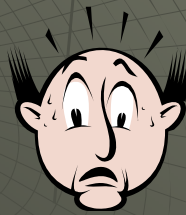


Trader Psychology and Impacts on Your Marketing Plan

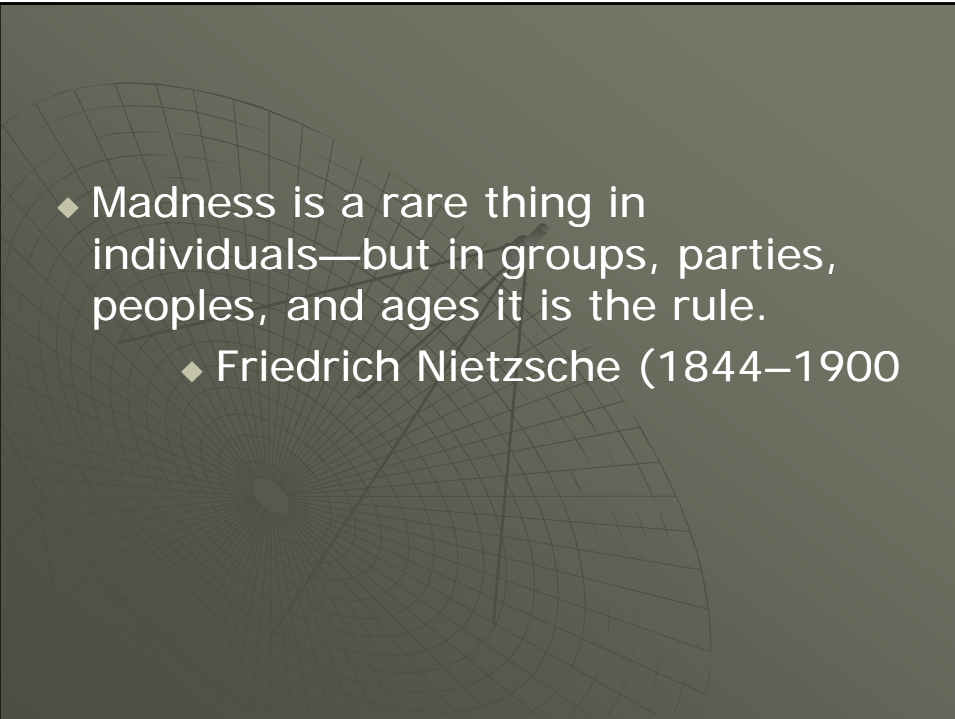
Brugler Marketing & Management LLC
15711 Howard St.
Omaha, NE 68118
(402)-697-3623
alanb@bruglermktg.com

What's Inside Your Head?

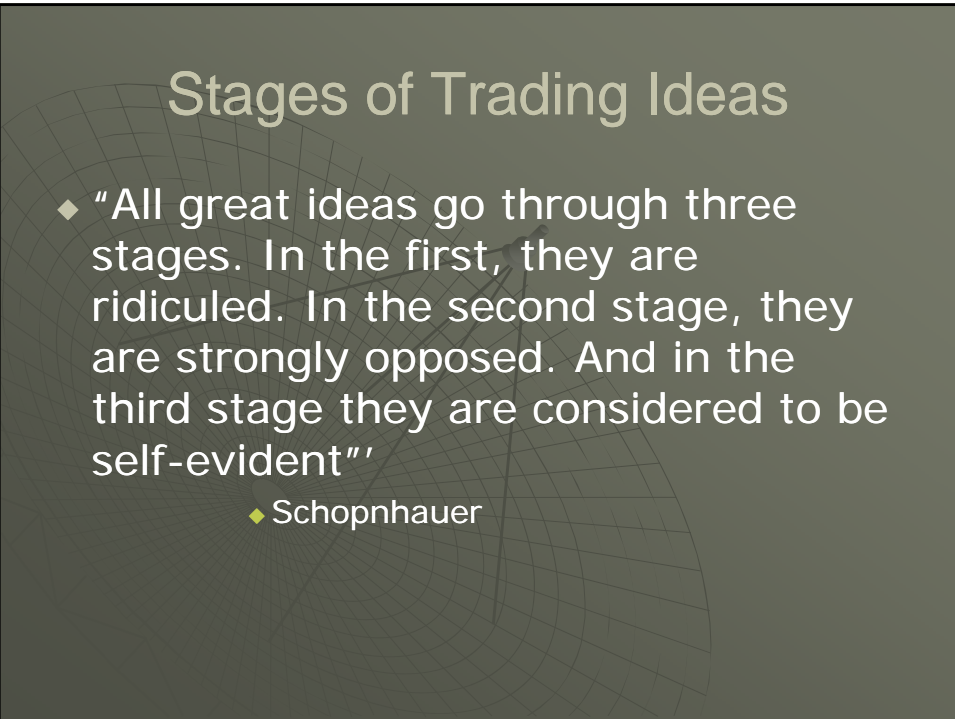


Market Psychology

- ◆ "It Doesn't Matter Why, It Matters Which Way" Jim Paul
- ◆ "If it's going up, buy it. If it ain't, don't!" Will Rogers
- ◆ Panic, Fear, Greed are your enemies
- ◆ Tame your Gremlin
- ◆ Beware of Logic Traps

- 
- ◆ Madness is a rare thing in individuals—but in groups, parties, peoples, and ages it is the rule.
 - ◆ Friedrich Nietzsche (1844–1900)

Stages of Trading Ideas

- 
- ◆ “All great ideas go through three stages. In the first, they are ridiculed. In the second stage, they are strongly opposed. And in the third stage they are considered to be self-evident”
 - ◆ Schopenhauer

Logic Traps

Epictetus

"Appearances to the mind are of four kinds. Things either are what they appear to be; or they neither are, nor appear to be; or they are, and do not appear to be; or they are not, and yet appear to be. Rightly to aim in all these cases is the wise man's task."

[Discourses]

Taming Your Gremlin

- ◆ Richard D. Carson, Harper Perennial
- ◆ Dewey 158.1
- ◆ We are all actors. The behaviors we present to others are an Act, conditioned by our psyche and our experiences.
- ◆ Some behaviors have been rewarded positively, others negatively.

The Gremlin

- ◆ All of us have a Gremlin that prevents us from being optimal performers, and permits others to control us to a degree.
- ◆ His face is of the coulda, woulda, shoulda variety.

Taming Your Gremlin

- ◆ Everyone Has One
- ◆ Best Countered by Rational Analysis
- ◆ First you have to ground yourself from your Act.
- ◆ You can't beat him, just give him alternatives and choose one of them rationally and logically.



Logic Traps

- ◆ Backyarditis
- ◆ Appeal to Pity
- ◆ Star Power
- ◆ Coffee Shop Syndrome (Everybody's doing it, it must be right)
- ◆ Newsweek Curse



Trading Tricks

- ◆ Failing to Plan is Planning to Fail
- ◆ Disciplined Traders have a plan, based on analysis, with alternative outcomes and check points.
- ◆ With experience, this can become subliminal (unconscious competence)

Psychology

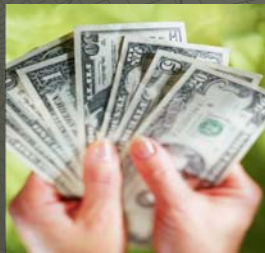
- ◆ Source: Toni Turner
- ◆ Mental Filters Help Us Ignore Extraneous Information and follow the plan.
- ◆ Mental Filters Can Become "Clogged"
- ◆ Some Causes:
- ◆ Personal Deservability Programs
- ◆ Loss-Remorse
- ◆ Performance Anxiety

Deservability Programs

- ◆ Do you deserve to make money quickly, without much physical effort?
- ◆ Many Make Money, and Give it All Back.
- ◆ Financial Fear of Heights!
- ◆ Most of us believe "No pain, no gain"
- ◆ "Money is the root of all evil"
- ◆ "You'll never amount to anything"

Cure to Deservability

- ◆ Each Morning Ask –“Do I Deserve to Make a Lot of Money Easily Today?”
- ◆ Answer (and believe) “Yes!!!!”



Loss -Remorse

- ◆ You enter positions without an adequate plan.
- ◆ Sometimes this is due to boredom.
- ◆ It goes against you, or just trades wildly when you have no stops or trade adjustments in mind. You “get me out”
- ◆ You feel guilty, because you took a short cut and lost money.
- ◆ Then you are confused, and pass up good opportunities.

Loss-Remorse Cure

- ◆ Set up your analysis framework, and follow that framework, each and every time.
- ◆ "Corner yourself". Commit psychologically by telling someone else about your plan and how good it is. Now you have to stick to it!
- ◆ Can be dangerous

Performance Anxiety

- ◆ You set high Goals, then criticize yourself and your performance when you don't meet them.
- ◆ Or, you take extra risks in order to try to achieve the goals, and blow up the deal.

Performance Anxiety Cures

- ◆ Switch from numeric (\$) to process driven or method driven goals.
- ◆ Have a trade/marketing plan, and stick to it.
- ◆ Be wary of any fear, nervousness or outright panic that pops up, even for a moment.

Duke - Mind Your Trading

- ◆ From an article in Futures magazine by Phil Duke
- ◆ "Successful trading depends on following a sound, logic-based trading system, which employs technical or fundamental analysis or both."

More Duke

- ◆ Trading failures generally are due to either misinterpreting the system or failing to act as the system dictates.
- ◆ System interpretation and decision making are mental functions, and those happen in the brain!
- ◆ **Strong feelings about a market will blind a trader to any realistic evaluation of it.**

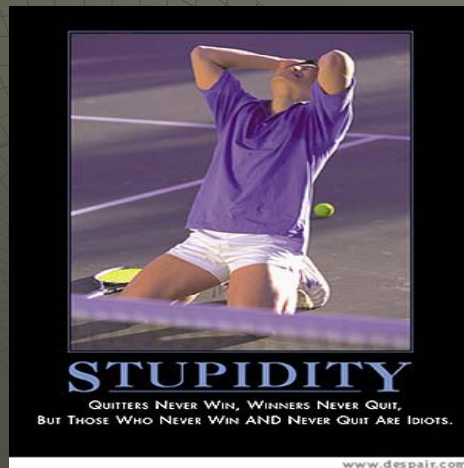
Some Rules

- ◆ Rule 1: Try to minimize all feelings before trading.
- ◆ Rule 2: Never make an important decision with a strong emotion.
- ◆ Rule 3: The best trading emotion is the least.
- ◆ Rule 4: Try to remain objective
- ◆ Rule 5: It's only money, not life and death

Trading Rule

- ◆ Better trading is more profitable and less stressful trading.
- ◆ When trading, you should feel interested, eager, and somewhat cautious.

Brett Steenbarger



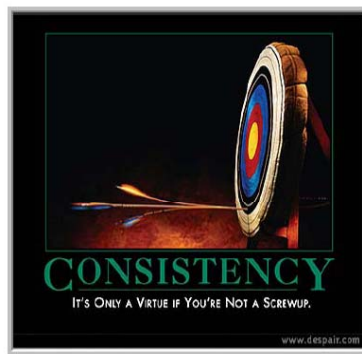
Steenbarger

- ◆ "Minds are like parachutes. Just because you lost yours doesn't mean you can borrow mine".
- ◆ You always need to keep your positive well being score above your stress (always there) negative score.

Brent Steenbarger

Three Common Trading Problems

- Performance Anxiety
 - Impulsivity
- Failure to Adapt



Flavia Cymbalista

- ◆ In the market situation, we are most likely to find habitual patterns which are related to an INTOLERANCE OF UNCERTAINTY.
- ◆ 1) These habitual reactive patterns basically fall into two classes. One is DENIAL. We overlook the fact that we don't know for sure. We deny 'uncertainty'.
- ◆ We're overconfident

Flavia Cymbalista

- ◆ The second class pulls you in the opposite direction. We remain aware of uncertainty but we are AFRAID TO ACT.
- ◆ We've lost our confidence

Dennis Gartman's Rules

- ◆ Excerpted from "18 not so simple rules of trading"
- ◆ Markets can remain illogical far longer than we can remain solvent
- ◆ Capital is of 2 varieties-Mental and that in the account.
 - Losing positions cost measurable actual capital, but cost immeasurable sums of mental capital. (Your brain gets a margin call!!)

Gartman Continued

- ◆ There is never one cockroach.
 - Bad news begets bad news

All rules are meant to be broken. The trick is in knowing when, and how often.

