

*Historical Metals Report - **SAMPLE PAGES** from 2004 Edition*

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*[Note: Charts current through May 2004.]*

**DRAFT**



*The Moore Research Center, Inc. (MRCI), located on 73 secluded acres outside Eugene, Oregon, is sought for its futures market analysis, combining many years of intensive computerized study and the experience of real-time trading. Our hardware and software both are constantly upgraded, giving MRCI the speed and depth of capability to study price movement that we believe are state-of-the-art for the industry.*

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**K**nowledge is the foundation essential to making more consistently successful decisions. Does a prudent investor allocate his financial resources without first researching his timing and his profit/cost potential? Does a successful trader/investor immediately jump at a “hot tip” or at a front-page story in *The Wall St. Journal*? Or would he more closely examine his targeted market(s)?

The purpose of this publication is to quantify price history for metal futures. The results are offered from a variety of relevant perspectives and then presented in a format useful to those whose balance sheet is substantially affected by fluctuations in metal prices. The business executive and trader alike are encouraged to examine the following thoroughly, for seasonality can be a primary component in price movement.

### **Seasonal Patterns**

Nearly all markets—real estate, bonds, copper cathodes, gold futures—are affected by various fundamental forces, many of which are seasonal in nature. Such forces as weather, fiscal calendars, European vacations, and specific characteristics of futures contracts (such as delivery and expiration) tend to recur and influence, to one degree or another, certain markets every year. As any market responds to a series of annually recurring factors, price patterns evolve.

Daily *seasonal* patterns, both the 15- and most recent 5-year, are derived from and a composite of historical daily price activity in the specific contract or spread relationship under consideration. The numerical index to the right reflects a historical tendency to reach its seasonal high (100) or low (0) at a given time.

Weekly continuation charts are also contract-specific. They are intended to better illustrate historical relative value, turning points, and long-term trends for particular trading and spread strategies.

### **Windows of Opportunity**

From these seasonal patterns, one can derive a seasonal approach to futures that is designed to anticipate, enter, and capture recurrent price trends as they emerge and exit before they are “realized.” Within these patterns may appear well-defined seasonal tops, bottoms, and trends.

**Moore Research Center, Inc. (MRCI)** computer programs have analyzed trends that have recurred in the same direction during a similar period of time in at least 80% of the last 15 years. The underlying theory assumes that causal fundamental factors specific to that time period must have existed and may be influential again, thus making each historically 80%-or-more reliable strategy valid as a *potential trading idea*. Remember, however, that past performance is *not necessarily* indicative of future results.

*These strategies are not recommendations*, but rather presentations of quantified historical fact. Seasonal strategies essentially identify computer-optimized dates on which prices have with a great degree of consistency been higher (lower) than on a previous date. Commercial users/producers and those with currency risks may find the consistency implied by seasonal analysis to be vital in managing exchange rate and cost/profit risks, affording greater confidence to the business strategist planning into the future.

### **Special Notes**

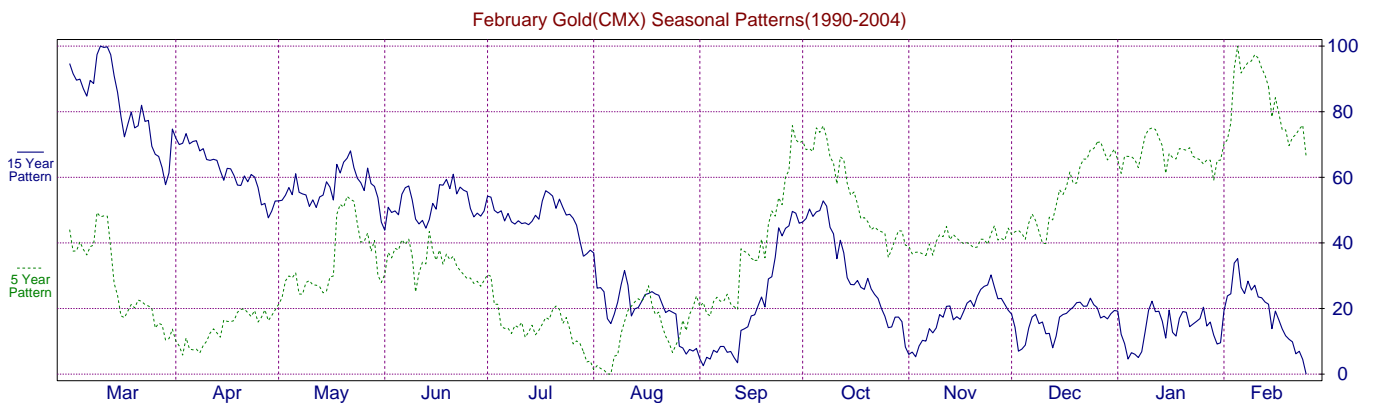
Various types of charts, if not discussed on this page, are explained in pages following. Please see the **Table of Contents**.


