

Top Daily Trade Recommendations

Top Day Recs

Trade Date 12.26.07

Boxing Day closes trading in London today. Dollar weakness, especially against the EC, allows gold to trade above daily resistance at 823.60. Crude oil is higher, as a result of more raids by Turkey into northern Iraq. Lackluster results reported by Target has pressured stock index futures this morning.

Dec 08:30 [Durable](#) Nov 4.0% 2.5% -0.2%

27 [Orders](#)

Dec 08:30 [Initial](#) 12/22 345K 340K 346K

27 [Claims](#)

Dec 10:00 [Consumer](#) Dec 87.5 87.0 87.3

27 [Confidence](#)

Dec 10:30 Crude 12/21 NA NA -

27 Inventories 7586K

Dec 09:45 [Chicago](#) Dec 52.5 52.0 52.9

28 [PMI](#)

Dec 10:00 [New Home](#) Nov 700K 720K 728K

28 [Sales](#)

Credit and option Trades

The methodology is to first see if the underlying future is under accumulation or distribution; in other words, discern a trend if possible. The second step is to figure out support and resistance for the futures contract. The third step is with an uptrending market, sell put spreads at support levels and with declining markets sell call spreads at resistance levels.

Current Positions and Suggestions

Mar Yen: previously, we are short the 91/92 call spread. The carry trade in a de facto sense is back with higher stocks and the search for higher yields. Resistance today at 8860.

Mar EC: the market is trading above outside resistance today, which nominally stood at 144 61

Mar BP: still being spread against the EC. If the market traded as high as 19850 sell the 198/200 call spreads

Mar Canadian: res at 10159

Swing Trades

Mar Emini: Target sales, or lack thereof, pressures market as a reflection of consumer spending

E-Nasdaq:

Mar Yen: from the pressure of the carry trade the market will eventually just support at 8777

Mar Canada: res at 102.37.

Mar Euro Currency: See above

Feb Gold: see above

Mar Silver:

Mar British Pound: see above

Feb Mini Crude:

Feb Mini Natural Gas :

International Markets:

Euro Bund:

Dax:

NB. Recs are updated throughout the day at www.visionfinancialmarkets.com. For those without accts use 999999 and 9439 as a pin for access.

Futures trading entails considerable risk and is not for everyone. An account can lose more than its initial investment. Stops are not necessarily filled at the stop level. Past performance is not a guarantee of future results.

Trading isn't about winning or losing, it's about self discovery.

Life is like trading; both leave scars.

Never meet a margin call. Liquidate. The margin clerk is your best friend.

The market will all too soon locate, expose and exploit your weaknesses.

When you put a trade on, it should work almost immediately. If it doesn't, seriously consider bagging the idea and look for a new setup.

If the market prints your price and doesn't fill you, go to the market.

You can go broke taking profits, very small profits.

Your next trade could be your last trade for a very long time. Be aware of this and don't let it happen.

Markets are challenging: when illiquidity meets volatility parallel lines converge. Divergences converge, convergences diverge and mathematical certainty is forced to embrace new theorems

If you are down a certain, predetermined percentage of your equity (for some this could be as little as 5% and for others this could be as much as 17%) and you have open positions, liquidate and go to cash. You and the market aren't on the same schedule. (No one ever does this).

Volatility means that if you're bullish you can't withstand a bearish day and if you are bearish you can't withstand a bullish day.

When all your trades are going incredibly well, when you're seeing the market as if you've already read tomorrow's papers and you're just about ready to thicken the callous that resides just below your left shoulder with your right hand, get out Webster's and reread the definition of coincidence.

You can go broke taking profits.

Use night markets to take risk off the table. Use day sessions to add risk. IOW, use the night to get short risk, use the day to get long risk.

Don't think of the market as an opponent to be bullied, bloodied, battered and beaten. Its resources are far greater than yours. It's better to concede the conceit of market as ocean in all its obvious metaphoric diversity.

The Myth of Sisyphus resonates in the experience of trading.

Remember that irony is alive, well and constantly at work in the universe; irony, the cornerstone to the construct of the divine comedy.

Trading isn't about winning or losing, it's about building equity. Taking strategic losses is a key to building equity.

A market is a market. It can do anything it wants. It doesn't have to make sense. A market is only obliged to itself.

Just as persistence allows mediocrity to soar, a persistent, rule driven trading approach seasoned with just the right touch of intuition can turn your sow's ear into a silk purse.

What you want to have happen in a market often prevents you from doing what you should be doing in a

market.

