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CFDTradeReview

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中文版

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ride the slide


from the dealing desk

traders switch from long to short

trader in action

cherry picker picks his trades

issued by

 CMC Markets



"I see shorting as an opportunity to make money during down trends"

It has been described as like swimming against the tide. It is much harder. It requires a lot more effort and concentration. But if done to a successful conclusion, it is much more rewarding than its usually more popular counterpart.

Another writer took the high-school sex analogy saying, "it is like high school sex: everyone talks about it, everyone says they do it, everyone wants to do it, but really, no one or only a few do it."

When it comes to shorting the market (using shares), the above descriptions may be both accurate. And there are a number of reasons for that.

For one, of the more than a thousand listed shares in the Australian Stock Exchange, only a handful is shortable. This means, you as a trader or investor, have a limited number of shares to choose from if you want to go short (to sell a share with the view that the price will fall and to buy it at a lower price later).

ride the slide

Secondly, and if you have found a share that you can sell short, you have to make sure that it was on the uptick during its last trade. That means you can only sell short if the share was going up as dictated by the 'uptick rule'.

The uptick rule was introduced by the US Securities and Exchange Commission (SEC) in 1934 to protect investors from volatility. The rule allows short selling only if the price of the last sale (of a stock) was higher than the preceding sale, also known as an uptick. The same uptick rule applies to the Australian stockmarket.

Thirdly, going short will cost you more in terms of brokerage fees because you have to pay a premium to your broker, who in effect is lending you the stock that you are trying to short. And because your broker is giving you an extra service, you are being charged extra for it.

No wonder then that going short or shorting the market is not that popular or widespread compared to going long.

In his essay "A Short History of the Bear", author Edward Chancellor mentioned some of the high profile bears dating as far back as the 17th century. In 1609, a Flemish-born merchant, named Isaac Le Maire, organised a bear raid on the stock of the Dutch East India Company after he had received information from the company's treasurer. Although Le Maire's raid ended in personal failure, it also led the Dutch government to ban all short-selling at the Amsterdam bourse in 1610.

"No wonder then that going short or shorting the market is not that popular or widespread compared to going long"

In 18th century Britain and France further legislative traps were laid to catch the bears. Following the collapse of the Mississippi bubble in 1720, bears, who had profited from the decline in the Mississippi stock, were fined and a law was introduced outlawing short-sales.

French emperor Napoleon reportedly disliked bears and believed that shorting was unpatriotic. In 1802, he signed an edict subjecting short-sellers to up to one year in jail.

In the same essay Chancellor pointed out an interesting theme in the history of bears in the world stockmarket. He observed: "(Stockmarket) Bubbles occur when speculators drive asset prices far above their intrinsic value.

The collapse of a bubble is frequently accompanied by an economic crisis. Who gets the blame for this crisis? Not the bulls, who were responsible for the bubble and various frauds and manipulations perpetrated to keep shares high, while they cash in their profits. No, it is invariably the bears who are blamed for the post-bubble crises and are the main objects of anti-speculative legislation. Yet during the bubble periods it is the bears who are generally the lone voice of reason, warning people of the folly of investing in overpriced markets. In the aftermath of a bubble, the bears continue their forensic work of exposing unsound securities and bringing prices back in line with intrinsic values, a point which must be reached before the recovery can start."

Perhaps the most eloquent justification and defence for bears came from Bernard Baruch, an American financier who was called to the White House in 1916 after a market panic to explain his short sales of the stock of the Brooklyn Rapid Transport Company.

In his statement, Baruch said: "Bulls have always been more popular in this country because optimism is so strong a part of our heritage. Still, over-optimism is capable of doing more damage than pessimism since caution tends to be thrown aside. To enjoy the advantages of a free market, one must have both buyers and sellers, both bulls and bears. A market without bears would be like a nation without free press. There would be no one to criticise and restrain the false optimism that always leads to disaster."

Some modern day bears

Dana Galante, a top American stock picker and fund manager who was featured in Jack Schwager's book *Market Wizards*, registered an average annual compounded return of 15 per cent in 1994-1999 as a pure short seller. Her 15 per cent return was achieved despite the market's imposing return of 32 per cent annual average.

