



Rules

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A Long Time Ago....

“Be able to writing your trading (analytical) rules on a single note card.” - Ray Fritzemeyer

1. Don't get crossways with the trend.

- Trend = Price direction over time
- Newton's First Law of Motion applied to markets
- Watson sets the trend

2. Let the market dictate your actions.

- What is the market's forward curve (futures spreads) telling you about real fundamentals?

3. Manage margin risk.

- Use filters such as seasonality, price distribution, and volatility to establish price risk management.

4. A market that can't go up (or down) won't go up (or down).

Market Types

Market Type	NONCOMMERCIAL	COMMERCIAL	STRATEGY
Type 1	Bullish	Bullish	Long cash
Type 2	Bullish	Neutral	Long put options/incremental cash sales
Type 3	Bullish	Bearish	Increased cash sales/long futures
Type 4	Neutral	Bullish	Long cash/long put options
Type 5	Neutral	Neutral	A variety of option strategies
Type 6	Neutral	Bearish	Increasing cash sales/long put options
Type 7	Bearish	Bullish	Rare. Short futures
Type 8	Bearish	Neutral	Short futures/long put options
Type 9	Bearish	Bearish	Short cash

For More Information

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THANK YOU