

Rockefeller Treasury Services, Inc.

Spot Track Record March 2018

Assumes one e-mini contract per currency, capital stake of \$10,000.

This P&L is hypothetical. We did not place these trades.

Correction to errors discovered after first publication are marked in orange.

Note that we produce the report in a 45-minute timeframe on deadline pressure. We expect errors to occur despite employing facr-checkers ahead of time. We correct all errors the following day.

Percentage return is calculated on a starting stake of \$10,000 without compounding.

	Total	
2011 Track Record	3870.64	27.54%
2012 Track Record	4994.42	49.90%
2013 Track Record	4604.01	46.00%
2014 Track Record	5479.24	54.79%
2015 Track Record	8109.91	81.10%
2016 Track Record	8212.26	82.12%
2017 Track Record	401.9	4.02%
6-Year Cum	35,672.38	71.34%

2018 Track Records

January	751.92		
February	346.50		
March	(432.00)	666.42	6.66%

Rules are defined at the end of the track record.

Rule 0 = enter at open

Rule 1 = Guerilla trade

Date	Currency	Trade Direction	Trading Rule	Entry	Date Closed	Exit	Points	Profit / (Loss)	Cum
02/28/18	GBP/USD	Sold	2	1.3812	03/01/18	1.3763	49	49.00	49.00
02/28/18	USD/CAD	Bought	2	1.2806	03/01/18	1.2831	25	19.52	68.52
03/01/18	AUD/USD	Sold	0	0.7764	03/01/18	0.7736	28	28.00	96.52
03/01/18	USD/JPY	Bought	1	106.5800	03/01/18	107.9000	132	123.85	220.37
03/01/18	USD/CHF	Bought	0	0.9441	03/01/18	0.9482	41	43.43	263.80
03/01/18	EUR/USD	Sold	0	1.2196	03/01/18	1.2157	39	39.00	302.80
03/01/18	GBP/USD	Sold	2	1.3723	03/01/18	1.3763	-40	40.00	262.80
03/01/18	GBP/USD	Sold	2	1.3723	03/01/18	1.3763	-40	40.00	222.80
03/01/18	EUR/USD	Bought	4	1.2237	03/02/18	1.2263	26	26.00	248.80
03/02/18	USD/JPY	Sold	0	106.2500	03/02/18	105.8100	44	41.41	290.21
03/02/18	USD/CHF	Sold	0	0.9419	03/02/18	0.9393	26	27.60	317.82
03/02/18	USD/CAD	Sold	1	1.2829	03/02/18	1.2860	-31	24.16	293.65
03/02/18	GBP/USD	Sold	1	1.3799	03/02/18	1.3771	28	28.00	321.65
03/02/18	AUD/USD	Bought	1	0.7742	03/02/18	0.7751	9	9.00	330.65
03/02/18	USD/JPY	Sold	2	105.41	03/02/18	105.5800	-17	16.13	314.52
03/02/18	USD/CHF	Sold	2	0.9353	03/02/18	0.9380	-27	28.87	285.66

