

TREND DAY FORECAST

For August 29, 2012

Price References for Today

	Bund	Stoxx	Bonds	SP	Gold	Euro	VIX
Yesterday's 15:00ct Close	143.81	2441	149 4/32	1407.75	1669.5	1.2571	16.46
European Open							
USA Open							

Set-ups for Today

Time (ct)	Bund	Stoxx	Bonds	SP	Gold	Euro	VIX
1:00	Historically bullish, Swing, Multiday	No high reward set- ups	Historically bullish, Swing, Multiday +0.25 pts above or - 0.25 pts below yesterday's 15:00 ct close, Intraday	No high reward set- ups		No high reward set- ups	No high reward set- ups
2:00							
3:00							

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4:00					+10.0 pts above yesterday's 15:00 ct close, Multiday		
5:00					+10.0 pts above yesterday's 15:00 ct close, Multiday		
6:00					+10.0 pts above yesterday's 15:00 ct close, Multiday		
7:00					+10.0 pts above yesterday's 15:00 ct close, Multiday		
8:00					+10.0 pts above yesterday's 15:00 ct close, Multiday		

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9:00					+10.0 pts above yesterday's 15:00 ct close, Multiday		
10:00							
11:00							
12:00							
13:00							
14:00							
15:00	-0.375 pts or more below yesterday's close or today's open, Swing, Multiday		-0.75 pts below yesterday's close or today's open, Swing, Multiday		+10.0 pts above today's 01:00 am ct open or yesterday's 15:00 ct close, Swing, Multiday -10.0 pts below today's 01:00am ct open or yesterday's 15:00 ct close, Swing		

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Bund

Intraday to 15:00 ct

Regime: **Reversion** (tendency to reverse)

Overall: **Mixed**

No high reward set-ups

Swing, first profitable 15:00 ct close or 3 days

Overall: **Bullish**

01:00 am ct

Historically bullish

(45/60 75.0% 0.320 pts sd=0.725 z=3.42 llt=1.470pts f\$=2951 k!=0.44 c!=0.64)

15:00 ct

-0.375 or more below today's 01:00 am ct open, historically bullish

(11/14 78.6% 0.425 pts sd=0.844 z=1.88 llt=1.370pts f\$=2494 k!=0.50 c!=0.70)

-0.375 or more below yesterday's 15:00 ct close, historically bullish

(11/14 78.6% 0.544 pts sd=1.117 z=1.82 llt=1.370pts f\$=2330 k!=0.49 c!=1.12)

Multiday, second profitable 15:00 ct close or 5 days

Overall: **Mixed**

01:00 am ct

Historically bullish

(32/46 69.6% 0.469 pts sd=1.099 z=2.90 llt=2.240pts f\$=4669 k!=0.43 c!=0.78)

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15:00 ct

-0.375 or more below today's 01:00 am ct open, historically bullish

(9/13 69.2% 0.527 pts sd=1.145 z=1.66 llt=1.270pts f\$=2721 k!=0.46 c!=0.79)

-0.375 or more below yesterday's 15:00 ct close, historically bullish

(9/13 69.2% 0.782 pts sd=1.616 z=1.75 llt=1.270pts f\$=2431 k!=0.48 c!=1.50)

Other

n/a

TREND DAY FORECAST

Stoxx

Intraday to 15:00 ct

Regime: **Reversion** (tendency to reverse)

Overall: **Mixed**

No high reward set-ups

Swing first profitable 15:00 ct close or 3 days

Overall: **Mixed**

No high reward set-ups

Multiday, second profitable 15:00 ct close or 5 days

Overall: **Mixed**

No high reward set-ups

Other:

n/a

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US

Intraday to 15:00 ct

Regime: **Reversion** (tendency to reverse)

Overall: **Mixed**

01:00 am ct

+0.25 pts or more above yesterday's 15:00 ct close, historically bullish

(10/13 76.9% 0.49 pts sd=0.60 z=2.91 llt=0.56pts f\$=822 k!=0.81 c!=1.03)

-0.25 pts or more below yesterday's 15:00 ct close, historically bullish

(6/6 100.0% 0.76 pts sd=0.48 z=3.89 llt=0.00pts f\$=1 k!=1.59 c!=2.96)

Swing, first profitable 15:00 ct close or 3 days

Overall: **Mixed**

01:00 am ct

Historically bullish

(39/48 81.3% 0.64 pts sd=1.09 z=4.08 llt=2.16pts f\$=3561 k!=0.59 c!=0.80)

15:00 ct

-0.75 or more below today's 01:00 am ct open, historically bullish

(14/14 100.0% 0.89 pts sd=0.77 z=4.33 llt=0.00pts f\$=1 k!=1.16 c!=1.76)