Adrian Toughraie-Trading Saboteurs

- ◆ Your income or profits are insufficient
- ◆ Your system doesn't fit your personality
- ◆ Your rules are too complicated or change too often
- ◆ Your system risk level is too high for your comfort
- ◆ Your Self Discipline is breaking down
 - Don't let outside events control you
 - Make rules to control your office environment
 - Concentration is KEY

Toughraie – Strategies to Avoid Sabotage

- ◆ 1) Awareness
 - Live Life with Purpose, not just with Habit
- ◆ 2) Self Assessment
 - What makes you passionate?
 - Is anything missing in your life,
 - Don't shoehorn trading to fit other needs
- ◆ 3) Organize your Time, Life, Environment
- ◆ 4) Model the Best in the Business
- ◆ 5) Plan, and Build New Habits
 - Must build your energy
 - Spend time with special people who excite you
 - Balance your Adult, Parent, Child roles

Strategies to Avoid Sabotage

- ◆ 6) Goals
- ◆ 7) Mental Rehearsal, Contingencies
 - Ala Ringer, assume negative outcomes, plan counters in detail

Alan's Rules

- ◆ 1) It's only money.
- ◆ 2) Your risk is one directional
- ◆ 3) Trade within your comfort range
- ◆ 4) Logic and procedure are the best weapons against your Gremlin
- ◆ 5) If it looks too good to be true, it probably is!
- ◆ 6) Cut losses short, let profits run
- ◆ 7) Don't trade sick, don't trade tired

Indicator Overload

- ◆ AKA "Parameter Paralysis"
- ◆ Too Many Signals, Different Directions
 - 1) Step Back
 - 2) Screen the Indicators
 - 3) Assign Probabilities
 - 4) Use Options as Defense
 - 5) If Really Uncertain, stand aside

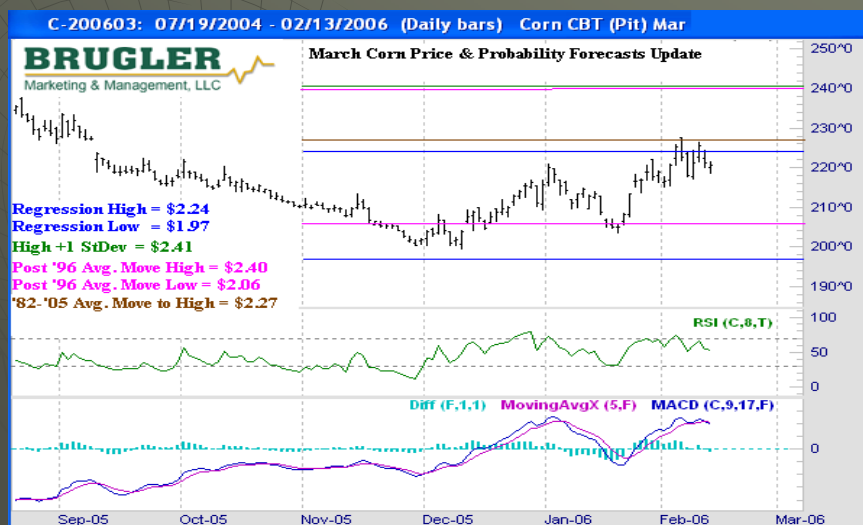
Technical Analysis As A Solution

- ◆ The function of Technical Analysis is to provide an objective picture of the market, and to allow you to assign probabilities to various outcomes in a non-emotional way.
- ◆ It can provide a discipline that is lacking when marketing is based solely on the news.
- ◆ Your own psychology is still the biggest cause for concern.

Technical Decision Grid

- ◆ Fundamentals
 - ◆ Annual Trading Ranges
 - ◆ Monthly Charts
 - ◆ **Price & Probability Forecasts** Targets
 - ◆ Seasonals
 - ◆ Weekly Charts
 - ◆ Daily Charts
 - ◆ Intraday Charts
- ◆ Higher Degrees of Time Have Precedence!

One Part of a Technical Decision Grid



BRUGLER

Marketing & Management, LLC



- ◆ *Ag Market Professional* –daily analysis and advice on futures, options, basis, CCP, LDP's and risk management strategy for ag commodities
- 1. *Special Research Reports* –5-6 studies per week analyzing potential price ranges, unique market situations, technical trends and fair value for commodities via Alan Brugler's time tested & proprietary methods.
- 2. Marketing Training –Advanced Technical Analysis, Advanced Options Use
- 3. Speaker Resource on Agricultural Outlook, Technical Analysis, Advanced Options
- 4. Freelance agricultural writing and research projects

- ◆ Phone: 402-697-3623
- ◆ Fax: 402-697-3623
- ◆ Cell: 402-415-3871
- ◆ E-mail: alanb@bruglermktg.com or agmktpro@aol.com
- ◆ Web Site: www.bruglermktg.com

Time to Change Your Plan



- **Trend Following Indicators**



"If it's gonna go up, buy it. If it ain't,
don't!"

Will Rogers

NFA Disclaimers

- *There is a substantial risk of loss in futures and options trading. Such losses may exceed your initial investment.*
- *Past performance is not necessarily an indicator of future results.*
- This is particularly relevant as we talk about tools. Successful tools quit working sometimes because the victims quit trading!

Warnings That Something Is Changing

- Bad news fails to make the market go lower
- Good news fails to make it go higher
- Divergences between indicators and chart action
- Long term buy signals on weekly or monthly chart
- Long term sell signals on weekly or monthly chart
- Emphasis on Trend Following Systems for any changes to your plan.



How To Lose \$1 Million



- Get Bullied Up When Setting Your Plan
- Get Aggressive
- Tell Your Friends What You Are Doing
- Argue Strongly for your view of the market
- Ignore the market's disagreement with your view
- Double Down or Double Up
- Run out of Time or Money

Indicators vs. Charts

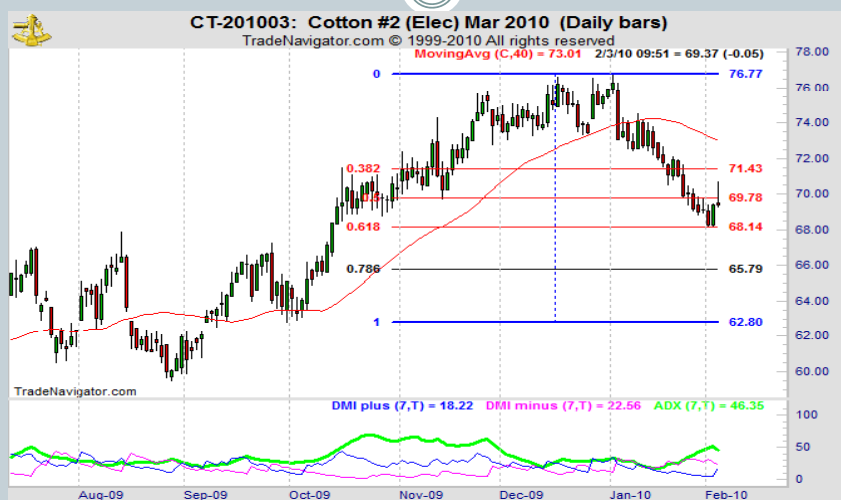


- Sometimes things are changing mathematically within the market, and these changes are not yet visible on the price chart. Momentum and extremes in sentiment are particularly hard to see.
- Indicators create a visual representation of those changes and give you buy and sell signals.

Tool Selection and Filtering

- Within these tools, how do you decide which to pay attention to?
- Brugler's Selection Rule:
 - “Use Trend Following Systems in Trending Markets and Oscillators in non-trending markets.”
 - For our dynamic marketing plan, we're looking for changes in trend following systems at the weekly or monthly chart level that might suggest our price targets are too high or too low.

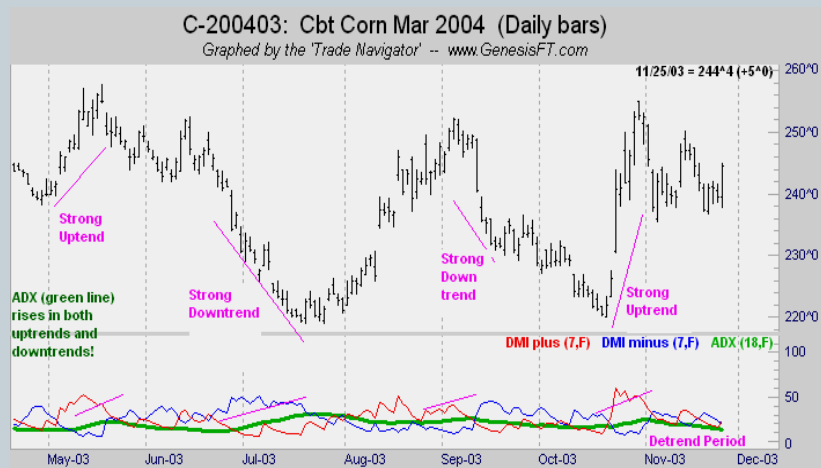
A Key Question: Is the Market Now Trending?



ADX Identifies Trends in the Data

- ADX Stands for Average Directional Index.
- It was invented by Welles Wilder.
- DMI+ and DMI- are sub-components for computing the ADX
- DMI+ represents positive or upward momentum, while DMI- represents negative or downward momentum
- ADX measures the trend component in the data
- Filters out statistical noise which looks like a significant price change but isn't

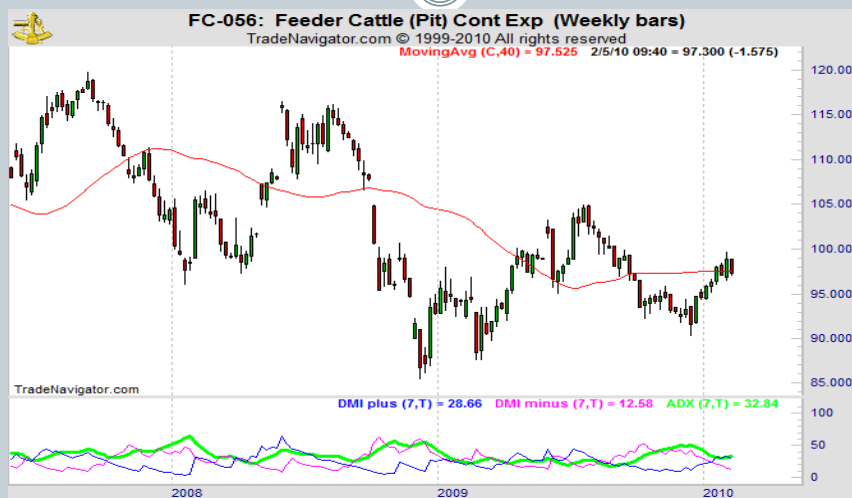
DMI/ADX Gives Hints of Direction



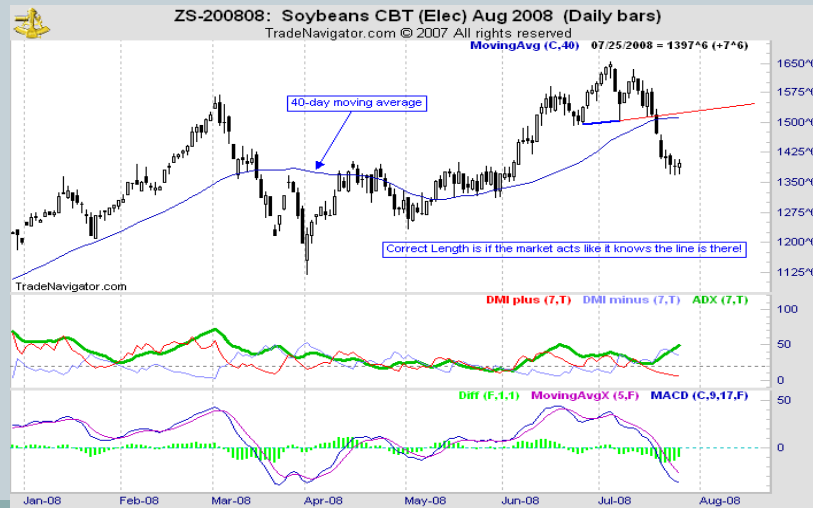
ADX Hints/Alan's Rules

- ADX should be above 20, or rising, to signal a trending move.
- Crossovers with DMI+ or DMI- are SOMETIMES significant
- We emphasize taking cyclical indicator signals on high ADX, particularly above 40.
- Use Oscillators or Intraday signals on ADX below 20.
- Some systems require a change in ADX length for optimum performance. A bar length of 14 is common, up to 20 can work.
- Some shorten it to 7 or 8 bars. That yields a more responsive indicator, but one less indicative of long term trends.

ADX and DMI



Moving Averages Also Define Trends



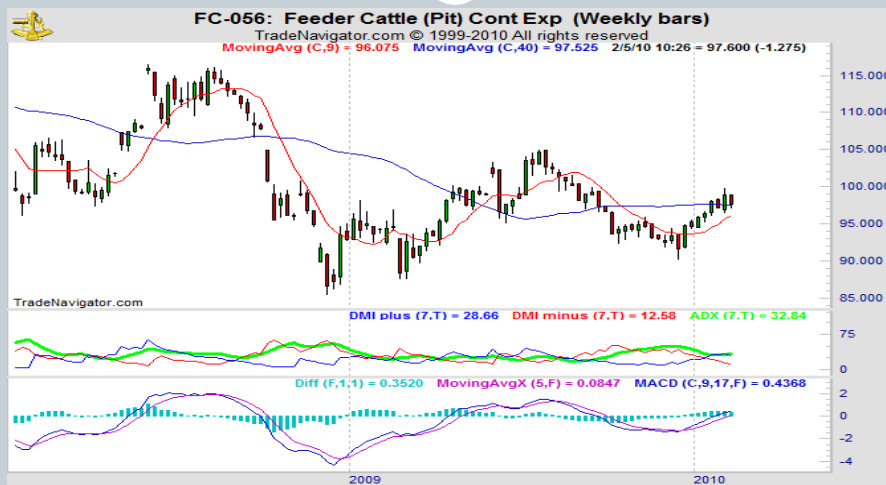
Use The Correct Tools

- Trend following tools in trending markets
- Oscillators and short term tools in sideways or consolidating markets
- For Marketing Plan purposes, use trend following tools for plan modifications, and short term tools to make sales or purchases of inputs.

Some Popular Trending Market Tools

- MACD (Moving Average Convergence/Divergence)
- Parabolic
- Brugler Cycle Indicator (BCI)
- Long term moving averages (40,50 day)
- Trendlines

Trending Market Tools - MACD



MACD



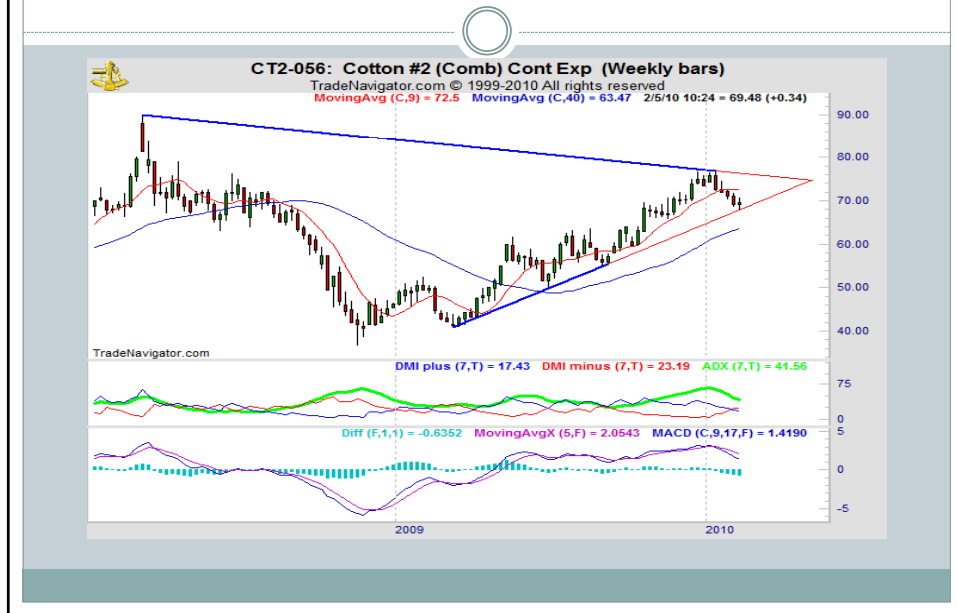
- The MACD line consists of two sub-component moving averages, aka the short average and the long average.
- The Signal Line is a moving average of the MACD line.
- If we say we are using a 5-9-17 MACD, that means a 5 bar moving average of an MACD line that uses 9 and 17 day averages in its calculations.