03/02/18	EUR/USD	Bought	2	1.2304	03/02/18	1.2312	8	8.00	293.66
03/05/18	GBP/USD	Bought	1	1.3769	03/05/18	1.3824	55	55.00	348.66
03/05/18	EUR/USD	Bought	1	1.2315	03/05/18	1.2280	-35	35.00	313.66
03/05/18	USD/CHF	Sold	0	0.9355	03/05/18	0.9385	-30	32.07	281.59
03/05/18	USD/CAD	Bought	1	1.2878	03/05/18	1.2922	44	34.17	315.76
03/05/18	GBP/USD	Bought	1	1.3864	03/05/18	1.3824	-40	40.00	275.76
03/05/18	USD/JPY	Sold	0	105.58	03/05/18	105.9500	-37	35.04	240.71
03/05/18	EUR/USD	Bought	3	1.2315	03/06/18	1.2337	22	22.00	262.71
03/05/18	USD/CAD	Bought	2	1.2962	03/06/18	1.2953	-9	6.94	255.77
03/06/18	GBP/USD	Bought	0	1.3846	03/06/18	1.3898	52	52.00	307.77
03/06/18	EUR/USD	Sold	1	1.2337	03/06/18	1.2366	-29	29.00	278.77
03/06/18	AUD/USD	Sold	0	0.7762	03/06/18	0.7795	-33	33.00	245.77
03/06/18	USD/JPY	Bought	1	106.07	03/06/18	106.4300	36	33.94	279.71
03/06/18	USD/CHF	Bought	0	0.9399	03/06/18	0.9373	-26	27.66	252.04
03/06/18	USD/CAD	Bought	1	1.292	03/06/18	1.2888	-32	24.77	227.28
03/06/18	USD/CHF	Bought	3	0.9399	03/07/18	0.9381	-18	19.15	208.13
03/07/18	GBP/USD	Bought	0	1.3890	03/07/18	1.3854	-36	36.00	172.13
03/07/18	AUD/USD	Bought	1	0.7810	03/07/18	0.7780	-30	30.00	142.13
03/07/18	USD/JPY	Bought	1	106.1000	03/07/18	105.7900	-31	29.22	112.91
03/07/18	USD/CHF	Bought	1	0.9366	03/07/18	0.9407	41	43.78	156.68
03/07/18	USD/CAD	Sold	1	1.2906	03/07/18	1.2937	-31	24.02	132.66
03/07/18	EUR/USD	Bought	2	1.2443	03/07/18	1.2403	-40	40.00	92.66
03/07/18	GBP/USD	Bought	3	1.3890	03/08/18	1.3863	-27	27.00	65.66
