



**Ira Epstein**  
Division of The Linn Group, Inc.



These written updates provide you with Ira Epstein's trade strategies. Dollar risk considerations are taken into account with each recommendation as well as profit objectives and the ratio of profit to loss.

If you are interested in having our group place trade orders that specifically follow Ira's recommendations, this service may be arranged. It requires you issuing a "Power of Attorney" over your Linn Group Trading Account to us. The minimum size account required to trade "Medium to Low Risk Trades" is \$25,000 while the minimum size account to have us place orders for all of Ira's trades is \$50,000. You are invited to contact Ira directly concerning more information about this by calling **1-866-973-2081** or **312-264-2805**.

Thursday Morning..November 15, 2012

**Commentary**

- US continuing weekly jobless claims: 3.334 mln ; expected 3.00 mln
- US October CPI: +0.1%; expected +0.1%
- US October core CPI: +0.2%; expected +0.1%
- US October CPI food prices: +0.2%
- Eurostat Thursday showed the combined gross domestic product of the 17 countries that share the euro fell for the second straight quarter. One common definition of recession is two successive quarters of contraction
- NY Fed Nov Empire State Manuf Index: -5.22 vs Oct -6.16
- NY Fed Nov Empire State New Orders Index: +3.08 vs Oct -8.97
- NY Fed Nov Empire State Employment Index: -14.61 vs Oct -1.08
- NY Fed Nov Empire State Prices Rec'd Index: +5.62 vs Oct +4.30
- EIA Fuel Ethanol Stocks change: -0.3 at 17.9 mln bbl
- EIA Fuel Ethanol Production change: -3,000 bbl to 824,000 bbl/day
- EIA Crude Oil Stocks change: +1.089 mln bbls; stocks 375.93 mln bbls; expected +2.0 mln bbls
- EIA Motor Gas Stocks change: -0.44 mln bbls; stocks 201.94 mln bbls; expected +0.2 mln bbls
- EIA Distillate Stocks change: -2.539 mln bbls; stocks 115.51 mln bbls; expected -0.5 mln bbls

Expectations are that Japan's elections set for December will usher in a new government and monetary easing. Japanese opposition leader Shinto Abe said "he would press the Bank of Japan to deploy unlimited easing to end deflation and revitalize the economy if his Liberal Democratic Party wins next month's elections, as polls indicate". If this plan takes root, Japan will most likely lose its status as a safe haven currency and succeed in dropping the value of its currency until its economy picks up.

So far the markets have ignored data showing the euro zone slid back into recession in the third quarter with gross domestic product for the 17-country region falling 0.1% from the previous three months. It appears that EU ministers are coming to terms for a deal to pave the way for another payment of bailout money to Greece. In a good faith move today, Greece reportedly requested information from British authorities seeking information about Greek citizens with offshore bank accounts, as part of its efforts to crack down on tax evasions. The move follows a report from the UK's Daily Telegraph last week about 8,474 offshore accounts, some from Greeks in a Jersey Island branch of HSBC Holding, PLC. According to the Telegraph the list also includes 97 people with an address in Greece, who appear to have deposits totaling 22.3 million euros (\$28.4 million) in the bank. This month, according to Dow Jones Newswire the Swiss government said it has begun formal talks on a deal to tax assets stashed in secret Swiss bank accounts by Greek citizens, in line with similar agreements struck with other European countries. A tax deal with Switzerland could help Greece crack down on tax evasion which is estimated to cost the cash-strapped country as much as EUR28 billion a year, according to a study by the University of Chicago's Booth School of Business.

As for gold, the Dow Jones Newswire reported today that gold demand from Germany and Switzerland fell by half so far this year, accounting for 57% of the fall in world demand for coins and bars. Chinese lack of demand accounted for 7% of the fall. Gold prices trade against the 1704 level fits in nicely with what I wrote about last night in terms of chart support. The short term momentum has turned down, so if you're trading, you'd want to be short against 1713 with a stop over the recent high of 1734.1. I'd then look for a challenge of the 1670 area where I think prices will find temporary support.