MACD Rules



- Trend changes occur when the MACD line crosses the signal line.
- The best quality signals tend to occur well away from the center “zero” line.
- Conservative traders wait for the crossovers, aggressive traders flip as soon as momentum slows (shorter bars on the histogram).
- Common settings are 9-12-26 and 5-9-17
 - Our tests show 5-9-17 works better for corn.
 - Momentum works better on weekly wheat charts.
- *Past performance is not necessarily an indicator of future results!*

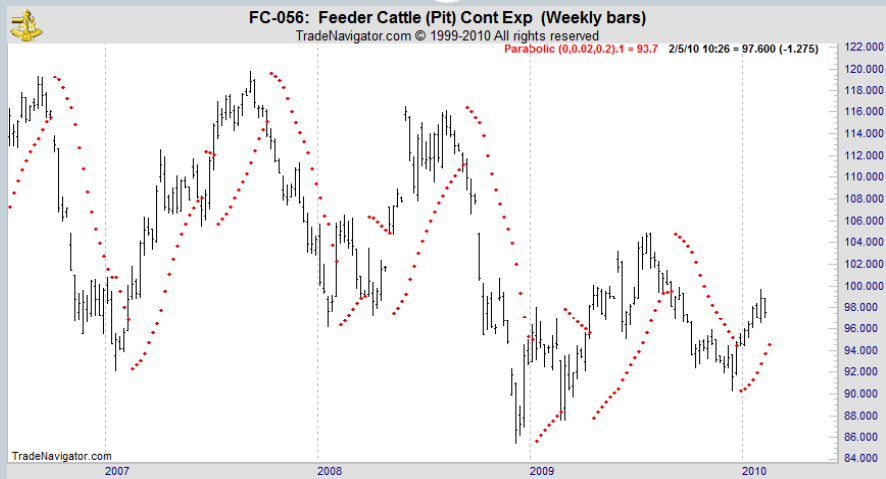
Another MACD Example



Wilder's Parabolic

- The Parabolic is a stop and reverse system.
- It is always in the market, either long or short.
- The SAR point (usually shown as a dot) is the price at which you are to close short positions and go long, or vice versa.

Parabolic Example—Feeder Cattle



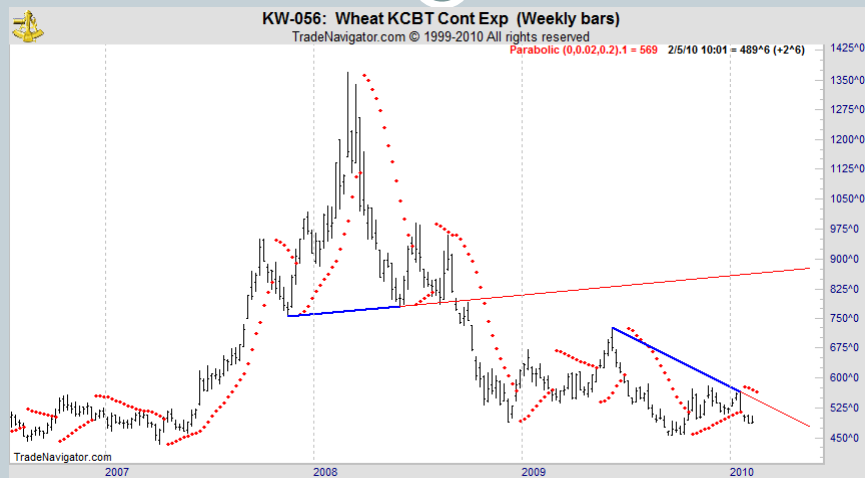
Parabolic Rules

- Stops are automatically placed at the last extreme high or low.
- The default acceleration factor is .02.
- Based on the principle that the longer you are in a move, the more likely that it is over.
- Very easy to get chopped up in a sideways market. Ignore it if no solid trend.
- Can be excellent on some weekly charts.

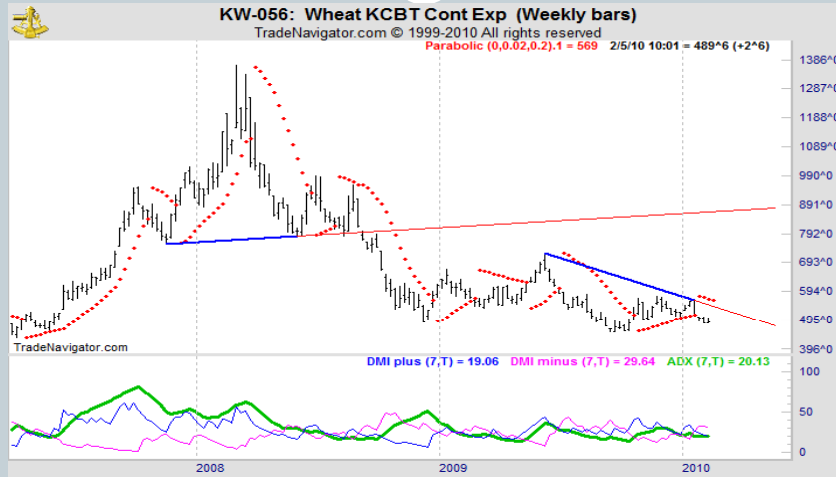
Second Parabolic Example



Do Parabolics Still Work?



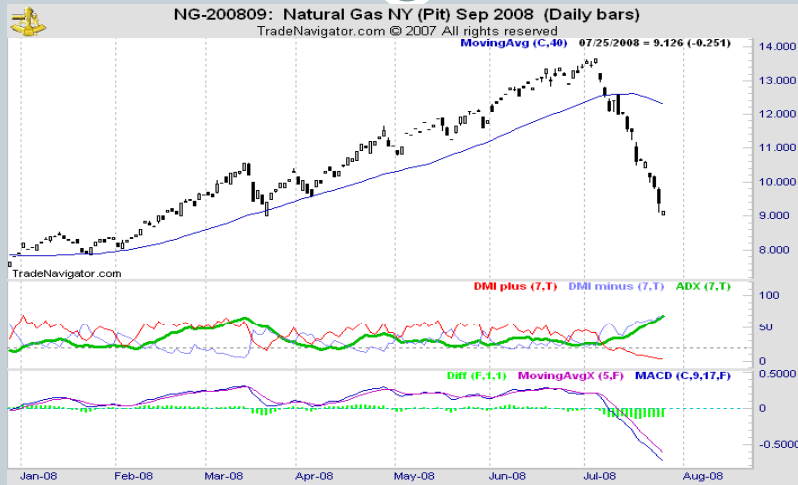
Adding ADX Helps Inform Decision



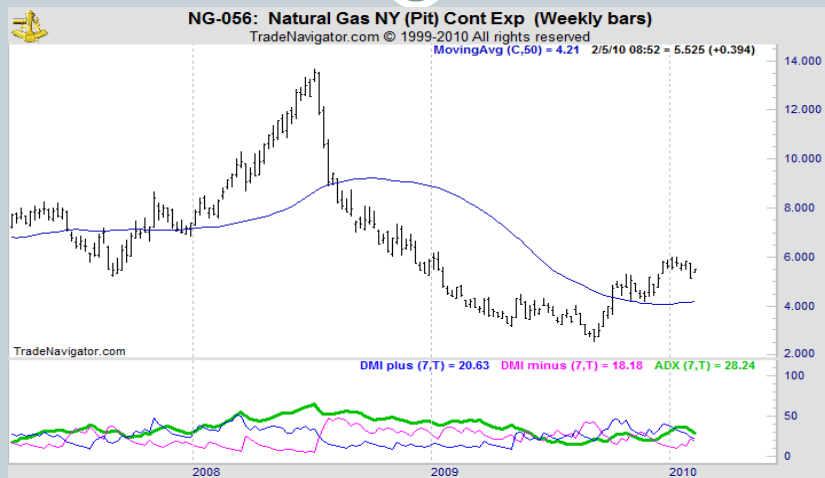
Parabolic Buy and Sell Signals



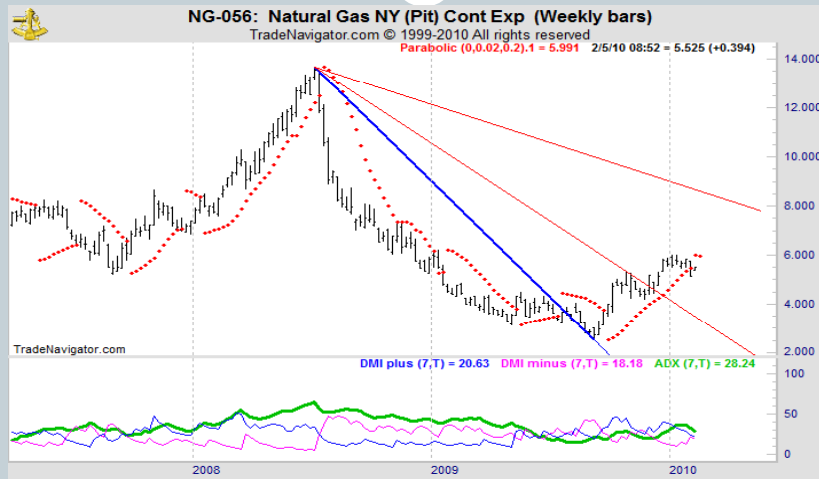
Moving Average Told You Not to Buy N



In 2009 They Said to Buy



Speed lines Are Another Good Long Term Signal



Long Term Trend lines Are Also Triggers



Don't Forget to Act!

- “Even if you’re on the right track, you’ll get run over if you just sit there!”

- Will Rogers (1879-1935)



Software Used in Examples

- *Software from the following sources was used for examples in this module:*
- Genesis Trade Navigator Gold
- BarCharts.Com
- DTN Online
- Prophet.Net
- Futuresource.com
- Agmarketpro.com



SEASONALS AND PROBABILITY

What's Typical?

Full ATS Version



SEASONALS AND PROBABILITY

What's Typical?

Full ATS Version

NFA DISCLAIMERS

- ⦿ *There is a substantial risk of loss in futures and options trading. Such losses may exceed your initial investment.*
- ⦿ *Past performance is not necessarily an indicator of future results.*
- ⦿ Seasonals are a particular area of concern. Even patterns that have worked 14 out of 15 years can fail the year you try to use them!
- ⦿ This presentation is not to be seen as a solicitation of futures or options trading.

Brugler Marketing & Management LLC.
15711 Howard Street | Omaha, NE 68118
| Phone & Fax: 402-697-3623 |
www.bruglermktg.com

NON-CHART STATISTICAL ANALYSIS

- ◉ Hedgers and Traders also look at mathematical probabilities of reaching certain prices.
- ◉ Some known as “conditioned seasonals”.
- ◉ It helps you to build a pricing framework.
- ◉ What does the market price usually do in this particular time frame, given the known parameters?
- ◉ *Difficult to choose the right parameters!*

A SIMPLE PERSPECTIVE METHOD

- ◉ Use Average Annual Trading Ranges to anticipate likely highs and lows.
- ◉ Scale that range to the current price level.

HISTORICAL PRICE RANGE - CORN

CBOT CORN				CBOT CORN			
	Calendar	Calendar	Cal. Year		Sep 1-Aug 31		Market
	High	Low	Range		High	Low	Yr. Range
1996	\$5.55	\$2.58	\$2.97	95/96	\$5.55	\$2.86	\$2.69
1997	\$3.20	\$2.40	\$0.80	96/97	\$3.20	\$2.40	\$0.80
1998	\$2.84	\$1.85	\$0.98	97/98	\$2.95	\$1.87	\$1.08
1999	\$2.34	\$1.77	\$0.57	98/99	\$2.34	\$1.77	\$0.57
2000	\$2.50	\$1.74	\$0.76	99/00	\$2.50	\$1.74	\$0.76
2001	\$2.31	\$1.84	\$0.47	00/01	\$2.31	\$1.79	\$0.52
2002	\$2.86	\$1.92	\$0.94	01/02	\$2.77	\$1.92	\$0.86
2003	\$2.62	\$2.05	\$0.58	02/03	\$2.86	\$2.05	\$0.81
2004	\$3.35	\$1.91	\$1.44	03/04	\$3.35	\$2.13	\$1.22
2005	\$2.63	\$1.86	\$0.77	04/05	\$2.63	\$1.91	\$0.72
2006	\$3.92	\$2.04	\$1.89	05/06	\$2.64	\$1.86	\$0.78
2007	\$4.57	\$3.09	\$1.49	06/07	\$4.37	\$2.22	\$2.15
2008	\$7.65	\$2.90	\$4.75	07/08	\$7.65	\$3.20	\$4.45
2009	\$4.50	\$3.04	\$1.46	08/09	\$5.80	\$2.90	\$2.90
P 2010	\$4.26	\$3.55	\$0.71	09/10(E)	\$4.26	\$2.97	\$1.30
25 Year Avg	\$3.33	\$2.14	\$1.20	26 Yr. Av.	\$3.31	\$2.12	\$1.19
Post '96	\$3.32	\$2.12	\$1.20	Post '96	\$3.49	\$2.13	\$1.35
Smallest	\$2.03	\$1.42	\$0.43	Min	\$2.03	\$1.42	\$0.44
Largest	\$7.65	\$3.09	\$4.75	Max	\$7.65	\$3.20	\$4.45

HISTORICAL PRICE RANGE - SOYBEANS

CBOT SOYBEANS				CBOT SOYBEANS					
	Calendar	Calendar	Cal. Year		Oct 1- Sept 30	Trading	Ending	USDA	
	High	Low	Range		High	Low	Range	Stocks	Avg Cash
1996	\$8.56	\$6.60	\$1.96	95/96	\$8.56	\$6.32	\$2.24	183	\$6.72
1997	\$9.04	\$6.20	\$2.84	96/97	\$9.04	\$6.20	\$2.84	132	\$7.35
1998	\$6.94	\$5.12	\$1.82	97/98	\$7.48	\$5.12	\$2.36	200	\$6.47
1999	\$5.57	\$4.02	\$1.55	98/99	\$5.94	\$4.02	\$1.93	348	\$4.93
2000	\$5.71	\$4.34	\$1.37	99/00	\$5.71	\$4.34	\$1.37	290	\$4.63
2001	\$5.38	\$4.20	\$1.19	00/01	\$5.38	\$4.22	\$1.17	248	\$4.54
2002	\$6.25	\$4.16	\$2.10	01/02	\$6.25	\$4.16	\$2.10	208	\$4.38
2003	\$8.02	\$5.32	\$2.70	02/03	\$6.91	\$5.22	\$1.69	178	\$5.53
2004	\$10.64	\$5.01	\$5.63	03/04	\$10.64	\$5.23	\$5.42	112	\$7.34
2005	\$7.52	\$4.99	\$2.54	04/05	\$7.52	\$4.99	\$2.54	256	\$5.74
2006	\$6.93	\$5.27	\$1.67	05/06	\$6.22	\$5.27	\$0.96	449	\$5.66
2007	\$12.30	\$6.59	\$5.71	06/07	\$10.18	\$5.41	\$4.77	573	\$6.43
2008	\$16.63	\$7.76	\$8.87	07/08	\$16.63	\$9.23	\$7.40	205	\$10.10
2009	\$12.91	\$8.43	\$4.48	08/09	\$12.91	\$7.76	\$5.15	138	\$9.97
2010(E)	\$10.66	\$9.05	\$1.60	09/10(E)	\$11.14	\$8.79	\$2.36	245	\$9.65
26									
Year Avg	\$8.06	\$5.44	\$2.62	Year Avg	\$7.95	\$5.39	\$2.56	275	\$6.21
Post 1996	\$8.76	\$5.49	\$3.27	Post '96	\$8.52	\$5.47	\$3.05	257	\$6.39
Min	\$5.38	\$4.02	\$0.96	Min	\$5.38	\$4.02	\$0.96	112	\$4.38
Max	\$16.63	\$8.43	\$8.87	Max	\$16.63	\$9.23	\$7.40	573	\$10.10

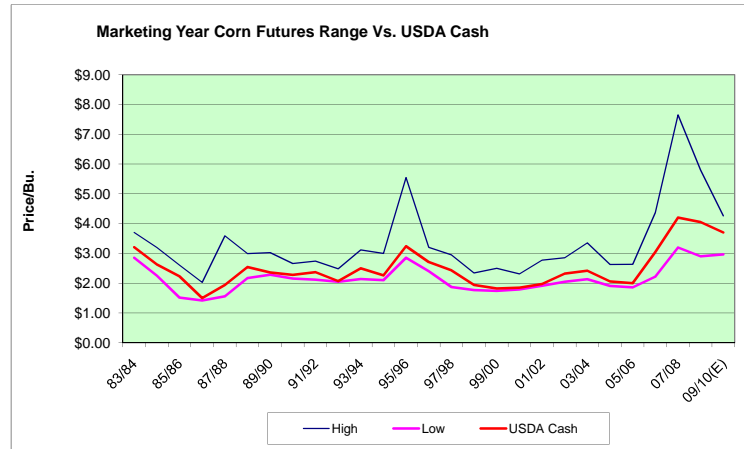
HISTORICAL PRICE RANGE -KC WHEAT

KCBT Wheat				KCBT Wheat						
	Calendar	Calendar	Cal. Year		KW	June/May	June/May	Mkt. Year	All Wht	USDA
	High	Low	Range		High	Low	Range	End Stks	Avg Cash	
1995	\$5.35	\$3.48	\$1.87		94/95	\$4.23	\$3.20	\$1.03	506.59	\$3.45
1996	\$7.44	\$3.93	\$3.51		95/96	\$7.44	\$3.86	\$3.58	376.02	\$4.55
1997	\$5.14	\$3.17	\$1.97		96/97	\$6.07	\$3.85	\$2.22	443.61	\$4.30
1998	\$3.58	\$2.62	\$0.96		97/98	\$3.90	\$3.10	\$0.81	722.00	\$3.38
1999	\$3.26	\$2.48	\$0.78		98/99	\$3.34	\$2.62	\$0.72	946.00	\$2.65
2000	\$3.32	\$2.70	\$0.61		99/00	\$3.10	\$2.48	\$0.62	950.00	\$2.48
2001	\$3.40	\$2.72	\$0.69		00/01	\$3.40	\$2.71	\$0.69	876.00	\$2.62
2002	\$4.95	\$2.71	\$2.24		01/02	\$3.38	\$2.71	\$0.67	777.00	\$2.78
2003	\$4.21	\$2.95	\$1.26		02/03	\$4.95	\$2.93	\$2.03	491.00	\$3.56
2004	\$4.31	\$3.12	\$1.19		03/04	\$4.31	\$2.95	\$1.37	546.00	\$3.40
2005	\$3.94	\$3.10	\$0.85		04/05	\$4.10	\$3.10	\$1.01	540.00	\$3.40
2006	\$5.56	\$3.68	\$1.88		05/06	\$5.23	\$3.14	\$2.09	571.00	\$3.42
2007	\$9.51	\$4.33	\$5.18		06/07	\$5.56	\$4.33	\$1.23	456.00	\$4.26
2008	\$13.70	\$4.90	\$8.80		07/08	\$13.70	\$5.00	\$8.70	306.00	\$6.48
2009	\$7.27	\$5.37	\$1.90		08/09	\$9.88	\$4.90	\$4.99	657.00	\$6.78
2010					09/10	\$7.27	\$4.56	\$2.71	976.00	\$4.85
Year Avg.	\$4.97	\$3.20	\$1.77		Avg.	\$4.82	\$3.16	\$1.65	794.43	\$3.59
Post '96	\$5.55	\$3.37	\$2.18		Post '96	\$5.40	\$3.33	\$2.08	653.17	\$3.77
Min	\$3.26	\$2.33	\$0.93		Min	\$3.10	\$2.33	\$0.51	306.00	\$2.42
Max	\$13.70	\$5.37	\$8.80		Max	\$13.70	\$5.00	\$8.70	1,905.00	\$6.78

LIVE CATTLE TRADING RANGES

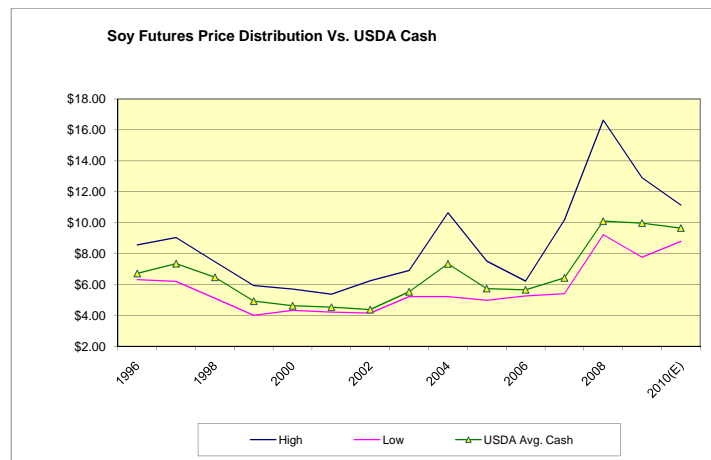
CME LIVE CATTLE				
	Calendar	Calendar	Cal. Year	
	High	Low	Range	
1996	\$73.95	\$54.00	\$19.95	
1997	\$70.80	\$62.80	\$8.00	
1998	\$69.72	\$57.30	\$12.42	
1999	\$72.45	\$59.45	\$13.00	
2000	\$80.40	\$65.52	\$14.88	
2001	\$83.60	\$61.75	\$21.85	
2002	\$76.65	\$62.30	\$14.35	
2003	\$104.25	\$69.18	\$35.08	
2004	\$92.95	\$72.65	\$20.30	
2005	\$97.13	\$78.05	\$19.08	
2006	\$97.05	\$73.45	\$23.60	
2007	\$102.95	\$85.05	\$17.90	
2008	\$104.70	\$86.10	\$18.60	
2009	\$89.10	\$79.20	\$9.90	
P	2010	\$87.95	\$82.90	\$5.05
25 Year Avgs	\$82.23	\$66.15	\$16.07	
Post '96	\$87.83	\$70.22	\$17.61	
Smallest	\$62.97	\$50.72	\$8.00	
Largest	\$104.70	\$86.10	\$35.08	

FUTURES PRICE PATTERN VS. CASH

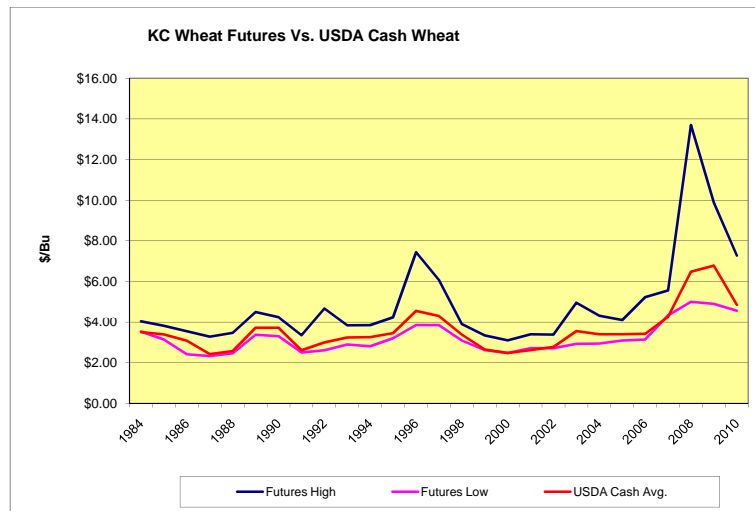


Past Performance is not necessarily indicative of future results

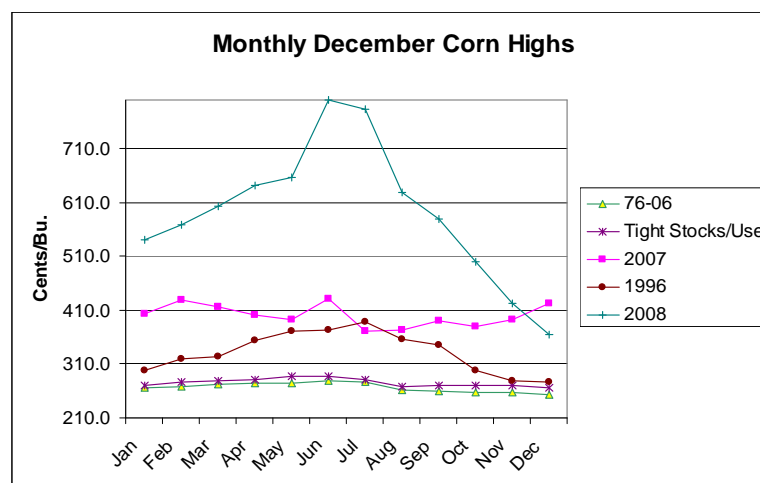
HISTORICAL SOYBEAN PRICE DISTRIBUTION



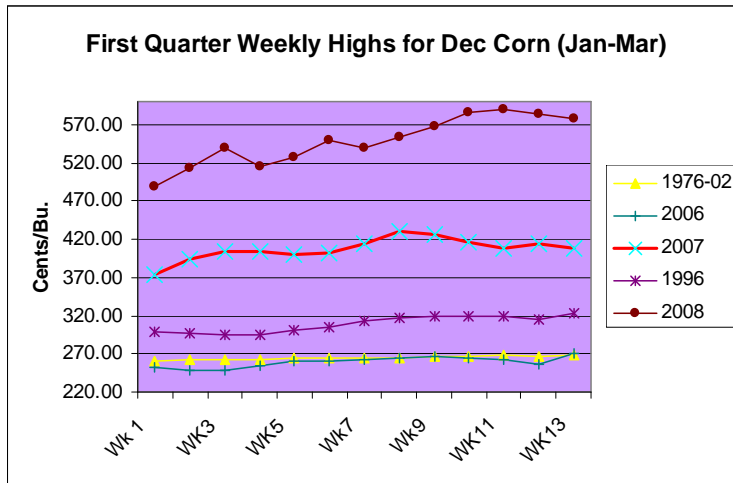
KC WHEAT FUTURES VS. CASH



DECEMBER CORN HIGHS PATTERN



WEEKLY CORN PRICE PATTERNS



PRICE & PROBABILITY FORECASTS

- ◉ Does the current level of prices determine the potential price ranges?
- ◉ Average Price Moves
- ◉ Regression Analysis

Correlation does not mean causation!

MARCH CORN DURING NOV-FEB

Price & Probability Forecast										
March CBOT Corn Futures										
November to March Trading Period										
Contract	Period		Closing		Range		PCT CHG		Range	
Year	HI	LO	NOV	MAR	HI-LO	NOV-MAR	NOV	MAR	HI-NOV	NOV-LO
1991	2.4700	2.2725	2.3950	2.4400	0.1975	0.0450	2		0.0750	0.1225
1992	2.7125	2.4550	2.6225	2.6700	0.2575	0.0475	2		0.0900	0.1675
1993	2.1775	2.1000	2.1775	2.1350	0.0775	0.0425	2		0.0000	0.0775
1994	3.1175	2.6575	2.6875	2.8475	0.4600	0.1600	6		0.4300	0.0300
1995	2.3675	2.2050	2.2675	2.3575	0.1625	0.0900	4		0.1000	0.0625
1996	3.9550	3.2700	3.4150	3.9325	0.6850	0.5175	15		0.5400	0.1450
1997	3.0300	2.5600	2.6950	3.0275	0.4700	0.3325	12		0.3350	0.1350
1998	2.9900	2.5825	2.8925	2.6550	0.4075	0.2375	8		0.0975	0.3100
1999	2.3625	2.0400	2.2750	2.0625	0.3225	0.2125	9		0.0875	0.2350
2000	2.2825	1.9525	2.0925	2.1475	0.3300	0.0550	3		0.1900	0.1400
2001	2.3200	2.0650	2.1750	2.1650	0.2550	0.0100	0		0.1450	0.1100
2002	2.2300	1.9850	2.1700	2.0050	0.2450	0.1650	8		0.0600	0.1850
2003	2.5325	2.2850	2.5125	2.3350	0.2475	0.1775	7		0.0200	0.2275
2004	2.9825	2.2900	2.4550	2.9600	0.6925	0.5050	21		0.5275	0.1650
2005	2.1900	1.9425	2.1075	2.1100	0.2475	0.0025	0		0.0825	0.1650
2006	2.2875	1.9950	2.1075	2.2425	0.2925	0.1350	6		0.1800	0.1125
2007	4.3725	3.3450	3.4700	4.1725	1.0275	0.7025	20		0.9025	0.1250
2008	5.6200	3.8350	3.8600	5.5550	1.7850	1.6950	44		1.7600	0.0250
2009	4.3950	3.0550	4.1925	3.4350	1.3400	0.7575	18		0.2025	1.1375
2010			3.9575							
Average	2.9224	2.4713	2.6761	2.7072	0.4511	0.0311	0.8839		0.2463	0.2048

MARCH CORN AVERAGE MOVES

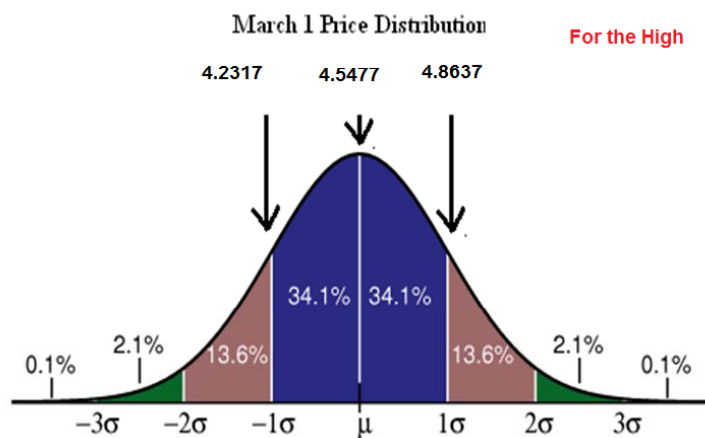
- From November 1 to March 1 inclusive.

Average Variance	1982-2009
HI from NOV 1	0.2475
LO from NOV 1	-0.205
Projected HI	4.205
Projected LO	3.7525
Range	0.45

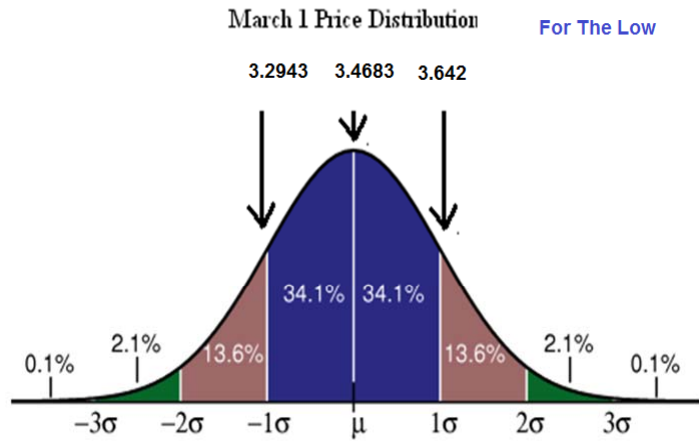
MARCH CORN PRICE & PROBABILITY© FORECASTS

Original	-1 STD DEV	Best Fit	+1 STD DEV	R-Square
HI	4.2317	4.5477	4.8637	0.8596
LO	3.2943	3.4683	3.6423	0.8772
MAR	3.6217	4.0813	4.5409	0.6719
UP	3.9045	4.1771	4.4497	0.9194
DOWN	3.3366	3.5267	3.7169	0.9057

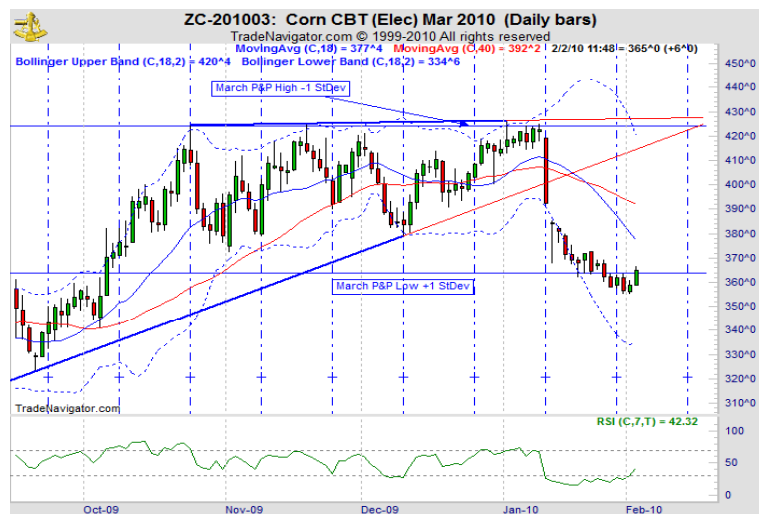
PROBABILITY CURVE



PROBABILITY CURVE



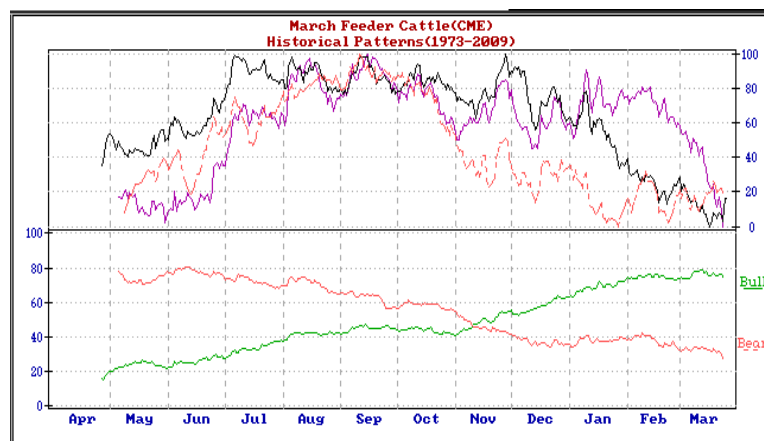
MARCH FUTURES 2010 TO DATE



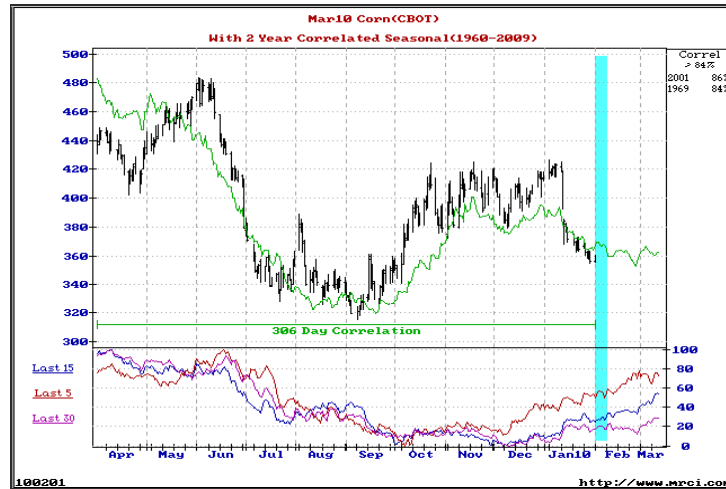
BEWARE THE BLACK SWAN!



SAMPLE MRCI SEASONAL

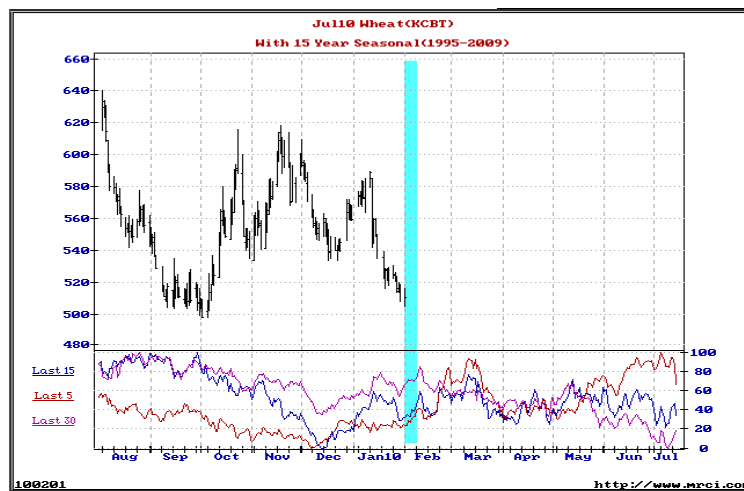


MARCH CORN SEASONAL TENDENCY-MRCI



Past Performance is not necessarily indicative of future results

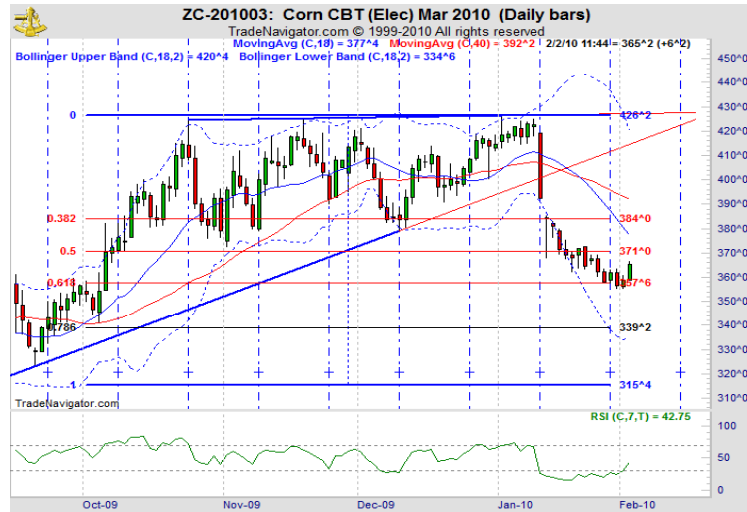
ANOTHER STUDY FINDING NO CORRELATED YEARS



Copyright © 1989-2010 Moore Research Center, Inc. All Rights Reserved.

Past performance is not necessarily indicative of future results

TRADING CYCLES ARE MOSTLY FOR TACTICAL USE



HISTORICAL PATTERNS CAN CHANGE OVER TIME

Brugler Marketing & Management LLC

Special Research Report--March Soybeans

Contract	HIGHEST	LOWEST	NOV 1	MAR 1	HI-LO	HI-LO	CHANGE	Nov-HI
Year	PRICE	PRICE	PRICE	PRICE	RANGE	%NOV 1	11/1-3/1	Spread
80-94	\$6.84	\$5.88	\$6.54	\$6.16	\$0.96	13.71%	-4.47%	\$0.29
95-08	\$7.28	\$5.91	\$6.29	\$6.86	\$1.37	19.56%	6.23%	\$0.98

SEASONALS -SUMMARY

- Use of seasonal tendencies and conditioned data can be an enhancement of other trading strategies.
- It gives you long term price targets, both upside and downside.
- They can serve as selling and buying triggers when reached.
- Changes in the World competitive environment may be changing the seasonal patterns in the Ag commodities to some degree.
- They are NOT a sure thing.

CAUTION ABOUT SEASONALS

- *Past Performance is not necessarily an indicator of future success!*
- *Seasonals are another tool in the Technical Tool Box and should be used in conjunction with other indicators to help make the best decision possible with the information at hand.*

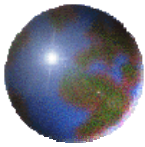
WHY USE SEASONALS THEN?

- ◉ They help set realistic mental triggers
- ◉ Curb "Backyarditis"
- ◉ Inject Rationality into Thought Process
- ◉ Improve your odds of being right, and of ACTING, if they agree with other things you are seeing.

BRUGLER

Marketing & Management, LLC

- ◉ Services Available:
 1. *Ag Market Professional* -daily analysis and advice on futures, options, basis, CCP, LDP's and risk management strategy for ag commodities
 2. *Special Research Reports* -5-6 studies per week analyzing potential price ranges, unique market situations, technical trends and fair value for commodities via Alan Brugler's time tested & proprietary methods.
 3. Marketing Training -Advanced Technical Analysis, Advanced Options Use
 4. Speaker Resource on Agricultural Outlook, Technical Analysis, Advanced Options
 5. Freelance agricultural writing and research projects
- ◉ Phone: 402-697-3623 Fax: 402-697-3623 Cell: 402-415-3871
- ◉ E-mail: alanb@bruglermktg.com or agmktpro@aol.com
- ◉ Web Site: www.buglermktg.com



CFTC Disaggregated Report- Tracking Players Who Could Affect Your Price

February 2010



1908 N. 203rd St, Suite 7

Omaha, NE 68022

www.bruglermktg.com

Past Performance is not necessarily
indicative of future results



NFA Disclaimer

- There is a substantial risk of loss in futures and options trading.
- Such trading may not be appropriate for all individuals or entities.
- Past performance is not necessarily indicative of future results.
- This presentation is not to be seen as an endorsement of futures/options trading vs. other hedging & marketing techniques.

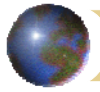
Past Performance is not necessarily
indicative of future results



Main Theme on The New Market Dynamics

- Who Are These People, and Why Are They Doing This To Us?

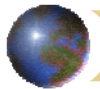
Past Performance is not necessarily
indicative of future results



Main Theme on The New Market Dynamics

- Who Are These People, and Why Are They Doing This To Us?
- And What Happens When They Leave?

Past Performance is not necessarily
indicative of future results



Why Do Grain Prices Change?

Past Performance is not necessarily
indicative of future results



Why Do Grain Prices Change?

New information is received that changes the apparent value of the commodity to at least SOME market participants.

Past Performance is not necessarily
indicative of future results



Why Do Grain Prices Change?

New information is received that changes the apparent value of the commodity to at least SOME market participants.

The flow of dollars into or out of the market.

Past Performance is not necessarily
indicative of future results



Why Do Grain Prices Change?

New information is received that changes the apparent value of the commodity to at least SOME market participants.

The flow of dollars into or out of the market.

Both buyer and seller agreeing to a transaction at a different price than the one last reported.

Past Performance is not necessarily indicative of future results



The Financial Tidal Wave

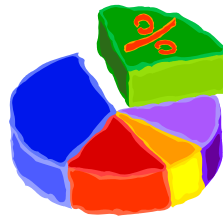


Past Performance is not necessarily indicative of future results



Q: Who Are These Guys?

- A: Asset Allocators and Inflation Players, several different flavors



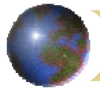
10



The Index Funds Viewpoint

- World economic expansion is creating a high level of demand for raw commodities
 - India, China, etc.
 - Speculators recognized potential shortages, and wished to control those assets
 - Index Funds, Hedge Funds, Managed CTA funds were created

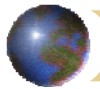
Past Performance is not necessarily
indicative of future results



Index Funds Buy Commodities As an Asset Class and a Diversification

- Inflation play or weak dollar expectation
- They buy multiple commodities to spread their risk
- This basket of commodities is non-correlated
- **They look for the basket of commodities to appreciate, but not necessarily all of the underlying commodities in the basket.**

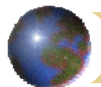
Past Performance is not necessarily
indicative of future results



Continued....

- This sometimes results in “illogical” buying of commodities that are in surplus, like soybeans in 2006 and wheat in 2009.
- Due to the allocations, there can also be a ratchet effect.
- Due to size, there can be a *Crowd Effect*

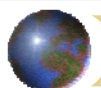
Past Performance is not necessarily
indicative of future results



Why Do They Do What They Do?

- Size of index fund industry
- Size of Wall Street
- Size of commodities markets
- Walmart market cap bigger than corn market?

Past Performance is not necessarily
indicative of future results



GSCI vs. Stock Indices Over Time

Common Indices Ranked by Annual Returns 1995-2004

BEST										WORST	
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
Russell 1000 Value 38.36	GSCI 33.92	Russell 1000 Value 35.18	Russell 1000 Growth 38.71	Russell 2000 Growth 43.09	GSCI 49.74	Russell 2000 Value 14.02	GSCI 32.07	Russell 2000 Growth 48.54	Russell 2000 Value 22.25		
Russell 1000 Growth 37.18	Russell 1000 Value 23.12	Russell 2000 Value 31.78	MSCI EAFE 20.00	GSCI 40.92	Russell 2000 Value 22.83	Lehman Bros Aggregate 8.44	Lehman Bros Aggregate 10.25	Russell 2000 Value 46.03	MSCI EAFE 20.25		
Russell 2000 Growth 31.04	Russell 1000 Value 21.64	Russell 1000 Growth 30.49	Russell 1000 Value 15.63	Russell 1000 Growth 33.16	Lehman Bros Aggregate 11.63	Russell 1000 Value -5.59	Russell 2000 Value -11.43	MSCI EAFE 38.59	GSCI 17.28		
Russell 2000 Value 25.75	Russell 2000 Value 21.37	Russell 2000 Growth 12.95	Lehman Bros Aggregate 8.69	MSCI EAFE 26.96	Russell 1000 Growth 7.01	Russell 2000 Growth -9.23	Russell 1000 Value -15.52	Russell 1000 Value 30.03	Russell 1000 Value 16.49		
GSCI 20.33	Russell 2000 Growth 11.26	Lehman Bros Aggregate 9.65	Russell 2000 Growth 1.23	Russell 1000 Value 7.35	MSCI EAFE -14.17	Russell 1000 Growth -20.42	MSCI EAFE -15.94	Russell 1000 Growth 29.75	Russell 2000 Growth 14.31		
Lehman Bros Aggregate 18.47	MSCI EAFE 6.05	MSCI EAFE 1.78	Russell 2000 Value -6.45	Lehman Bros Aggregate -0.82	Russell 1000 Growth -22.42	MSCI EAFE -21.44	Russell 1000 Growth -27.88	GSCI 20.72	Russell 1000 Growth 6.30		
MSCI EAFE 11.21	Lehman Bros Aggregate 3.63	GSCI -14.07	GSCI -35.75	Russell 2000 Value -1.49	Russell 2000 Growth -22.43	GSCI -31.93	Russell 2000 Growth -30.26	Lehman Bros Aggregate 4.10	Lehman Bros Aggregate 4.34		
WORST										BEST	

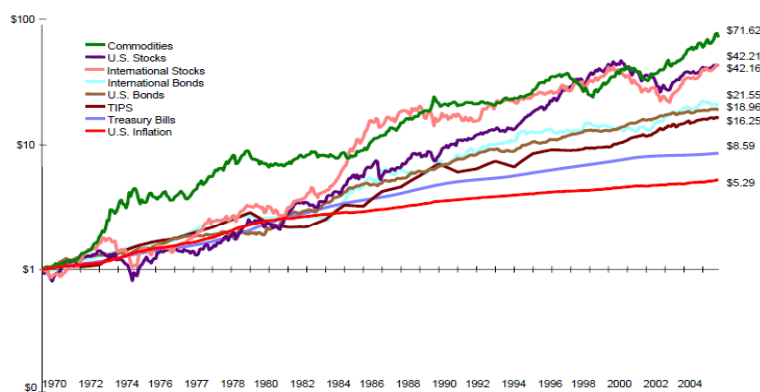
Source: Oppenheimer Funds, April 2005

Past Performance is not necessarily
indicative of future results



Commodities Outperformed

Figure 3: Growth of a \$1 Investment, January 1970 – October 2005



Past Performance is not necessarily indicative of future results



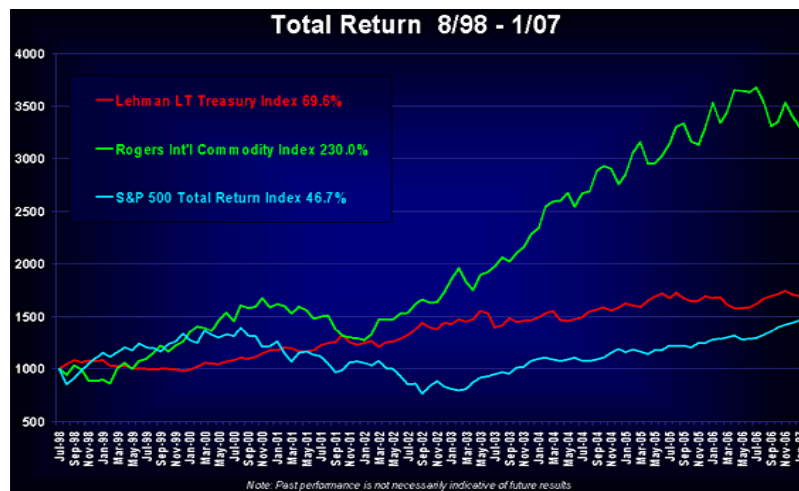
Ibbotson Table

Table 1: Historical Returns of Commodity, U.S. Stock, and U.S. Bond Indices

	Complete History	Compound Annual Return	Standard Deviation	Common Period 1 (Figure 1)	Compound Annual Return	Standard Deviation	Common Period 2 (Figure 2)	Compound Annual Return	Standard Deviation
DJ-AIG Commodity Index	1/91-10/05	7.62%	13.12%	1/97-3/04	6.90%	15.59%	1/91-3/04	7.46%	12.76%
GS Commodity Index	1/70-10/05	12.45%	21.35%	1/97-3/04	4.66%	23.15%	1/91-3/04	5.48%	19.04%
Reuters Jefferies CRB Index	1/94-11/05	13.03%	15.55%	1/97-3/04	8.50%	16.60%	1/91-3/04	N/A	N/A
G&R Commodities Index	7/59-3/04	10.80%	13.44%	1/97-3/04	7.98%	10.09%	1/91-3/04	7.58%	8.77%
Russell 3000	1/79-10/05	13.27%	17.51%	1/97-3/04	7.62%	19.16%	1/91-3/04	13.45%	12.25%
DJ Wilshire 5000	1/71-10/05	11.36%	17.67%	1/97-3/04	7.58%	19.46%	1/91-3/04	13.38%	12.15%
S&P SuperComposite 1500	1/95-10/05	11.50%	16.97%	1/97-3/04	8.02%	19.09%	1/91-3/04	N/A	N/A
LB US Aggregate Bond	1/76-11/05	8.75%	6.46%	1/97-3/04	7.47%	3.86%	1/91-3/04	8.00%	7.93%
Citigroup US BIG	1/80-10/05	9.30%	6.56%	1/97-3/04	7.47%	3.84%	1/91-3/04	8.04%	7.96%
ML U.S. Broad Market	1/97-10/05	6.43%	3.90%	1/97-3/04	7.47%	3.85%	1/91-3/04	N/A	N/A

Past Performance is not necessarily indicative of future results

Why Are Index Funds Buying?



18

Commodity Weighting

	Goldman Sachs Commodities Index (GSCI)	Deutsche Bank Liquid Commodities Index (DBLCI)	Rogers International Commodities Index (RICI)	Dow Jones AIG Commodities Index (DJAIG)
Energy	73.0%	55.0%	44.0%	33.0%
Agricultural	16.0%	22.5%	35.0%	41.0%
Metals	11.0%	22.5%	21.0%	26.0%
Total	100.0%	100.0%	100.0%	100.0%

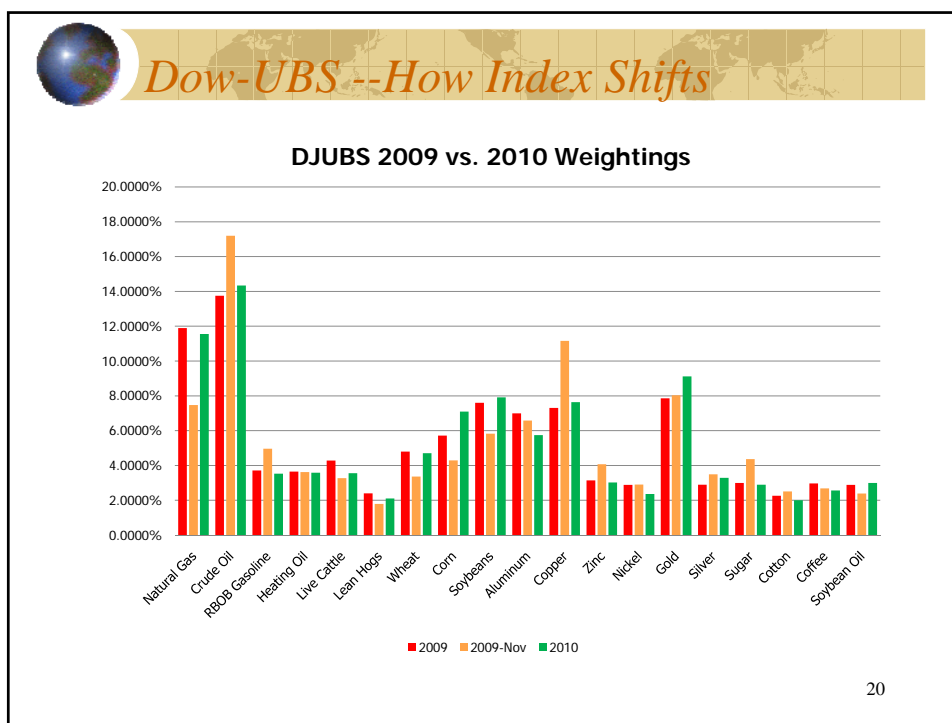
The next table shows the annual expense charges on index products that track these four commodity indices:

	Goldman Sachs Commodities Index (GSCI)	Deutsche Bank Liquid Commodities Index (DBLCI)	Rogers International Commodities Index (RICI)	Dow Jones AIG Commodities Index (DJAIG)
Product (Ticker)	Oppenheimer Real Assets Fund QRAAX (Mutual Fund)	Deutsche Bank Commodities Fund DBC (ETF)	RCI TRAKR (Chicago Mercantile Exchange Futures Contract)	Pimco Commodities Real Return Fund PCRD (Mutual Fund)
Expenses	1.32%	1.30% (as of 2Mar06 8K Filing)	1.95%	1.25%

In terms of long-term return correlations, the four indexes are quite similar to each other, as shown in the following table. However, as you can also see, the RICI and DJAIG, with their lower energy weightings, were considerably less volatile than the GSCI and DBLCI.