03/07/18	AUD/USD	Bought	3	0.7810	03/08/18	0.7792	-18	18.00	47.66
03/07/18	USD/JPY	Bought	3	106.1000	03/08/18	106.0800	-2	1.89	45.78
03/07/18	USD/CAD	Sold	3	1.2906	03/08/18	1.2932	-26	20.15	25.63
03/08/18	EUR/USD	Bought	0	1.2414	03/08/18	1.2383	-31	31.00	5.37
03/08/18	EUR/USD	Bought	3	1.2414	03/08/18	1.2443	29	29.00	23.63
03/08/18	EUR/USD	Sold	4	1.2363	03/08/18	1.2315	48	48.00	71.63
03/08/18	USD/CHF	Bought	1	0.9423	03/08/18	0.9457	34	36.08	107.71
03/08/18	USD/CAD	Bought	0	1.2902	03/08/18	1.2932	30	23.25	130.97
03/08/18	GBP/USD	Bought	1	1.3834	03/08/18	1.3792	-42	42.00	88.97
03/08/18	GBP/USD	Bought	3	1.3834	03/08/18	1.3792	-42	42.00	46.97
03/08/18	USD/JPY	Sold	0	106.08	03/09/18	106.2000	-12	11.31	35.65
03/09/18	GBP/USD	Sold	1	1.3817	03/09/18	1.3852	-35	35.00	0.65
03/09/18	EUR/USD	Sold	1	1.2317	03/09/18	1.2282	35	35.00	35.65
03/09/18	USD/CAD	Bought	1	1.2861	03/09/18	1.2832	-29	22.55	13.11
03/09/18	USD/CAD	Bought	3	1.2861	03/09/18	1.2832	-29	22.55	9.44
03/09/18	USD/CAD	Bought	3	1.2861	03/09/18	1.2832	-29	22.55	31.99
03/08/18	USD/CHF	Bought	2	0.9497	03/09/18	0.9500	3	3.16	28.83
03/09/18	USD/JPY	Bought	2	106.6000	03/09/18	106.8100	21	19.70	9.13
03/12/18	EUR/USD	Sold	0	1.2310	03/12/18	1.2335	-25	25.00	34.13
03/12/18	USD/JPY	Bought	1	106.6900	03/12/18	106.3900	-30	28.12	62.25
03/12/18	EUR/USD	Sold	3	1.2310	03/12/18	1.2335	-25	25.00	87.25
03/12/18	USD/JPY	Bought	3	106.6900	03/12/18	106.3900	-30	28.12	115.37
03/12/18	USD/CHF	Bought	1	0.9502	03/12/18	0.9472	-30	31.57	146.94
03/12/18	GBP/USD	Sold	1	1.3884	03/13/18	1.3932	-48	48.00	194.94