Per industry standard, prices/values for the second-named contract (the short “leg”) are subtracted from prices/values for the first- to determine chart points. For purposes of perspective, gold/silver relationships are plotted both as *price ratios* and as one-to-one futures contract *equity spreads*. The gold/platinum relationship is depicted solely as a *price difference* even though the platinum contract is only half the size that of gold.

*The ultimate decisions about how any trading strategies are executed are the responsibility of the user.* The publisher neither intends nor desires to judge the appropriateness of any given strategy for trading in any given year.

**E**ach chart consists of two aspects of a market's seasonal pattern—the most recent 15-year (solid line) and its most recent 5-year (dotted line), April 2004 contracts inclusive. Thus, any evolution in the pattern may be perceived, as well as trends, tops, and bottoms coincident to both. The numerical index to the right measures the greatest historical tendency for the market to make a seasonal high (100) or low (0) at a given time.

Besides illustrating the more obvious seasonal tops, seasonal bottoms, and seasonal trends, these patterns also suggest certain cause/effect phenomena which may present secondary opportunities. For instance, do smaller but well-defined breaks/rallies typically precede certain events, such as Thanksgiving or first deliveries against a lead contract? If so, does there exist an implied opportunity?



 Moore Research Center, Inc.		<i>Month Symbols</i>	
MONTH	SYMBOL	MONTH	SYMBOL
January	F	July	N
February	G	August	Q
March	H	September	U
April	J	October	V
May	K	November	X
June	M	December	Z

*Seasonal Pattern Explanation and Month Symbols*

**U**nique MRCI strategy sheets present each historically reliable seasonal trade or spread with a table of its relevant detail. Traders are encouraged to evaluate each strategy individually; some may be more speculative in nature than others. To detect a trade, MRCI's computer system scrutinizes the last 15 years (when available) of historical price data for those trends recurrent, with a minimum reliability of 80%, during similar time windows. Those strategies are then subjected to further criteria established for average profit and duration of time window. Once discovered and initially evaluated, a trading strategy is outlined, its crucial data tabulated, and then presented in the format below for closer analysis – perspective on the third dimension, if you will. (Special reports may contain certain strategies that have more commercial rather than speculative application, for instance, those that duplicate/overlap other strategies or trade a “spot month” contract.)