**Trade Recommendations**

**ECOZ12 (December Cocoa) + 27 at 2497. Higher Medium Risk Traders; buy long at 2497. If filled initially use 2415 stop. Take 50% profit at 2458 and move your stop up to breakeven including commission on your remaining long position. This morning when the market was trading near 2590 I said to take your remaining profit at the market. This resulted in an approximate profit on this part of your position of 44 points. The high so far has been 1-tick off of my recommended profit objective of 2510.**

**ZFZ12 (December Five Year Notes) + 0^01.50 at 124^26.00. Lower Risk Traders; buy long at 124^0.00. Initially use 124^19.25 stop. Take 50% profit at 124^31.00 and move your stop up to breakeven including commission on your remaining long position.**

**ZPLF13(January Platinum) -21.7 at 1569.9. Medium Risk Traders; buy long at 1560.6. If filled initially use 1555.3 stop. Take 50% 50% profit at 1593.6 and move your stop down on your remanding long to breakeven including commission.**

**EDXZ12(December Dollar Index) -.02 at 81.080. Lower Risk Traders; buy long at 80.980. If filled initially use 80.935 stop. Take full profit at 81.460.**

**ESBH13 (March Sugar) - .21 at 19.03. Medium Risk Traders; sell short at 19.03. If filled initially use 19.65 stop. Take full profit at 18.88. Risk Traders; buy long at 80.980. If filled initially use 80.935 stop. Take full profit at 81.460.**

**MCGZ12 (December Micro Gold) - 17.8 at 1712.4. Lower Risk Traders; sell short at 1713.00. If filled initially use 1734.5 stop. Take full profit 1684.00**

**Definitions of Initial Dollar Risk: Low-Risk Definition:**

- A Low Risk Trade is defined as one having an approximate initial dollar risk of **\$0 to 150**

**Medium-Risk Trades Are Broken Down Into 3 Categories:**

**Lower-Medium Risk:**

- A Lower-Medium Risk Trade is defined as one having an approximate initial dollar risk of **\$151 to \$250**.

**Medium-Risk Trade**

- A Medium-Risk Trade is defined as one having an approximate initial dollar risk of **\$251 to \$350**.

**Higher-Medium Risk Trade**

- A Higher-Medium Risk Trade is defined as one having an approximate initial dollar risk of **\$351 to \$500**.

**High-Risk Trades**

- A High-Risk Trade is defined as one having an approximate initial dollar risk of **\$501 to \$600**.

All dollar-risks are calculated with no allowance for slippage of fills, gaps in the market and commissions.

**NEW RECOMMENDATIONS:**

- **New Buy Recommendations are highlighted in green.**
- **New Sell Recommendations are highlighted in red.**

Every New Trade Recommendation includes a specific entry point, recommended placement of a stop(s) and updates on the profit objective(s).

**Stops on Futures Contracts**

An initial Stop Order is typically placed and is part of the original trade recommendation. A 50% profit objective is also typically provided. If the profit objective is achieved, instructions on how to proceed with the remaining contract will be provided. You should be sure to cancel your original Stop Order and place another Stop Order following the new recommendation.

**Stop Orders on Option Contracts**

Some futures contracts that have "Option Contracts" do not accept straight stop orders on Option Orders. Some do. You can which markets do with your Ira Epstein Representative. If a stop is accepted, fine, place it. If a stop cannot be placed, follow this procedure. When a "recommended stop" is hit in a market that does not accept a stop or once a price is hit, place a market order to get out. You do this "after" that price is hit. We will look at Time and Sales along with fills that other customers have to report you as to where the fills came in for those markets.

**Contracts To Be Traded Per Trade Recommendation**

Ira Epstein's "Charting Course" teaches that you should, if able to, enter a minimum of 2 contracts per trade recommendation. That is I say "Take 50% profit at XXX and move stop on remaining (long or short) to breakeven including commission". Keep in mind that should I be wrong before a profit is seen, you are at risk on initially on 2-contracts,

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Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades may have not actually been executed, the results may have under-or-over compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown.