05-26 Sell 386.60 =	350.00

June '95 D-Mark Futures Contract (Daily Chart)

03-10 Buy 7084	03-17 Sell 7234 =	1875.00
03-13 Buy 7134	03-17 Sell 7234 =	1250.00
03-14 Buy 7084	03-17 Sell 7234 =	1875.00
03-27 Buy 7125	03-29 Sell 7260 =	1687.50
04-11 Buy 7153	04-25 Sell 7320 =	2087.50
04-21 Buy 7312	04-25 Sell 7320 =	100.00
05-01 Buy 7207	05-04 Sell 7299 =	1150.00
05-15 Buy 6962	05-30 Sell 7204 =	3025.00
05-18 Buy 6944	05-30 Sell 7204 =	3250.00
05-19 Buy 6914	05-30 Sell 7204 =	3625.00

June '95 S&P 500 Index Futures Contract (Daily Chart)

03-23 Buy 499.35	03-28 Sell 507.40 =	4025.00
03-30 Buy 506.40	04-06 Sell 509.60 =	1600.00
04-03 Buy 504.60	04-06 Sell 509.60 =	2500.00
04-19 Buy 506.65	04-25 Sell 513.40 =	3375.00
04-20 Buy 507.30	04-25 Sell 513.40 =	3050.00
05-24 Sell 529.45	05-31 Buy 527.00 =	1225.00 (a)

(a) Following two consecutive profitable closes, a trailing stop concluded this trade.

THIRD BAR SIGNALS

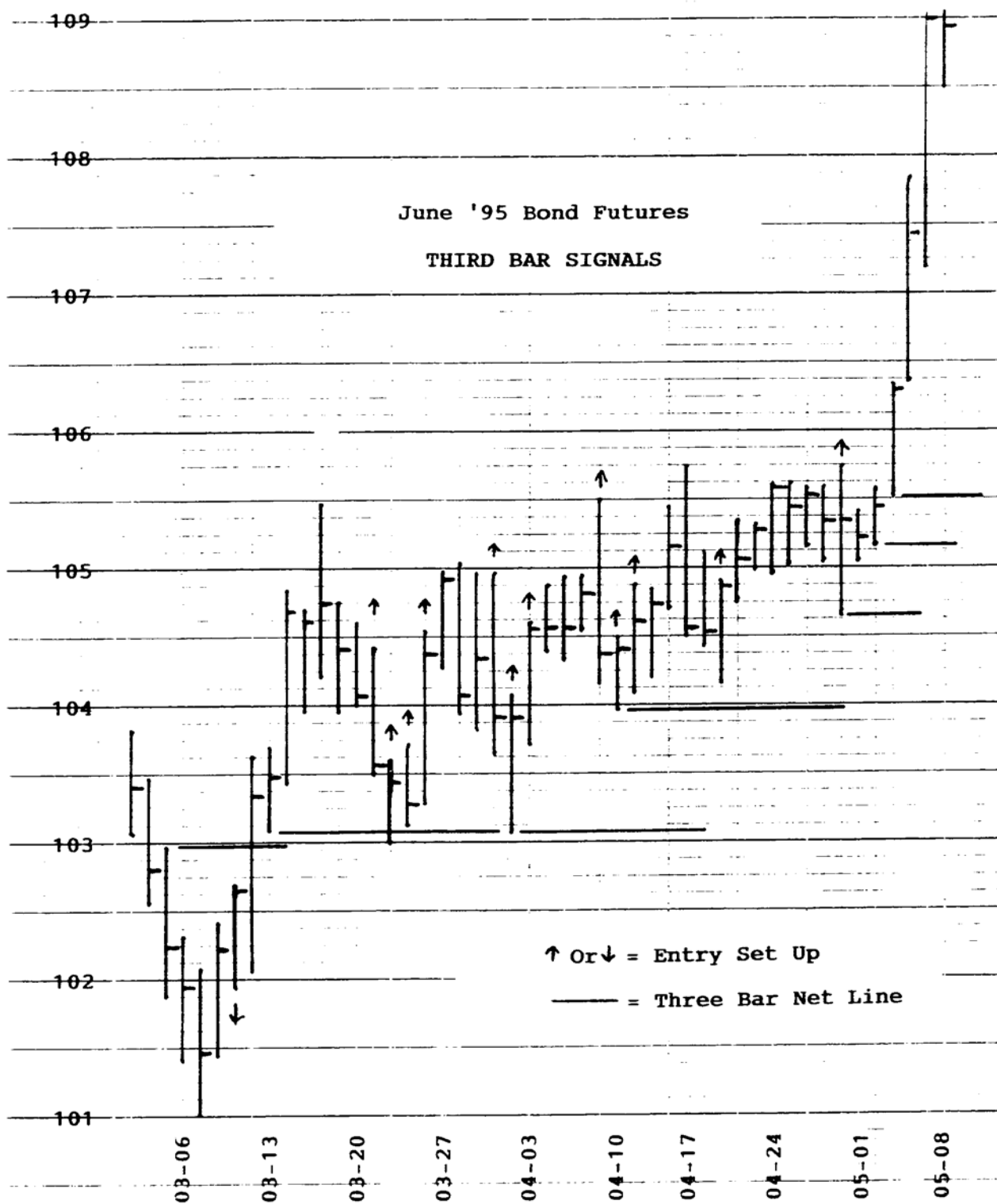
- 1. Trade in the direction of the trend as determined by the THREE BAR NET LINE. If the trend is up, follow Buy Signals only. If the trend is down, follow Sell Signals only.**
- 2. The newest bar drawn on your chart is always considered bar #1. Starting with the newest bar as bar #1, count back from right to left on your chart and locate bar #3.**