03/12/18	USD/CAD	Sold	1	1.2831	03/13/18	1.2855	-24	18.70	213.65
03/13/18	GBP/USD	Sold	1	1.3938	03/13/18	1.3977	-39	39.00	252.65
03/13/18	EUR/USD	Sold	0	1.2336	03/13/18	1.2368	-32	32.00	284.65
03/13/18	USD/CAD	Bought	1	1.2855	03/13/18	1.2884	29	22.56	262.09
03/13/18	USD/CAD	Bought	2	1.2924	03/13/18	1.2984	60	46.43	215.66
03/13/18	AUD/USD	Bought	1	0.7869	03/14/18	0.7882	13	13.00	202.66
03/13/18	USD/JPY	Bought	2	106.7400	03/14/18	106.3000	-44	41.22	243.88
03/13/18	USD/CHF	Bought	1	0.9455	03/14/18	0.9442	-13	13.75	257.63
03/14/18	EUR/USD	Bought	0	1.2392	03/14/18	1.2356	-36	36.00	293.63
03/14/18	USD/CAD	Bought	1	1.2958	03/14/18	1.2925	-33	25.47	319.10
03/14/18	GBP/USD	Bought	1	1.3957	03/15/18	1.3964	7	7.00	312.10
03/14/18	USD/JPY	Bought	1	106.1900	03/15/18	106.3100	12	11.30	300.80
03/14/18	USD/CAD	Bought	3	1.2958	03/15/18	1.2925	-33	25.47	326.27
03/14/18	EUR/USD	Bought	3	1.2392	03/15/18	1.2342	-50	50.00	376.27
03/15/18	GBP/USD	Bought	1	1.3943	03/15/18	1.3982	39	39.00	337.27
03/15/18	AUD/USD	Bought	0	0.7879	03/15/18	0.7853	-26	26.00	363.27
03/15/18	USD/JPY	Sold	0	106.3100	03/15/18	105.9500	36	33.86	329.40
03/15/18	USD/CHF	Sold	1	0.9452	03/15/18	0.9481	-29	30.68	360.09
03/14/18	USD/CAD	Bought	2	1.2990	03/15/18	1.3033	43	33.10	326.98
03/15/18	EUR/USD	Bought	1	1.2337	03/15/18	1.2311	-26	26.00	352.98
03/16/18	GBP/USD	Sold	1	1.3947	03/16/18	1.3911	36	36.00	316.98
03/16/18	EUR/USD	Sold	0	1.2303	03/16/18	1.2327	-24	24.00	340.98
03/16/18	USD/CHF	Bought	1	0.9503	03/16/18	0.9533	30	31.57	309.41
03/16/18	AUD/USD	Sold	2	0.7759	03/16/18	0.7728	31	31.00	278.41
03/16/18	USD/JPY	Sold	2	105.8700	03/16/18	106.1100	-24	22.67	301.08
03/16/18	USD/CAD	Bought	2	1.3092	03/16/18	1.3088	-4	3.06	304.14
03/19/18	GBP/USD	Sold	0	1.3940	03/19/18	1.3982	-42	42.00	346.14
03/19/18	EUR/USD	Bought	1	1.2269	03/19/18	1.2302	33	33.00	313.14
03/19/18	USD/CAD	Bought	0	1.3092	03/19/18	1.3062	-30	22.91	336.05
03/19/18	GBP/USD	Bought	4	1.4062	03/19/18	1.4018	-44	44.00	380.05
03/19/18	USD/CAD	Bought	3	1.3092	03/19/18	1.3062	-30	22.91	402.97
03/19/18	EUR/USD	Sold	2	1.2342	03/20/18	1.2337	5	5.00	397.97
03/19/18	USD/JPY	Sold	0	106.0400	03/20/18	106.0900	-5	4.72	402.68
03/19/18	USD/CHF	Sold	0	0.9525	03/20/18	0.9505	20	21.00	381.69
03/20/18	GBP/USD	Bought	1	1.4029	03/20/18	1.3987	-42	42.00	423.69
03/20/18	EUR/USD	Sold	1	1.2321	03/20/18	1.2288	33	33.00	390.69
03/20/18	AUD/USD	Bought	0	0.7719	03/20/18	0.7690	-29	29.00	419.69
03/20/18	USD/JPY	Bought	0	106.0900	03/20/18	106.4800	39	36.76	382.92
03/20/18	USD/CHF	Bought	0	0.9505	03/20/18	0.9536	31	32.61	350.31
03/20/18	USD/CAD	Sold	1	1.3063	03/20/18	1.3095	-32	24.50	374.81
03/20/18	EUR/USD	Sold	2	1.2248	03/21/18	1.2274	-26	26.00	400.81
03/21/18	GBP/USD	Bought	0	1.4000	03/21/18	1.4055	55	55.00	345.81
03/21/18	AUD/USD	Sold	0	0.7683	03/21/18	0.7709	-26	26.00	371.81
03/21/18	USD/JPY	Bought	0	106.5300	03/21/18	106.1900	-34	31.92	403.72
03/21/18	USD/CHF	Bought	0	0.9560	03/21/18	0.9524	-36	37.66	441.38
03/21/18	USD/CAD	Bought	0	1.3073	03/21/18	1.3053	-20	15.30	456.68
03/21/18	USD/JPY	Bought	3	106.5300	03/21/18	106.1900	-34	31.92	488.59