Source: Tom Coyne, *The Index Investor*
May 2006

19





	Through 12/31/09						
	12 Month % Change						
	2003	2004	2005	2006	2007	2008	2009
Corn	4.35%	-16.77%	5.37%	80.88%	2.0%	-10.6%	1.8%
CHI-Wht	16.00%	-18.44%	10.33%	47.68%	72.7%	-31.0%	-11.3%
KC - Wht	6.95%	-12.15%	14.50%	31.72%	69.9%	-31.4%	-14.9%
MGE -Wht	4.37%	-12.13%	13.29%	32.27%	86.5%	-36.7%	-16.8%
Soybean	38.54%	-30.58%	9.90%	13.54%	57.5%	-18.8%	6.9%
Soy Meal	44.59%	-32.78%	21.34%	-2.74%	49.1%	-8.9%	4.5%
Bean Oil	31.21%	-26.05%	3.35%	37.37%	56.4%	-31.9%	21.2%
Live Cattle	2.46%	16.39%	2.89%	-2.20%	9.5%	-12.3%	1.8%
Feeders	-5.82%	28.98%	13.21%	-13.58%	10.0%	-10.5%	1.9%
Lean Hog	3.54%	43.00%	-14.57%	-5.47%	-11.0%	5.4%	7.8%
Cotton	46.74%	-40.36%	21.04%	3.69%	19.0%	-27.8%	54.2%
RoughRice	121.82%	-15.93%	10.52%	27.66%	-98.7%	13.2%	-2.9%
Oats	-27.51%	6.84%	24.80%	38.97%	-100.0%	-31.5%	31.9%

23



When Will They Leave?

- When Situation Changes
 - Change in Inflation Expectations
 - Change in Alternative Investment Opportunities

Past Performance is not necessarily indicative of future results



Inflation Hedge Justification

Table 5: Historical Returns and Standard Deviations

Asset Class	Entire Period 1970 – 2004			High Inflation 1970 – 1981			Low Inflation 1982 – 2004		
	Arithmetic Annual Return	Compound Annual Return	Standard Deviation	Arithmetic Annual Return	Compound Annual Return	Standard Deviation	Arithmetic Annual Return	Compound Annual Return	Standard Deviation
Treasury Bills	6.31	6.27	3.00	7.53	7.48	3.35	5.67	5.64	2.66
TIPS	8.88	8.25	11.74	7.86	7.31	10.84	9.41	8.74	12.39
U.S. Bonds	8.95	8.74	7.05	6.41	6.31	4.91	10.27	10.02	7.70
International Bonds	9.11	8.76	8.83	8.96	8.74	7.16	9.19	8.77	9.75
U.S. Stocks	12.60	11.22	17.23	9.07	7.36	19.58	14.44	13.29	16.02
International Stocks	13.25	11.09	22.45	12.18	10.24	21.30	13.81	11.53	23.47
Commodities	14.06	12.38	19.88	19.51	17.09	25.62	11.22	10.00	16.06
U.S. Inflation	4.78	4.74	3.18	7.96	7.91	3.43	3.12	3.12	1.18

Table 5 provides anecdotal evidence that commodity returns are linked to inflation. While realized inflation is one of the factors that explains the return of commodities, it does not account for the approximate 90% return in commodities that occurred between 2002 and the end of 2004 (see Figure 3).

Past Performance is not necessarily indicative of future results



When Will They Leave?

- When Situation Changes
 - Change in Inflation Expectations
 - Change in Alternative Investment Opportunities
- Can We See Them Coming and Going?

Past Performance is not necessarily
indicative of future results



Reporting and Enforcement Changes

- CFTC Continues to “evolve” the reporting of futures and options positions, in an attempt to improve transparency. There are now 4 different reporting series.
- We know the what, but the who and why are a little fuzzy!

Past Performance is not necessarily
indicative of future results



CFTC Report Types

- 1) Futures Only -Oldest Series
- 2) Futures & Options
- 3) CIT –Index fund split out
- 4) Disaggregated – New in September

Past Performance is not necessarily
indicative of future results



U.S. FUTURES MARKETS ---New Reporting Divisions

- 1) Large Speculators and Commodity Trading Funds –Managed Money
- 2) Commercial Hedgers
- 3) Small Hedgers and Speculators
- 4) "Other Reportable"
- 5) Swaps Dealers (Index Funds)

Past Performance is not necessarily
indicative of future results



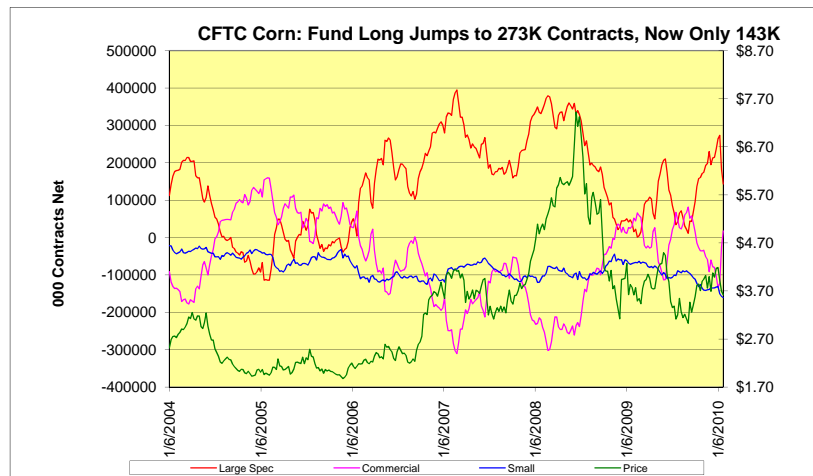
The CFTC Commitment of Traders Report Traditional Measures –Futures Only

CORN - CHICAGO BOARD OF TRADE							Code-002602		
FUTURES ONLY POSITIONS AS OF 12/22/09									
NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(CONTRACTS OF 5,000 BUSHEL)							OPEN INTEREST:		963,483
COMMITMENTS									
284,250	69,408	83,057	500,549	580,849	867,856	733,314	95,627	230,169	
CHANGES FROM 12/15/09 (CHANGE IN OPEN INTEREST:							9,475)		
-980	-2,861	892	9,749	12,256	9,661	10,287	-186	-812	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
29.5	7.2	8.6	52.0	60.3	90.1	76.1	9.9	23.9	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							620)		
159	116	140	170	274	402	480			

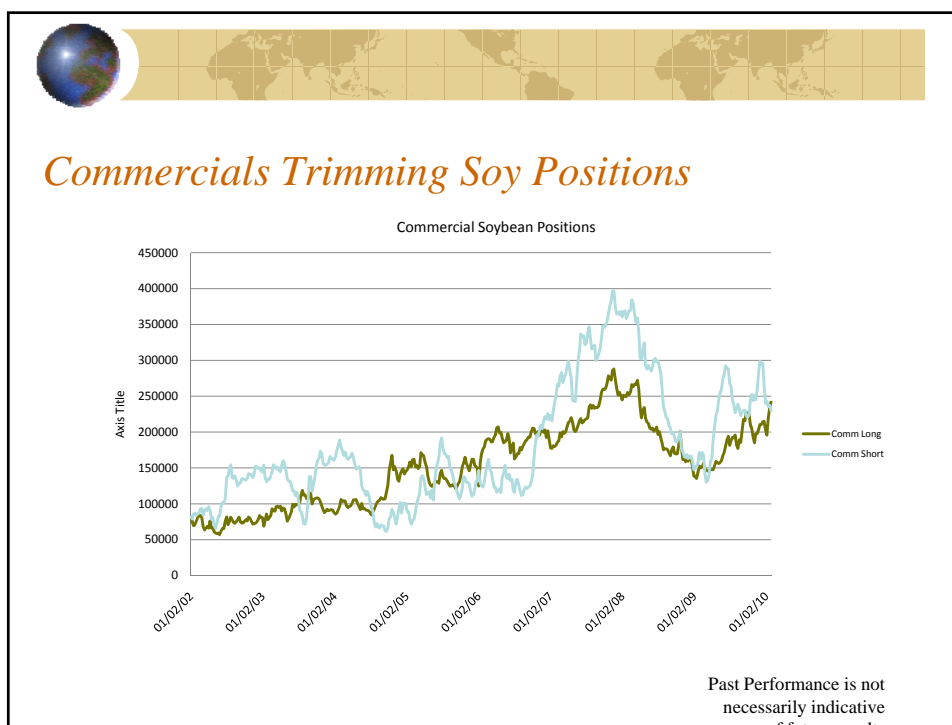
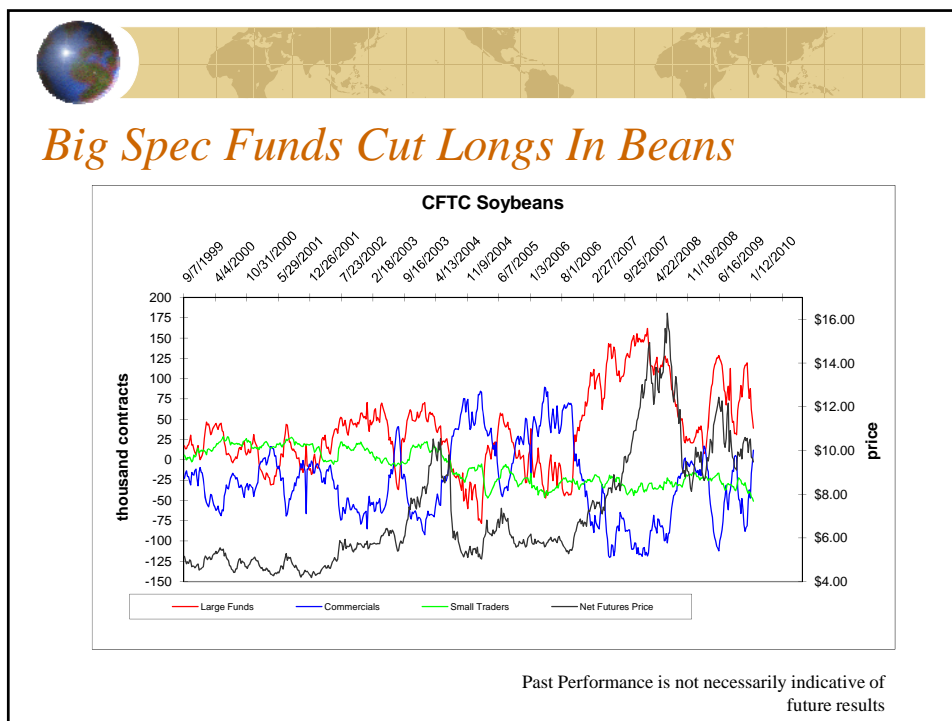
Past Performance is not necessarily
indicative of future results



Corn Commitments – Futures Only

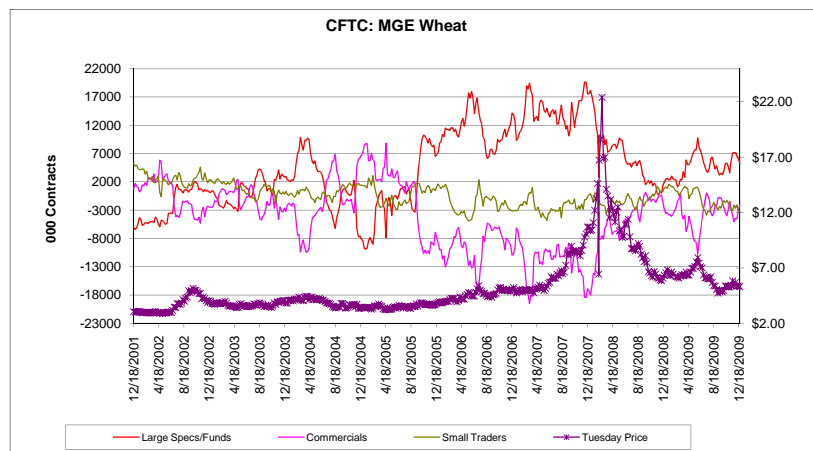


Past Performance is not necessarily
indicative of future results





MPLS Wheat Futures Positions



Past Performance is not necessarily
indicative of future results



Options Can Modify The Picture!

CORN - CHICAGO BOARD OF TRADE								Code-002602	
OPTION AND FUTURES COMBINED POSITIONS AS OF 12/22/09									
-----						NONREPORTABLE			
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS		
-----						-----		-----	
Long	Short	Spreads	Long	Short	Long	Short	Long	Short	
(CONTRACTS OF 5,000 BUSHEL)						OPEN INTEREST:		1,220,477	
COMMITMENTS									
269,131	67,734	255,375	575,721	631,386	1100227	954,496	120,250	265,981	
CHANGES FROM 12/15/09 (CHANGE IN OPEN INTEREST:						7,982)			
-2,958	-139	-1,049	11,690	9,014	7,682	7,826	300	156	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADER									
22.1	5.5	20.9	47.2	51.7	90.1	78.2	9.9	21.8	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						645)			
166	124	195	219	298	484	540			

Past Performance is not necessarily
indicative of future results



Options Can Modify The Picture!