BUY SIGNALS

- 3. The trend must be up. Make a note of the current bar #3 and its low. If the next trading period has a low lower than the low of the noted bar #3, this is a set up day for a potential long position. Use the high as a Buy Stop Entry Level for the following trading periods. Add 3 tics to the high as an entry filter.**
- 4. Multiple entries are possible using this technique. An entry bar indicates a market movement that has triggered one or more buy signals. The profit objective is two closes above the high of an entry bar. The protective stop is placed below the lowest point on the chart between the set up bar and the entry bar.**

SELL SIGNALS

- 5. The trend must be down. Make a note of the current bar #3 and its high. If the next trading period has high higher than the high of the noted bar #3, this is a set up day for a potential short position. Use the low as a Sell Stop Entry Level for the following trading periods. Subtract 3 tics from the low as an entry filter.**
- 6. Multiple entries are possible using this technique. An entry bar indicates a market movement that has triggered one or more sell signals. The profit objective is two closes below the low of an entry bar. The protective stop is placed above the highest point on the chart between the set up bar and the entry bar.**



THIRD BAR SIGNALS

June '95 Bond Futures Contract

TREND IS UP

Set Ups Following a Move Below the Low of Bar #3.

03-21 Buy Stop Entry at 104-16

03-22 Buy Stop Entry at 103-22

03-23 Buy Stop Entry at 103-26

03-24 Buy Stop Entry at 104-20

Entry and Entry Bar - The Highest and Newest Bar Used to Determine Profit Objective.

03-21 Long at 103-22

03-24 Long at 103-26

03-24 Long at 104-16

03-27 Long at 104-20 Profit Objective is two closes above 104-31

New Set Ups

03-30 Buy Stop Entry at 105-02

03-31 Buy Stop Entry at 104-05

04-03 Buy Stop Entry at 104-22

Entry and Entry Bar - A New Higher Bar may be used for the profit objective.

04-03 Long at 104-05

04-04 Long at 104-22

04-07 Long at 105-02 Profit Objective is now two closes above 105-16

THIRD BAR SIGNALS cont.

June '95 Bond Futures Contract

TREND IS UP

New Set Ups

04-07 Buy Stop Entry at 105-19

04-10 Buy Stop Entry at 104-19

04-11 Buy Stop Entry at 104-31

Entry and Entry Bar - A New Higher Bar may be used for the profit objective.