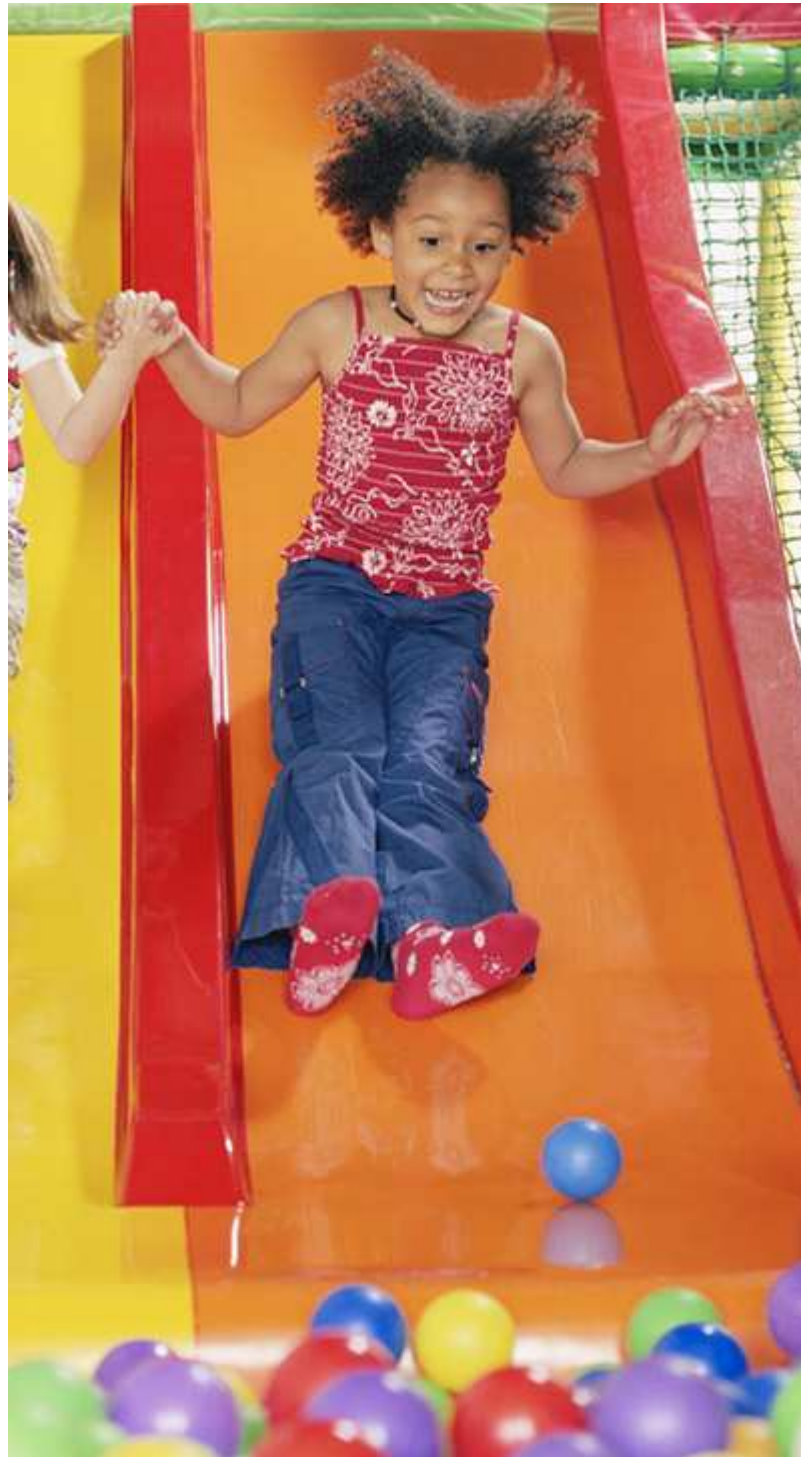
You may ask, why be a bear in a strong bull market?

According to Galante, a short-selling approach is normally not intended as a stand alone investment. Rather, it is intended to be combined with long investments to yield a total portfolio with a better return/risk performance. She said a vast majority of investors in her fund have existing long portfolio and are merely using her short portfolio to hedge or to take advantage of price movements on both sides of the market.

In Australia, traders and investors now have more choices and access to other financial instruments that will enable them to take advantage of falls in the market. Contracts for difference (CFDs) have become a popular tool for traders to short the market. Many traders who have used CFDs to go short are convinced CFDs are the best trading instruments to take advantage of a fall in stock prices.

For example, during the first week of October 2005 when the ASX 200 Index fell by almost 200 points in two days, CFD traders were seen to take more short positions to take advantage of the dip in share prices. Approximately 20-30 per cent of all CFD trades during that two-day period were attributed to short positions.

Going short using CFDs is much easier compared to going short using shares. For one, there is no uptick rule that will prevent you from shorting a CFD. And there are no extra cost or premium to open a short position. You pay the same commission or transaction fee as you would when you open a long CFD position.



Justine Pollard, a full time trader said shorting the market using CFDs has several advantages over physical shares.