### Reading the Table

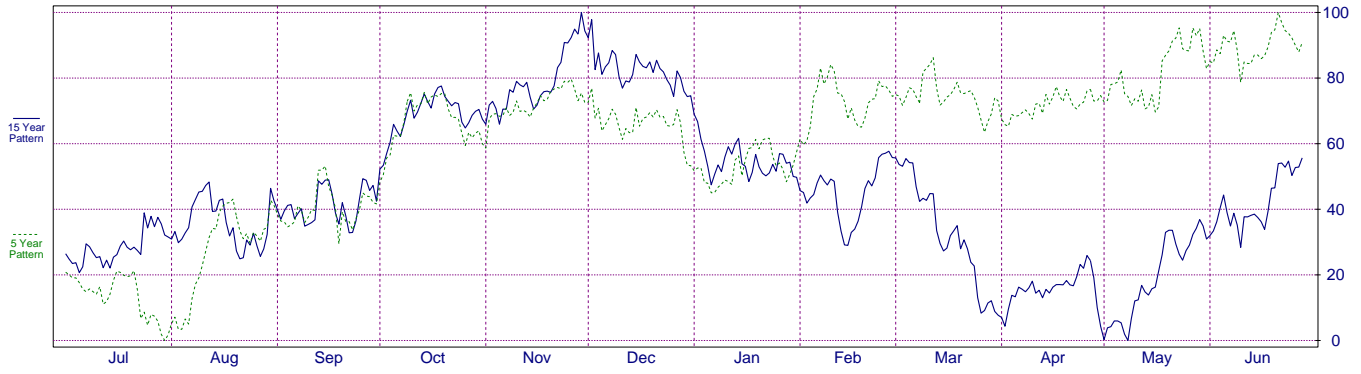
For each contract year studied, the table lists entry date and price, exit date and price, and the ultimate profit or loss. Entry and exit prices are definitively based on the settlement price of the dates listed, as are profit and loss values. If an optimized trade date fell on a weekend or holiday, entry was considered to have been made on the following trading day while exit on the prior. In order to reflect historical fact and actual market movement, studies on these strategy sheets do not utilize the equity protection techniques (STOPS) suggested for real-time trading. The table encourages further evaluation by providing peak equity/worst drawdown dates and amounts.

**Because past performance is not necessarily indicative of future results, these strategies are not recommendations but rather presentations of quantified historical fact. MRCI urges all traders to employ proper money-management techniques at all times.**

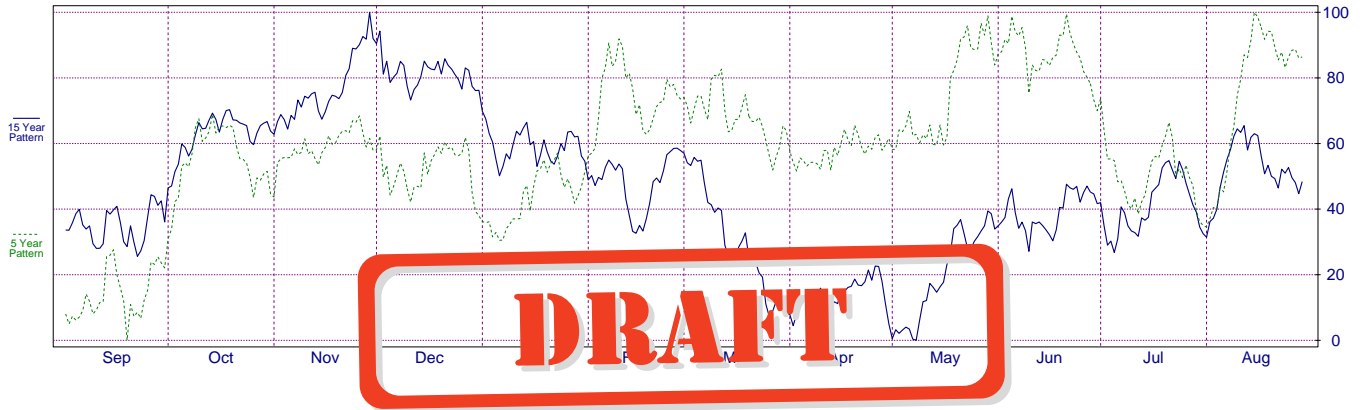
Moore Research Center, Inc.		<b>Silver(CMX)—May</b>								
Buy on approximately 01/04 - Exit on approximately 02/04							Contract Size: 5,000 troy ounces			
CONT YEAR	BUY DATE	BUY PRICE	EXIT DATE	EXIT PRICE	PROFIT	PROFIT AMOUNT	BEST EQUITY DATE	BEST EQUITY AMOUNT	WORST EQUITY DATE	WORST EQUITY AMOUNT
2004	01/05/04	625.60	02/04/04	616.20	-9.40	-470.00	01/28/04	1930.00	02/02/04	-1000.00
2003	01/06/03	492.10	02/04/03	493.00	0.90	45.00	02/04/03	45.00	01/14/03	-720.00
2002	01/04/02	464.70	02/04/02	431.00	-33.70	-1685.00	01/09/02	300.00	01/31/02	-2045.00
2001	01/04/01	462.10	02/02/01	483.20	21.10	1055.00	01/26/01	1240.00	01/10/01	-30.00
2000	01/04/00	538.90	02/04/00	558.50	19.60	980.00	02/04/00	980.00	01/12/00	-1085.00
1999	01/04/99	497.50	02/04/99	576.80	79.30	3965.00	02/04/99	3965.00		
1998	01/05/98	593.80	02/04/98	693.00	99.20	4960.00	02/04/98	4960.00	01/12/98	-2290.00
1997	01/06/97	469.50	02/04/97	490.30	20.80	1040.00	01/27/97	2000.00		
1996	01/04/96	545.80	02/02/96	589.00	43.20	2160.00	02/02/96	2160.00		
1995	01/04/95	469.30	02/03/95	472.50	3.20	160.00	01/20/95	1415.00		
1994	01/04/94	526.30	02/04/94	546.30	20.00	1000.00	02/03/94	1235.00	01/27/94	-1250.00
1993	01/04/93	368.00	02/04/93	369.70	1.70	85.00	01/20/93	420.00		
1992	01/06/92	400.10	02/04/92	420.40	20.30	1015.00	01/16/92	1865.00	01/07/92	-125.00
1991	01/04/91	426.50	02/04/91	390.80	-35.70	-1785.00	01/07/91	675.00	01/24/91	-2145.00
1990	01/04/90	541.50	02/02/90	542.20	0.70	35.00	01/12/90	275.00	01/31/90	-520.00
Percentage Correct		80								
Average Profit on Winning Trades						27.50	1375.00	Winners		12
Average Loss on Trades						-26.27	-1313.33	Losers		3
Average Net Profit Per Trade						16.75	837.33	Total trades		15
<small>HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. RESULTS NOT ADJUSTED FOR COMMISSION AND SLIPPAGE.</small>										