CORN - CHICAGO BOARD OF TRADE							Code-002602		
FUTURES ONLY POSITIONS AS OF 12/22/09									
NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(CONTRACTS OF 5,000 BUSHELS)						OPEN INTEREST:		963,483	
COMMITMENTS									
284,250	69,408	83,057	500,549	580,849	867,856	733,314	95,627	230,169	
CHANGES FROM 12/15/09 (CHANGE IN OPEN INTEREST:						9,475)			
-980	-2,861	892	9,749	12,256	9,661	10,287	-186	-812	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
29.5	7.2	8.6	52.0	60.3	90.1	76.1	9.9	23.9	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						620)			
159	116	140	170	274	402	480			

Past Performance is not necessarily
indicative of future results



Fund Concentration Concern

COT -- Supplemental Report - Option and Futures Combined Positions as of December 22, 2009											
Reportable Positions						Nonreportable Positions					
Non-Commercial			Commercial		Index Traders		Total				
Long	Short	Spreading	Long	Short	Long	Short	Long	Short	Long	Short	
WHEAT - CHICAGO BOARD OF TRADE											
CFTC Code #001602								Open Interest is			
Positions								440,022			
46,644	83,902	104,050	49,265	170,366	210,095	30,364	410,054	388,683	29,968	51,340	
Changes from: December 15, 2009								(Change in open interest: 4,620)			
-3,704	14,024	3,817	5,056	-13,550	2,795	3,504	7,964	7,796	-3,343	-3,175	
Percent of Open Interest Represented by Each Category of Trader											
10.6	19.1	23.6	11.2	38.7	47.7	6.9	93.2	88.3	6.8	11.7	
Total Traders: 365								Number of Traders in Each Category			
96	132	124	66	86	30	17	272	290			

Past Performance is not necessarily
indicative of future results



Index Funds Major Players, But Less So, in Corn

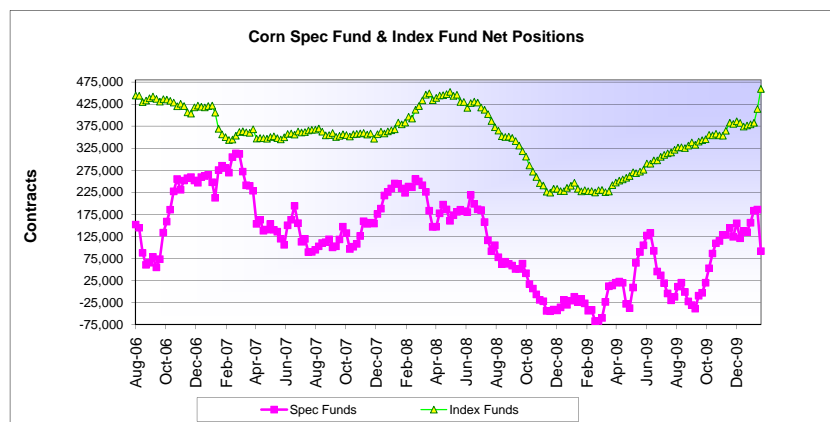
COT -- Supplemental Report - Option and Futures Combined Positions as of December 22, 2009

Reportable Positions										Nonreportable Positions	
Non-Commercial		Commercial		Index Traders		Total					
Long	Short	Long	Short	Long	Short	Long	Short	Long	Short	Long	Short
CORN - CHICAGO BOARD OF TRADE											
CFIC Code #002602										Open Interest is 1,220,477	
Positions											
202,289	67,734	251,580	244,762	609,948	401,596	25,234	1,100,227	954,496	120,250	265,981	
Changes from: December 15, 2009											
-2,839	-139	-1,049	7,945	7,790	3,625	1,224	7,982	7,826	300	156	
Percent of Open Interest Represented by Each Category of Trader											
16.6	5.5	20.6	20.1	50.0	32.9	2.1	90.1	78.2	9.9	21.8	
Total Traders: 645											
152	124	192	203	285	30	16	484	540			

Past Performance is not necessarily
indicative of future results



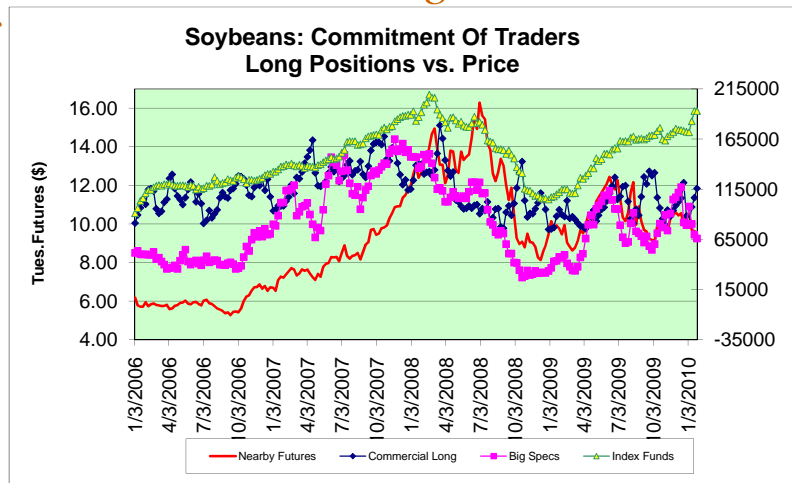
Index Funds Own 2.29 Billion Bushels, Added 300 Million In January



Brugler Marketing & Management LLC. 39
15711 Howard Street | Omaha, NE 68118 | Phone & Fax: 402-697-3623 | www.bruglermktg.com



Index Funds NET Long 893 Mbu. As of



CFTC Steps to Improve Balance and Transparency

- 1) New variable storage rates in wheat
- 2) Removing hedge exemption letters from some swaps dealers – Deutschebank and another small firm
- 3) Adjusting reporting to split out physical commodity handlers from financial hedgers/swaps dealers

Past Performance is not necessarily indicative of future results



Definitions -Commercials

- Handling actual commodity and using the futures and options to offset price risk in the underlying.

Past Performance is not necessarily
indicative of future results



Definitions – Swaps Dealers

- Mostly Index funds.
- Typically have exposure to a commodities index via stock market instruments like an ETF or ETN, and somebody in the structure hedges that exposure in the futures markets.
- The index paper is swapped for futures.

Past Performance is not necessarily
indicative of future results



Definitions – Managed Money

- CTA, CPO, et al
- Commodity Trading Advisor
- Commodity Pool Operator
- Traditional “large specs”

Past Performance is not necessarily
indicative of future results



Definitions – Other Non-Commercial

- Reportable positions that don't fit the commercial, swap or managed money definitions.

Past Performance is not necessarily
indicative of future results



Disaggregated Corn Futures Only

Disaggregated Commitments of Traders-All Futures Combined Positions as of December 22, 2009											
Reportable Positions											

: Producer/Merchant : Swap Dealers : Managed Money : Other Reportables :											
: Processor/User : Swap Dealers : Managed Money : Other Reportables :											
: Long : Short : Long : Short :Spreading: Long : Short :Spreading: Long : Short :Spreading :											

CORN - CHICAGO BOARD OF TRADE (CONTRACTS OF 5,000 BUSHELS)											
CFTC Code #002602											
Open Interest is 963,483											
: Positions											
: 163,599	: 559,399	: 321,234	: 5,734	: 15,716	: 219,240	: 33,087	: 39,113	: 65,010	: 36,321	: 43,944	:
: Changes from: December 15, 2009											
: 6,249	: 11,268	: 2,637	: 125	: 863	: -1,861	: 4,055	: -528	: 881	: -6,916	: 1,420	:
: Percent of Open Interest Represented by Each Category of Trader											
: 17.0	: 58.1	: 33.3	: 0.6	: 1.6	: 22.8	: 3.4	: 4.1	: 6.7	: 3.8	: 4.6	:
: Number of Traders in Each Category											
: 144	: 251	: 24	:	: 22	: 79	: 27	: 45	: 80	: 89	: 95	:

Past Performance is not necessarily
indicative of future results



New CFTC Disaggregated Corn Report – Futures and Options

Disaggregated Commitments of Traders- Options and Futures Combined Positions as of December 22, 2009											
Reportable Positions											

: Producer/Merchant : Swap Dealers : Managed Money : Other Reportables :											
: Processor/User : Swap Dealers : Managed Money : Other Reportables :											
: Long : Short : Long : Short :Spreading: Long : Short :Spreading: Long : Short :Spreading :											

CORN - CHICAGO BOARD OF TRADE (CONTRACTS OF 5,000 BUSHELS)											
CFTC Code #002602											
Open Interest is 1,220,477											
: Positions											
: 221,641	: 597,183	: 325,487	: 5,609	: 28,594	: 222,614	: 32,999	: 80,661	: 46,517	: 34,735	: 174,714	:
: Changes from: December 15, 2009											
: 7,866	: 7,437	: 2,300	: 54	: 1,523	: -1,707	: 4,367	: 28	: -1,251	: -4,505	: -1,077	:
: Percent of Open Interest Represented by Each Category of Trader											
: 18.2	: 48.9	: 26.7	: 0.5	: 2.3	: 18.2	: 2.7	: 6.6	: 3.8	: 2.8	: 14.3	:
: Number of Traders in Each Category											
: 192	: 275	: 24	:	: 23	: 81	: 29	: 55	: 85	: 95	: 140	:

Past Performance is not necessarily
indicative of future results



Trends in Corn Futures & Options Positions

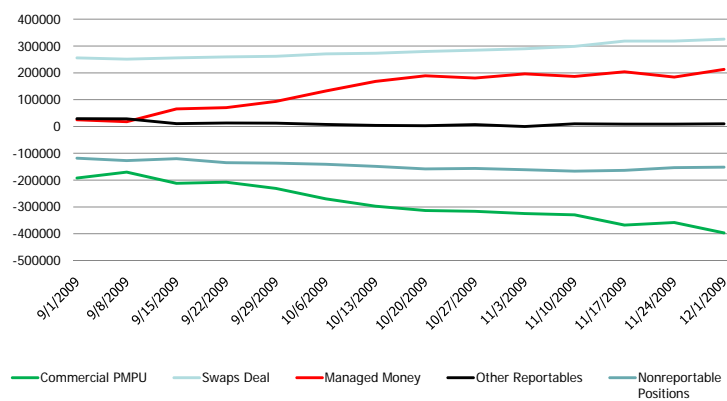
Net Positions		Corn F&O					Tuesday's Closing Price
Date	Producer/Merchant Processor/User	Swap Dealers	Managed Money	Other Reportables	Nonreportable Positions		
9/1/2009	-192216	255818	25133	29341	-118076		3.1225
9/8/2009	-170261	250917	17560	28723	-126940		3.0275
9/15/2009	-211626	255743	65455	10549	-120120		3.465
9/22/2009	-207526	259615	70145	12767	-135001		3.2575
9/29/2009	-231019	261609	93269	12657	-136525		3.41
10/6/2009	-269604	270804	132048	7920	-141166		3.5825
10/13/2009	-296935	273313	168297	4164	-148838		3.8175
10/20/2009	-312983	279667	189058	2684	-158427		3.845
10/27/2009	-316217	284593	180776	7097	-156250		3.7075
11/3/2009	-324837	289693	195930	179	-160965		3.9
11/10/2009	-329195	298986	186604	10136	-166531		3.945
11/17/2009	-367562	318734	203796	8857	-163826		4.02
11/24/2009	-357986	318736	183958	8626	-153335		3.76
12/1/2009	-396800	325527	212922	10062	-151711		3.9975
12/8/2009	-361453	320164	176841	12303	-147855		3.695
12/15/2009	-375971	317632	195689	8528	-145875		4.075
12/22/2009	-375542	319878	189615	11782	-145731		3.9875
12/29/2009	-401735	322417	205427	17329	-143439		4.17
1/5/2010	-431779	323456	229257	20853	-141787		4.1875
1/12/2010	-453283	351626	230326	26085	-154754		3.925
1/19/2010	-384786	392032	131071	35814	-174131		3.6925
1/26/2010	-344097	391465	95309	36579	-179258		3.6225

Past Performance is not necessarily indicative of future results




Changes in Positions Since Sept.

Corn Comm. of Traders - Disaggregated Net Positions



Past Performance is not necessarily indicative of future results




Options Breakout for Corn

Futures & Options

Date	Producer/Merchant Processor/User		Swap Dealers		Managed Money			Other Reportables			
12/8/2009	215494	576947	326239	6075	23253	220730	43889	77587	48989	36686	182598
12/15/2009	213775	589746	323187	5555	27071	224321	28632	80633	47768	39240	175791
12/22/2009	221641	597183	325487	5609	28594	222614	32999	80661	46517	34735	174714
Futures Only											
12/22/2009	163599	559399	321234	5734	15716	219240	33087	39113	65010	36321	43944
Options											
	58042	37784	4253	-125	12878	3374	-88	41548	-18493	-1586	130770
Net Options	20258		4128			3462			-16907		

Past Performance is not necessarily
indicative of future results



Volatility and Fund Impacts on You

- 1) Price movement is exaggerated in both directions. You may see higher highs, and lower lows.
- 2) Increased volatility exaggerates basis movement, as the cash doesn't have to follow the spec driven price movement.
- 3) Knockouts, min-max, and other cash market averaging tools can end too quickly. Selection of the pricing window is critical to success.
- 4) Hedging lines of credit must be very deep.

51



Volatility and Fund Impacts

- 5) Volume and Open Interest will be concentrated in the front month futures which are most closely tied to the cash markets.
- 6) Spread movement around each Goldman Roll Period creates opportunities. Both Goldman and Dow-UBS are rolling at similar times, and in the same direction.
- 7) As with USDA reports, the other professionals made adjustments to counter the index fund impact on their positions. Buy the rumor, sell the fact.

52



Volatility & Fund Impacts

- 8) Basis convergence is most likely near FND (first notice day), but can be as early as first of the previous month (RICI roll).

53



Things to Watch Out For

- Urban Real Estate Prices Improving
- Commercial Lending Expanding
- Higher interest rates

Past Performance is not necessarily
indicative of future results



• **Services Available:**

1. **Ag Market Professional** –daily analysis and advice on futures, options, basis, CCP, LDP's & risk management strategy for ag commodities
2. **Special Research Reports** –5-6 studies per week analyzing potential price ranges, unique market situations, technical trends and fair value for commodities
3. **Marketing Training** –Advanced Technical Analysis, Advanced Options Use
4. **Speaker Resource** on Agricultural Outlook, Technical Analysis, Advanced Options
5. **Freelance agricultural writing and research projects**

• **Phone:** 402-697-3623 **Fax:** 402-697-3623

• **Cell:** 402-415-3871 **E-mail:** alanb@bruglermktg.com or agmktpro@aol.com

• **Web Site:** www.buglermktg.com

Brugler Marketing & Management LLC.

15711 Howard Street | Omaha, NE 68118 |

Phone & Fax: 402-697-3623 |

www.buglermktg.com



Educational programs of the Texas AgriLife Extension Service are open to all people without regard to race, color, sex, disability, religion, age, or national origin.
The Texas A&M University System, U.S. Department of Agriculture, and the County Commissioners Courts of Texas Cooperating.