That which is true, never changes. A market, a dynamic revaluating mechanism, always changes. Thereâ€™s very little thatâ€™s true about a market.

Beware of the new paradigm; it may not be wearing any clothes.

If you donâ€™t crave profit, profit may be attracted to you. If you donâ€™t fear loss, loss may not be attracted to you.

If you want to be condemned, keep doing what youâ€™ve always done.

Worst positions leave last.

The market is an imperfect game. Chess is a perfect game. All information is transparent. Either you are a smart player and can see the board or you are a challenged player. There is no luck. Poker is an imperfect game. You donâ€™t know all variables and bluff by itself can win the day.

You only learn from losing trades. A winning trade is simply a confirmation of your current infallibility.

Do everything you can to keep a losing trade an annoyance rather than a memorable event.

If you are in a winning position, remain aware that just as the sea reclaims land, the market wants its money back.

Never disrespect the possible (especially option expirations).

A trade is a trade. It is a financial event. It is not a justification or repudiation of your geopolitical or ecopolitical model.

Donâ€™t convince yourself that youâ€™ve figured out the puzzle. The puzzle keeps changing. Eventually the puzzle just disappears.

As soon as you canâ€™t recognize the art of your current trade, get out.

You have to be willing to give back, to fold, to square your position to cash. If you donâ€™t give back they will end up taking you away.

Markets spend as much time going up as they do going down, the only difference is amplitude.

As the futures market is a zero sum game and the instruments of trade expire continually, regression to the mean should be a frequent event. The stock market is totally different; for every buyer there doesnâ€™t have to be a seller and the life of a stock is theoretically, potentially, infinite. Regression to the mean should be a â€œless frequentâ€ event at Wall and Broad.

Good trades are often counter intuitive.

There's far greater skill in trading well when you're behind than in trading well when you're ahead.

Ascertaining the correct value for 6 variables before making a trading decision is not better than ascertaining the correct value for 3 variables. When it comes to heuristics, kiss.

All your answers have questions.

Markets are mechanisms that foster irrational behavior.

Don't let your trading be held hostage to the need for discernment.

As soon as market action can be explained and generally understood, expect the market to change.

Before entering a trade, mentally understand and accept all potential losses.

If you have to win you'll lose.

If you have to lose, you will.

On initial order placement, never be impetuous. Wait for your price.

Look for ways to take action. Idle brilliance adds.

Good trades usually set up with a sense of inevitability and unfold in slow motion.

Remembrance may be the inability to let go.

In trading, feeling comfortable should be an uncomfortable feeling.

You can't continue to court disaster without eventually landing a date.

You're only as young as your last winning trade.

People feel more comfortable with losing positions and more nervous with winning positions.

If you have a position in a market and the average true range of that market is 128 points and the market has only had a range of 28 points so far, start figuring out which side of the market is going to deliver the next 100 points.

When asked to play a game, then stopped mid game and asked how they are doing, people invariably state that they are performing at better levels than they actually are.

Work on four things: fear, anger, frustration and judgment; it's all derived from fear.

Anger is the clash of desires.

Whatever you believe is undoubtedly correct until the passage of time offers another suggestion.

Simplify. If you are using 4 indicators to trade, use three. If you are trading

5 markets, trade 4, then reexamine the number of indicators youâ€™re using.

Markets generally lack conviction, especially post 9/11. Thatâ€™s why trend traders have a low incidence of winning. Take advantage of that.

What funds buy, they sell. No fund is ever going to take delivery of a barrel of oil or a bag of coffee. Take advantage of that.

You manifest the world through interpretation.

Life is, at least, the non-annihilating coexistence of opposites.

Chuck Kespert

running imaginary tote commencing 8.30.05 on closed out positions for entertainment value

market value, non inclusive of commission and fees

+718.25 Bonds

+718.75 TY notes

+296.87 Bond spreads

+156.25 Bond options

+1350.50 British futures

+2675.0 British options

+1722.50 Canadian options

+2416 Canada futures

+1507.00 Yen futures

+813.00 Yen spreads

+1462 EC futures

+2712.90 Euro Currency spread

+1087.5 EC options

Nasdaq (1250)

Emini S+P 425

Emini S+P options (55)

Mini Crude + 4625

Min Nat Gas +1605.00

Gold +2992

Gold options (160)

Bunds +40 points (priced in EC ticks)

Mini Dow Options +600

Mini Dow futures 80

Silver +3750

TUT +125

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