03/21/18	USD/CAD	Sold	4	1.2973	03/21/18	1.2925	48	37.00	451.59
03/21/18	EUR/USD	Sold	1	1.2283	03/21/18	1.2314	-31	31.00	482.59
03/21/18	EUR/USD	Sold	3	1.2283	03/21/18	1.2314	-31	31.00	513.59
03/21/18	EUR/USD	Sold	3	1.2283	03/21/18	1.2314	-31	31.00	544.59
03/21/18	GBP/USD	Bought	2	1.4095	03/22/18	1.4146	51	51.00	493.59
03/22/18	EUR/USD	Sold	1	1.2361	03/22/18	1.2312	49	49.00	444.59
03/22/18	AUD/USD	Bought	0	0.7773	03/22/18	0.7741	-32	32.00	476.59
03/22/18	USD/JPY	Sold	1	105.9800	03/22/18	105.6900	29	27.36	449.23
03/22/18	USD/CAD	Sold	0	1.2891	03/22/18	1.2859	32	24.82	424.41
03/22/18	GBP/USD	Bought	2	1.4188	03/22/18	1.4148	-40	40.00	464.41
03/22/18	USD/JPY	Sold	2	105.2900	03/22/18	105.5900	-30	28.49	492.90
03/22/18	USD/CHF	Sold	0	0.9491	03/23/18	0.9515	-24	25.29	518.19
03/22/18	GBP/USD	Sold	4	1.4090	03/23/18	1.4134	-44	44.00	562.19
03/22/18	USD/CHF	Sold	3	0.9491	03/23/18	0.9469	22	23.18	539.01
03/23/18	EUR/USD	Sold	0	1.2305	03/23/18	1.2348	-43	43.00	582.01
03/23/18	AUD/USD	Sold	1	0.7731	03/23/18	0.7733	-2	2.00	584.01
03/23/18	USD/JPY	Sold	2	105.0000	03/23/18	104.9100	9	8.57	575.44
03/23/18	USD/CAD	Sold	2	1.2880	03/23/18	1.2864	16	12.42	563.01
03/26/18	GBP/USD	Bought	0	1.4134	03/26/18	1.4178	44	44.00	519.01
03/26/18	EUR/USD	Bought	1	1.2358	03/26/18	1.2392	34	34.00	485.01
03/26/18	USD/CAD	Sold	0	1.2887	03/26/18	1.2904	-17	13.19	498.21
03/26/18	USD/JPY	Sold	1	105.1000	03/26/18	105.4300	-33	31.40	529.60
03/26/18	USD/CHF	Sold	1	0.9470	03/26/18	0.9438	32	33.79	495.81
03/26/18	GBP/USD	Bought	2	1.4218	03/27/18	1.4188	-30	30.00	525.81
03/26/18	EUR/USD	Bought	2	1.2432	03/27/18	1.2416	-16	16.00	541.81
03/26/18	USD/CAD	Sold	3	1.2887	03/27/18	1.2825	62	48.11	493.70
03/27/18	GBP/USD	Bought	1	1.4173	03/27/18	1.4143	-30	30.00	523.70
03/27/18	AUD/USD	Bought	0	0.7749	03/27/18	0.7709	-40	40.00	563.70
03/27/18	USD/JPY	Bought	0	105.4100	03/27/18	105.7700	36	34.15	529.55
03/27/18	USD/CHF	Sold	0	0.9455	03/27/18	0.9481	-26	27.50	557.05
03/27/18	USD/CAD	Sold	1	1.2900	03/27/18	1.2861	39	30.23	526.82
03/27/18	GBP/USD	Bought	1	1.4173	03/28/18	1.4193	20	20.00	506.82
03/27/18	EUR/USD	Bought	1	1.2406	03/28/18	1.2402	-4	4.00	510.82
03/28/18	GBP/USD	Sold	1	1.4132	03/28/18	1.4104	28	28.00	482.82
03/28/18	EUR/USD	Sold	1	1.2402	03/28/18	1.2368	34	34.00	448.82
03/28/18	AUD/USD	Sold	1	0.7683	03/28/18	0.7655	28	28.00	420.82
03/28/18	USD/JPY	Bought	0	105.4000	03/28/18	105.9000	50	47.44	373.38
03/28/18	USD/CHF	Sold	0	0.9467	03/28/18	0.9501	-34	35.91	409.29
03/28/18	USD/CAD	Sold	0	1.2890	03/28/18	1.2922	-32	24.83	434.12
03/28/18	USD/CAD	Sold	0	1.2890	03/28/18	1.2922	-32	24.83	458.94
03/28/18	USD/JPY	Bought	2	106.3000	03/28/18	106.9000	60	56.44	402.50
03/28/18	EUR/USD	Sold	2	1.2328	03/29/18	1.2308	20	20.00	382.50
03/29/18	GBP/USD	Sold	1	1.4092	03/29/18	1.4053	39	39.00	343.50
03/29/18	USD/JPY	Bought	1	106.9000	03/29/18	106.4300	-47	43.97	387.47
03/29/18	USD/CAD	Bought	1	1.2920	03/29/18	1.2890	-30	23.22	410.69
03/29/18	USD/CAD	Bought	3	1.2920	03/29/18	1.2890	-30	23.22	433.90
03/29/18	AUD/USD	Sold	1	0.7668	03/30/18	0.7677	-9	9.00	442.90