Strategy Explanation

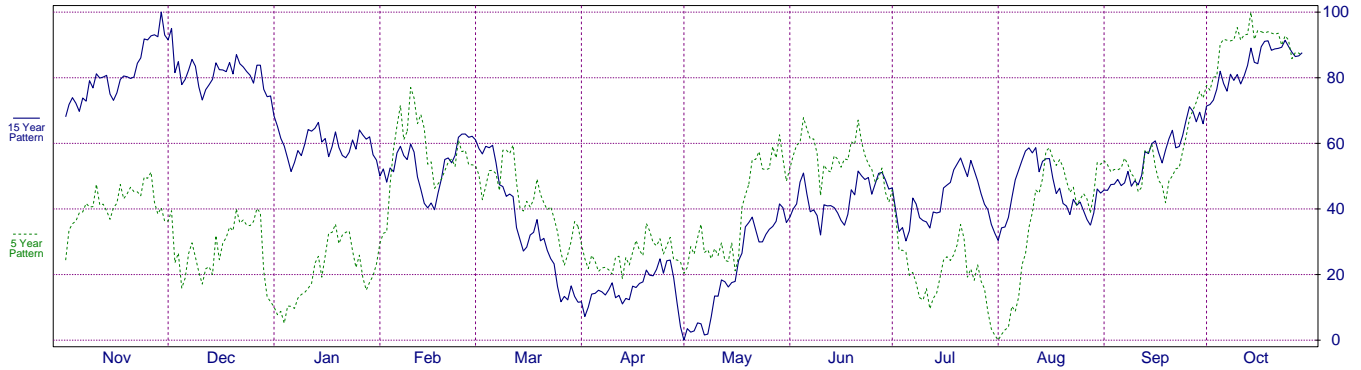
Jun Gold(CMX) - Jul Silver(CMX) 15 Year Seasonal(89-03)