04-11 Long at 104-19

04-13 Long at 104-31

04-17 Long at 105-19 Profit Objective is now two closes above 105-24

New Set Ups

04-19 Buy Stop Entry at 105-00

Entry and Entry Bar - A New Higher Bar may be used for the profit objective.

04-20 Long at 105-00

New Set Ups

04-28 Buy Stop Entry at 105-23

Entry and Entry Bar - A New Higher Bar may be used for the profit objective.

05-03 Long at 105-23 Profit Objective is now two closes above 106-11

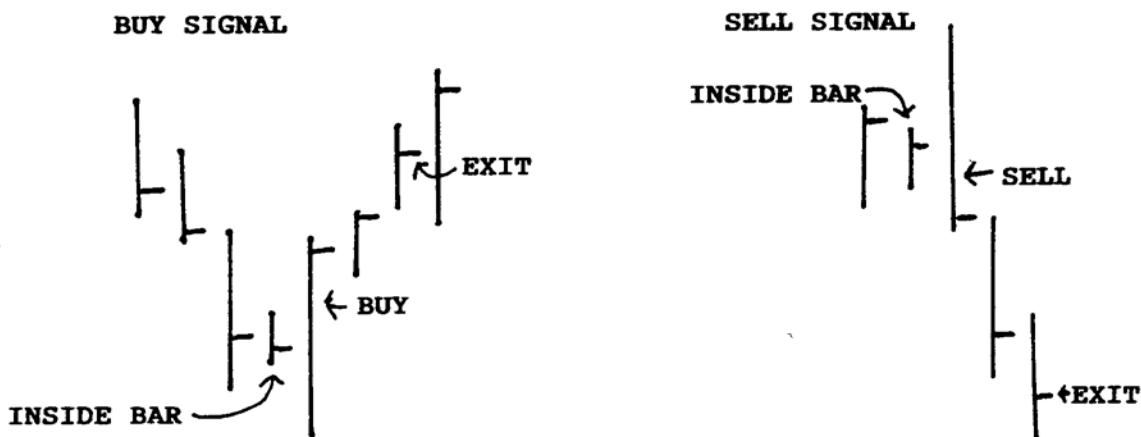
ALL PROFITS TAKEN ON 05-05 AT 109-00

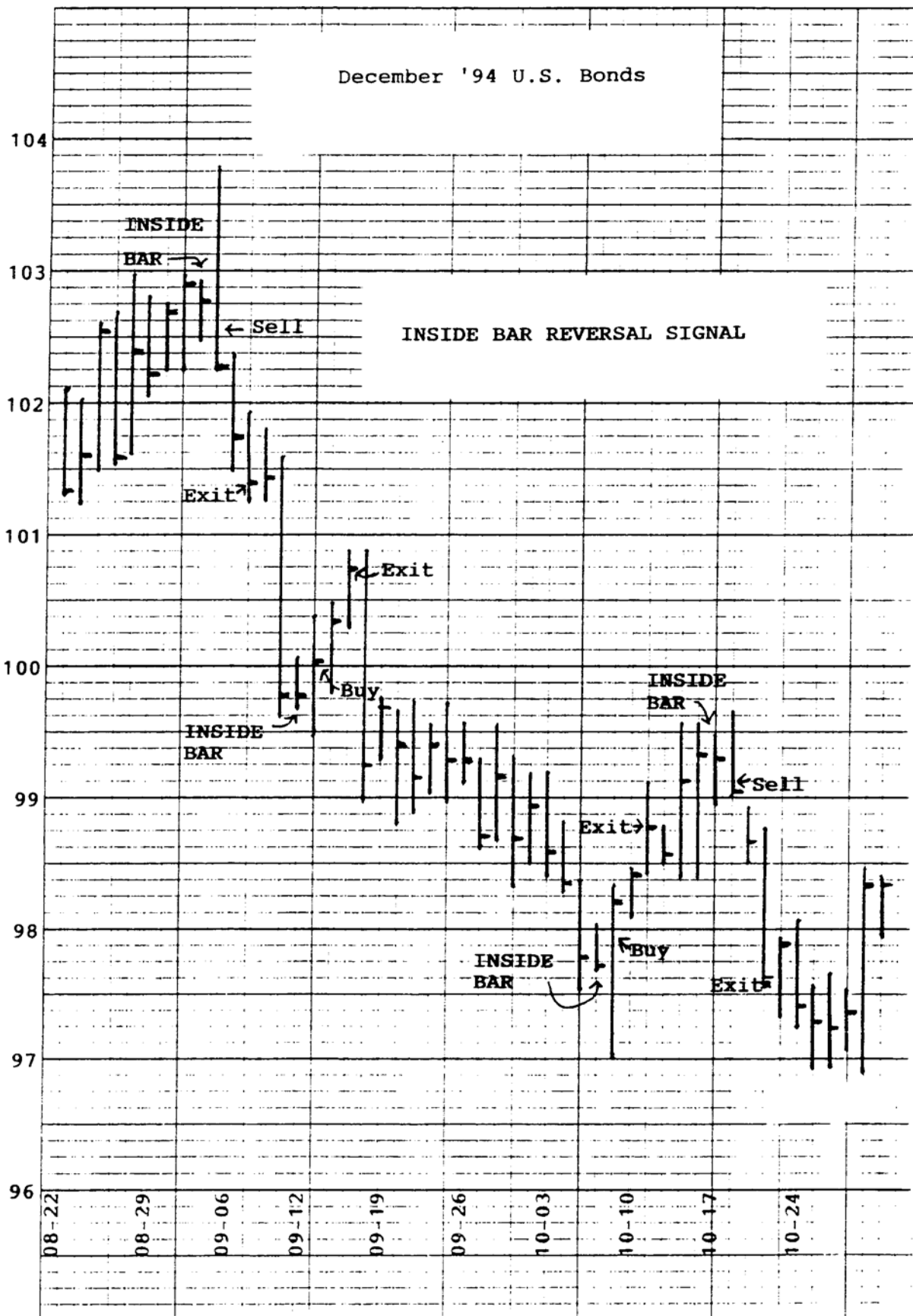
This was the second close above the newest highest entry bar that had a high of 106-11.

(25)

THE "INSIDE DAY (BAR)" REVERSAL SIGNALS

1. The best signals occur around the release of a major report and are set up with a significant thrust outside of the "INSIDE BAR" PATTERN. Use the following parameters in trading this signal.
2. Use the newest "INSIDE BAR" PATTERN recorded on the chart. The initial breakout of the pattern must occur within three bars or discard the pattern.
3. If the initial breakout is to the downside, use the previous close plus 7 tics as a BUY STOP ENTRY ORDER.
4. If the initial breakout is to the upside, use the previous close minus 7 tics as a SELL STOP ENTRY ORDER.
5. The entry order must be filled on the day of the initial breakout. If the trade is not profitable on the close of the entry day, exit the trade.
6. The initial protective stop is placed 3 tics outside of the event's trading range.
7. The profit objective is three profitable closes.





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This service provides an in depth daily tutorial on the bond futures contract. The important signals of THE MASTER TRADING PLAN are covered along with a current updated chart of the near-by bond futures contract. Subscriptions are on a monthly basis. \$300 per month.

DAILY TELEPHONE HOTLINE SERVICE

This service provides trading signals from my two new books as well as a special conservative trading method especially designed for the hotline - SYSTEM THREE. SYSTEM THREE trades on average 24 times per year and is highly accurate. The protective stop is generally in the \$600 to \$850 range. The daily telephone message will give the entry points along with the protective stops. Subscriptions are on a semiannual basis. \$300 per six months.

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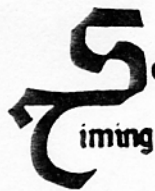
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