03/29/18	USD/CHF	Bought	0	0.9565	03/30/18	0.9563	-2	2.09	445.00
03/29/18	EUR/USD	Sold	1	1.2314	03/30/18	1.2301	13	13.00	432.00
								432.00	

Open Positions

Rules and CFTC Warning

We are taking the "close" at 4 pm ET from eSignal, which claims to aggregate price quotes from many retail brokers. The true close at most brokers is at 5 pm ET . We also take our "open" at 4:45 pm ET, also before the actual retail market has closed. This is avoid wide spreads at the true close around 5 pm and the following hour.

Proportionality Rule: *The recommendation to enter at the close obviously cannot be met.* It means enter at the next open. In spot, normally the close and open are only a few points apart. But, if the open is 15 points or more away from the close, apply the number of points in the stop and target to the actual open. This prevents stupid stops and wrong targets. A version of the proportionality rule is used in Rule 3 below. Note that if the gap between close and open is 40 points or more and in the same direction as the Position Direction, you should apply Rule 2. If the move is 40 points or more in the opposite direction, you should do nothing unless it goes far enough to qualify for Rule 4.

Guerilla Entries: A guerilla entry is a recommendation to enter at some level away from the close. It may be 5-10 points to take advantage of end-of-day position adjustment or a much wider distance from the close in order to improve the odds of a gain. Guerilla trades are always entered after the open--otherwise brokers will force entry at the open. A guerilla entry takes precedence over a Rule 2 entry when it stipulates a move of more than 40 points from the close, which is fairly rare. If the guerilla is not met but the Rule 2 is still available, that's the time to take the Rule 2 entry. Traders using automated software may not be able to apply this aspect of guerilla trades and thus their track records will differ from our hypothetical.

1. No Position Recommended (NPR).

NPR is not, technically, a Rule, or rather it's a rule that says "do not trade" except under special circumstances. NPR is a statement that uncertainty is unbearably high. NPR can appear in two places, the Recommended Entry column or the Position Direction column.

When NPR appears in the **Position Direction** column, it means not only that we can't find a positive expectancy, we are seriously unsure about direction. When we have NPR in the Position Direction column, we always have NPR in the Recommended Entry, too.

You might think that Rules 2 and 4 described below have big enough hurdle criteria to overcome this qualm, but in practice, there are occasions when either or both Rules get activated and result in a net loss. If we see that coming, we judge the best tactic is to withdraw altogether. Notice that word "judgment." This is indeed an instance of operator interference in the trading system, named "discretion," something we disapprove of on the whole and to be used only

interference in the trading system, named “discretion,” something we disapprove of on the whole and to be used only sparingly.

When NPR appears in the Recommended Entry column only but there is still a long or short recommendation in the Position Direction box, it means do not enter any trades except Rule 2 or Rule 4 trades.

By definition, if we get the breakout during an NPR “stand-pat/do nothing” period, it should trigger a Rule 2 or a Rule 4. In other words, when a Contingency Rule is hit, it means conditions have changed and changed by a sufficient amount to restore confidence in our estimate of direction and trendedness.

Rule 2, for example, is triggered when the price moves 40 points past the last exit on the same day or the previous close. See below. In the case of an NPR on the end-of-day Monday report, we would still apply Rule 2 on a Tuesday--off the Monday close. The same thing holds for Rule 4, the reversal rule. If the price moves 80 points in the opposite direction of the last close, we want to participate in the move. **Note that if the Position Direction has changed, from Long to Short or vice versa, you would apply Rule 2 or Rule 4 to the new direction. A new direction is always marked in red.**

Notice that Rule 3, re-enter in same direction and at the same price after a loss, is not included in the NPR rules. Rule 3 is not eligible to override NPR because Rule 3 runs off the entry that was used in the last loss. By definition, the last loss occurred yesterday and is no longer relevant to today. Yesterday’s trading action is now a dead duck. **The only thing from yesterday that is relevant to today is the close.** We start each trading session anew. The previous entry, stop and target in Rule 3 are yesterday’s news. Today we have an updated Average True Range, a new standard error slope, new momentum readings, etc.. Starting anew with new data for today makes the system more **adaptive** to new conditions. And new conditions are coming along continuously.

Rule 2: Runaway Move

Rule 2 is the most important of the rules and generates the most gains. Rule 2 states that if a move continues in the same direction by 40 points after taking profit or from the last close if the recommended guerilla entry is not hit, re-enter in same direction with a stop 40 points and target 60 points away from entry. You do not apply Rule 2 to a previous close if you have already hit the profit target—you apply it to the level of the last profitable exit. You can apply Rule 2 if it comes before a guerilla trade entry and in fact this is quite common.