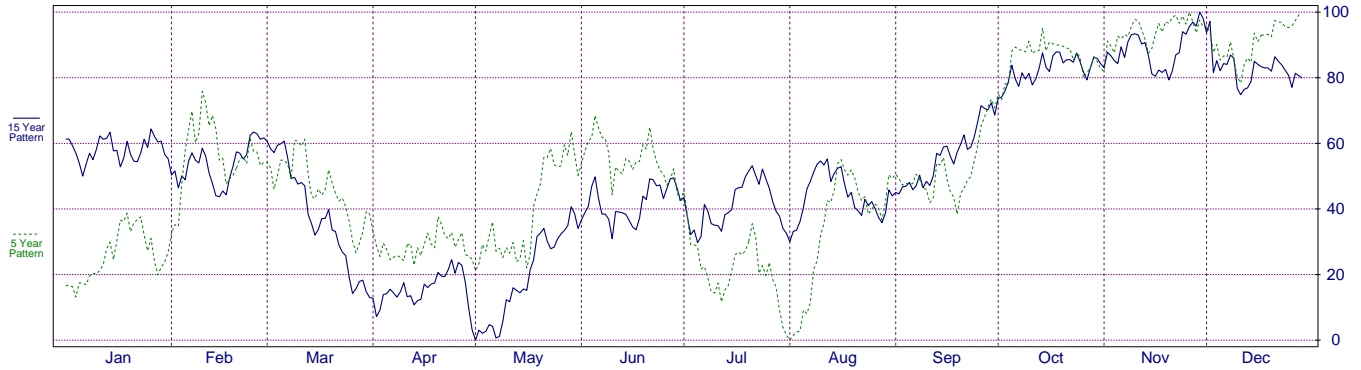
Aug Gold(CMX) - Sep Silver(CMX) 15 Year Seasonal(89-03)



Oct Gold(CMX) - Dec Silver(CMX) 15 Year Seasonal(89-03)



Dec Gold(CMX) - Dec Silver(CMX) 15 Year Seasonal(89-03)



	Seasonal Strategy	Entry Date	Exit Date	Win Pct	Win Years	Loss Years	Total Years	Average Profit	Ave Pft Per Day	Pg No
1	Buy 2 Apr Platinum(NYM) Sell Apr Gold(CMX)	1/29	2/16	93	14	1	15	1638	86	55
2	Buy May Copper(CMX) Sell Dec Copper(CMX)	2/04	3/16	80	12	3	15	456	11	55
3	Buy 2 Apr Platinum(NYM) Sell Apr Gold(CMX)	2/05	2/16	93	14	1	15	1310	109	56
4	Buy 2 Jul Platinum(NYM) Sell Jun Gold(CMX)	2/24	4/19	93	14	1	15	2144	38	56
5	Buy May Silver(CMX) Sell Apr Gold(CMX)	2/25	3/14	93	14	1	15	570	30	57
6	Buy May Silver(CMX) Sell Apr Gold(CMX) *	2/25	4/02	87	13	2	15	1230	32	57
7	Buy Jun Gold(CMX) Sell Jul Silver(CMX) *	5/08	5/28	87	13	2	15	775	37	58
8	Buy Aug Gold(CMX) Sell Sep Silver(CMX)	5/08	6/04	87	13	2	15	823	29	58
9	Buy Sep Copper(CMX) Sell Jul Copper(CMX) *	5/12	6/29	93	14	1	15	307	6	59
10	Buy Dec Gold(CMX) Sell Dec Silver(CMX) *	8/29	11/28	87	13	2	15	967	11	59
11	Buy Jul Copper(CMX) Sell Dec Copper(CMX)	8/30	10/03	87	13	2	15	352	10	60
12	Buy Dec Gold(CMX) Sell Dec Silver(CMX)	8/30	10/18	87	13	2	15	774	15	60

# DRAFT

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Note: "Ave Pft Per Day" quantifies the average historical profit (including losses) per day of trade maintenance, i.e., historical daily return.

*Note: These trade strategies have worked with historical consistency. No representation is being made that they will work this year or in the future. Please check current market fundamentals and technical conditions before considering these trades. This information is not a recommendation to buy or sell at this time, but merely a historical presentation of trade strategies. Past results are not necessarily indicative of future results. No representation is being made that an account will or is likely to achieve profits or incur losses similar to those shown.*

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