-0.75 or more below yesterday's 15:00 ct close, historically bullish

(14/14 100.0% 0.81 pts sd=0.73 z=4.13 llt=0.00pts f\$=1 k!=1.10 c!=1.35)

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Multiday, second profitable 15:00 ct close or 5 days

Overall: Mixed

01:00 am ct

Historically bullish

(27/37 73.0% 0.64 pts sd=1.65 z=2.34 llt=2.81pts f\$=5983 k!=0.38 c!=0.64)

15:00 ct

-0.75 or more below today's 01:00 am ct open, historically bullish

(10/12 83.3% 1.02 pts sd=1.09 z=3.24 llt=1.22pts f\$=1649 k!=0.94 c!=2.12)

-0.75 or more below yesterday's 15:00 ct close, historically bullish

(9/12 75.0% 0.87 pts sd=1.12 z=2.69 llt=1.22pts f\$=1879 k!=0.78 c!=1.47)

Other

n/a

TREND DAY FORECAST

ES

Intraday to 15:00 ct

Regime: **Reversion** (tendency to reverse)

Overall: **Mixed**

No high reward set-ups

Swing, first profitable 15:00 ct close or 3 days

Overall: **Mixed**

No high reward set-ups

Multiday, second profitable 15:00 ct close or 5 days

Overall: **Mixed**

No high reward set-ups

Other:

n/a

TREND DAY FORECAST

Gold

Intraday to 10:30 ct

Regime: **Reversion** (tendency to reverse)

Overall: **Mixed**

No high reward set-ups

Swing, first profitable 10:30 ct close or 3 days

Overall: **Mixed**

15:00 am ct

+10 or more above today's 01:00 am ct open, historically bullish
(11/12 91.7% 10.6 pts sd=8.7 z=4.20 llt=9.6pts f\$=1126 k!=1.21 c!=0.83)

+10 or more above yesterday's 15:00 ct close, historically bullish
(14/16 87.5% 9.9 pts sd=13.2 z=3.02 llt=9.2pts f\$=1147 k!=0.75 c!=0.66,)

-10 or more below today's 01:00 am ct open, historically bullish
(6/7 85.7% 13.8 pts sd=12.0 z=3.04 llt=11.3pts f\$=1473 k!=1.15 c!=1.14)

-10 or more below yesterday's 15:00 ct close, historically bullish
(8/9 88.9% 19.6 pts sd=18.7 z=3.14 llt=11.3pts f\$=1353 k!=1.05 c!=1.64)

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Multiday, second profitable 10:30 ct close or 5 days

Overall: Mixed

04:00 am ct

+10.0 pts or more above yesterday's 15:00 ct close, historically bullish
(5/5 100.0% 25.3 pts sd=23.3 z=2.42 llt=0.0pts f\$=1 k!=1.08 c!=1.76)

05:00 am ct

+10.0 pts or more above yesterday's 15:00 ct close, historically bullish
(7/7 100.0% 26.7 pts sd=23.7 z=2.98 llt=0.0pts f\$=1 k!=1.13 c!=1.68)

06:00 am ct

+10.0 pts or more above yesterday's 15:00 ct close, historically bullish
(6/7 85.7% 19.1 pts sd=25.7 z=1.96 llt=20.5pts f\$=2759 k!=0.74 c!=1.59)

07:00 am ct

+10.0 pts or more above yesterday's 15:00 ct close, historically bullish
(6/6 100.0% 17.8 pts sd=15.7 z=2.77 llt=0.0pts f\$=1 k!=1.13 c!=2.08)

08:00 am ct

+10.0 pts or more above yesterday's 15:00 ct close, historically bullish
(7/7 100.0% 12.1 pts sd=12.8 z=2.50 llt=0.0pts f\$=1 k!=0.94 c!=1.15)

09:00 am ct

+10.0 pts or more above yesterday's 15:00 ct close, historically bullish
(6/7 85.7% 10.1 pts sd=14.2 z=1.89 llt=8.6pts f\$=1125 k!=0.71 c!=1.09)

15:00 ct

+0.75 or more below today's 01:00 am ct open, historically bullish
(10/10 100.0% 17.4 pts sd=11.9 z=4.61 llt=0.0pts f\$=1 k!=1.46 c!=1.44)

+0.75 or more below yesterday's 15:00 ct close, historically bullish
(11/14 78.6% 11.3 pts sd=23.5 z=1.80 llt=47.1pts f\$=8131 k!=0.48 c!=0.63)

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Other:

n/a

TREND DAY FORECAST

Euro

Intraday to 15:00 ct

Regime: **Reversion** (tendency to reverse)

Overall: **Mixed**

No high reward set-ups

Swing, first profitable 15:00 ct close or 3 days

Overall: **Mixed**

No high reward set-ups

Multiday, second profitable 15:00 ct close or 5 days

Overall: **Mixed**

No high reward set-ups

Other:

n/a

TREND DAY FORECAST

VIX

Intraday to 15:00 ct

Regime: **Reversion** (tendency to reverse)

Overall: **Mixed**

n/a

Swing, first profitable 15:00 ct close or 3 days

Overall: **Mixed**

n/a

Multiday, second profitable 15:00 ct close or 5 days

Overall: **Mixed**

n/a

Other

n/a

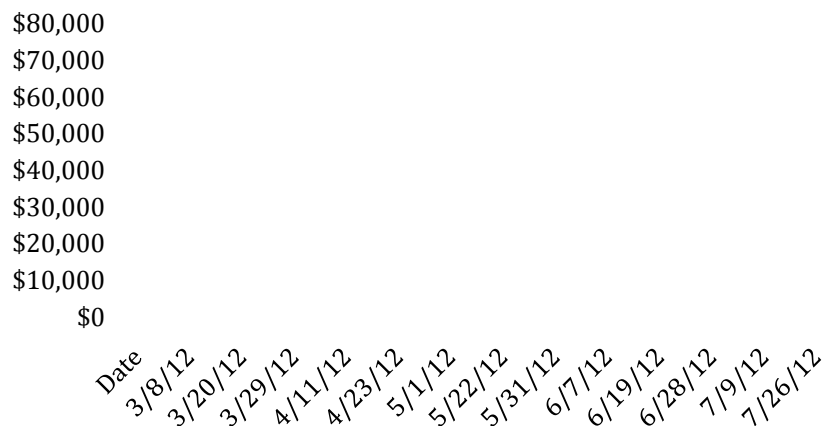
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Forecast Performance, March – July 2012

The Trend Day Forecast is currently returning 15.8% unlevered and 63.5% fully levered.

Trend Day Forecast P&L



The trade set-ups in the Trend Day Forecast give professional traders an extra quantitative edge they can combine with their own trading expertise to create outsized edges and returns. (Edges add up.)

Example Returns and Drawdowns	Current Annual Return	Max Drawdown
\$1,000,000 balance, 1 contract per setup	15.8%	-2.2%
Max leverage (optimal f\$, \$24,611) \$250,00 balance, 1 contract per setup	63.5%	-8.8%

The Trend Day Forecast is quant-based trade set-ups for the Bund, Stoxx, SP, US 30 yr, Gold and Euro and is sent prior to the European open. Updates are sent throughout the day as conditions warrant.

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Current Stats (as of 7/31)	Win percentage: 62%
Avg Trade: \$164	t Score: 2.59

P&L (unlevered)	March	April	May	June	July	Total
2012	\$20,839	\$11,246	\$19,058	\$20,933	-\$2,253	\$66,235

By Market	Bund	Stoxx	Bonds (US)	SP	Gold	Gold (automated)	Euro
P&L	\$9,488	\$4,705	\$24,158	(\$5,300)	\$15,630	\$9,980	\$7,575

By Duration	Intraday	Swing (3 days)	Multiday (5 days)	Other
P&L	\$29,215	\$21,368	\$7,962	\$7,691

By Long/Short	Long	Short
P&L	\$26,193	\$40,042

The trade set-ups in The Trend Day Forecast currently cover six markets ,three timeframes, and long and short trades.

Intraday trades occur between the European open and the US equity close, Swing trades cover 3 days and Multiday trades cover 5 days. Other trades are typically overnight trades which occur between the US equity close and the European open.

No stops, slippage or commissions are used in these numbers which are the gross results of Trend Day Forecast set-ups taken as they occur. (Subtract 15% of P&L for a good estimate of slippage and commissions.)

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Online Resources

Current Correlations:

http://www.verticalsolutions.com/forecasts/corr_pwr_ratings.html, and

http://www.verticalsolutions.com/forecasts/inst_correlations.html

Fair Value based on current correlations:

http://www.verticalsolutions.com/forecasts/fair_value.html

Dashboard of live charts:

http://www.verticalsolutions.com/forecasts/dashboard_mosaic.html

Intraday Risk-on Change

http://www.verticalsolutions.com/forecasts/risk_on_intraday.html

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FAQ

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Traders and Subscriptions

Traders

Our professional traders are trained to combine the quantitative edge in The Trend Day Forecast with their own trading expertise to generate profits for you.

Contact Henry Carstens, 503-701-5741 or carstens@verticalsolutions.com

Subscriptions

The Trend Day Forecast is available as a monthly subscription giving you and your traders a quant-based edge to combine w/ your own expertise to create even bigger advantages in the markets.

Contact Henry Carstens, 503-701-5741 or carstens@verticalsolutions.com

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