A runaway move that triggers Rule 2 sometimes starts on a gap, i.e., a substantial difference between the close and the open. Gaps are a misery for trading rules, as we saw in the Swiss franc in January 2015 and the pound after Brexit. The gap must be respected.

If the gap between close and Recommended Entry is 40 points or more and in the same direction as the Recommended Direction, enter at the open as though you were applying Rule 2 (stop 40, target 60 points). IT IS, INDEED, A RUNAWAY MOVE and qualifies for Rule 2. It may seem that a gap or more than 40 points doesn’t offer enough room for a 60-point gain, the standard for the Rule 2 profit target, and this may be true, but fine-tuning the stop and target to the size of a gap would make trading too complicated. You are welcome to modify the Rule 2 stop and target to what you consider reasonable in the event of gaps.

Also, if the open is 80 points from the close and in the opposite direction, apply Rule 4 as usual.

What if the price moves in the opposite direction by 40 points or more but not the full 80 points that would trigger Rule 4? In this case we continue to respect the BUY/SELL advice in the Direction cell. Rule 2 or a proportionality trade is not applicable because the direction is wrong. We chose to not trade at all unless the price returns to the Recommended Entry, either the previous close or a guerilla level.

Whether on a gap or not, Rule 2 runaway trades can number two, or ten. During Brexit in June 2016, we probably had as

many as twenty or more Rule 2 trades. We were unable to count them because the action was so fast that it would have been unfair (and taken days) to assume every Rule 2 was executable in the real world. An important point is that a series of Rule 2 trades almost always ends with a loss, except when the runaway trade carries over to the next day. Then we give a new stop and target that differs from the standard Rule 2 version.

Rule 3: Recovery Rule

You placed a trade and hit the stop. Now the price has returned to the same level as your entry. If you were willing to buy or sell at that level a few hours ago, you should be willing to do it again. A return to your entry level is vindication that it was a good entry.

Re-enter at same level as the original entry if the price returns to it after a stop, using the same stop and target as originally instructed. But we need to adjust the stop or target if the old stop or target is a stupid number, either delivering the opposite outcome (e.g. loss on a target) or a small number of 15 points or less. This can happen when a position is already in place from the day before and the stop and target on the open order are designed to get an exit from the position and start over with a new entry. We could have, for example, a stop of 40 points and a target of 15 points, which is not the optimum set for a new trade. We always want the target to be a higher number of points than the stop.

Therefore, if the difference between entry and stop or target is negative or 15 points or less, adjust the stop to 38 points from entry and target to 44 points from entry.

Do not take more than three losses on the same trade, i.e., the initial trade and two Rule 3's.

Rule 4: Reversal Rule

If the price moves 80 points in the opposite direction of the Position Direction after a stop or target, or off the close if the new re-entry level is not hit, reverse direction with the stop at 44 points and target at 48 points. You should use Rule 4 off the close if there is an NPR in the Recommended Entry column. You may also chose to use it if there is NPR in the Position Direction column, too, although we don't do it and it does not appear in the hypothetical track record--but logically, after an 80-point move, clearly conditions have changed. The number of points to use in the Reversal Rule changes from time to time as ATR changes. It will always be noted in this commentary box.

Combined Rules

We sometimes get a situation where Rule 2 is triggered, sometimes several times, only to get a Rule 4 reversal off the last exit, whether a gain or a loss. We always take these trades as a matter of principle, even if we judge the latest signal is wrong. But be careful not to use any price from the day before to enter any Rule-based trade. You may have used that close to start a chain of Rule-based trades, but once you have a Rule-based entry, the previous close and also any entry in the Recommended Entry column, whether at the close or guerilla, are dead ducks. The first application on a Rule-based trade eliminates them as influencing any additional trades.

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