She said, "The main advantage is that you get paid for going short. If I was to short the physical share the brokerage costs are higher and you have to pay a borrowing fee to short the stock

"When asked about her thoughts on the smaller number of people going short than long, Pollard said, "I think it is a lack of understanding (of going short), as it really is not talked about as much as going long and I find people to be a little scared of shorting."

She added that, "All the students I teach focus on going long first and say, once they build confidence with this they will consider shorting. But they always tell me they can't get their head around how it works as it does not make sense to them."

In terms of her own trading Pollard said, "As I am a full time trader, I need to be able to make money in all kinds of markets. When the market gets bearish I will take short positions rather than sit out of the market and wait. I see shorting as an opportunity to make money during down trends."

"My most decent profit from shorting was earlier in the year during March and April, in which I generated a 12% return on my capital for those two months being net short in the market with CFDs," Pollard said.

Davin Clarke, a long-time trader with a known preference for trading the short side of the market, said his tendency to go short must have been influenced by his trading style.

He said, "I like to trade fast moving volatile stocks for short term profits. In general, I think my trading style allows me to trade any side of the market. I don't feel the need to be on the same side of the market as the majority, which is usually the long side."

"I made some good profits when the market moved almost 200 points down in October. Those times were great for me, good time to make money on the downside of the market."

He added that, "It is difficult to be on the opposite side of the market (short side), but I think it is often the right side of the market. It doesn't mean that just because the majority is going long, they are right. And most of the time if you are just doing what everyone else is doing, you will miss out on some great trading opportunities to make money in the market."

However, Clarke said he trades both the long and short sides of the market.

"Short selling also provides the ability to hedge your portfolio against a catastrophe that could cause a major drop in the market. The aim is to trade the best of the stocks long and the weakest of the stocks short," Clarke said.

Clarke added he finds it easier to make money going short. And why is that? "Because people tend to panic when they see stock prices moving down and this panic selling pushes the price down very quickly. That's why price often moves faster on the way down than on the way up," Clarke said.

Cat Davey, author of the book "Contracts for Difference: Master the Trading Revolution", said the traditional rule for shorting the market is to pick the weakest stock in the weakest sector. For her, another way of finding short opportunities is to watch for underperformers in strongly bullish days.

She said during those times when the XJO (ASX 200) is rallying 30 points and above and there's a particular stock that goes lower without any news surrounding the fall, that stock should be put on a trader's watchlist for short trades.

CMC Markets



CMC Markets, Australia's leading contracts for difference (CFD) provider, is expanding its list of tradeable Share CFDs with the addition of some highly liquid shares including Seek Limited, Babcock & Brown Japan Property Trust and Hastie Group.

The new set of CFDs, which can be traded with CMC Markets effective 14 November 2005, will bring to over 300 the total number of Share CFDs available on the CMC Markets trading platform.

"This expanded list of tradeable Share CFDs with CMC Markets reinforces our leadership position in this burgeoning market," said David Trew, Managing Director, CMC Markets Asia Pacific.

"It also signifies the continuing popularity and demand for CFDs among Australian traders," Trew added.

The following table outlines the additional Share CFDs and their margin requirement and whether they can be traded short or not. For a complete list of tradeable Share CFDs, Indices, Sectors, Commodities, FX and other instruments with CMC Markets, you can go [here](#).

expands list of tradeable CFDs

Company	Code	Margin (%)	Shorting
Seek Ltd	SEK.AX	5	Yes
Centro Retail Group	CER.AX	5	Yes
ARB Corporation Ltd	ARB.AX	10	No
JF US Industrial Trust	JUICA.AX	10	No
Geodynamics	GDY.AX	10	No
Senetas Corporation Ltd	SEN.AX	10	No
Resource Pacific Holdings	RSP.AX	10	No
Charter Hall Group	CHCCA.AX	10	No
Hastie Group Ltd	HST.AX	10	No
Monadelphous Group Ltd	MND.AX	10	No
Mount Gibson Iron Ltd	MGX.AX	10	No
Felix Resources Ltd	FLX.AX	10	No
Babcock & Brown Japan Property Trust	BJT.AX	10	No
Transpacific Industries Group	TPI.AX	10	No



eastmeetswest

He was first mentored and taught by his Japanese employers to trade futures contract using Candlestick charts and Renko. Combining these Eastern trading techniques, he went on to learn some equally powerful Western trading methods like the Elliot Wave Theory and applied them as he traded the world markets from Australia to London and back.

With more than 23 years of trading behind him, Peter Mathers is now back in Sydney and has recently started his Trading Lounge, a trading education and mentoring consultancy.

CMC Markets CFD Trade Review caught up with Peter Mathers recently to find out his trading strategy and what keeps him going in the markets'.

Trade Review (TR): How did you get started into trading?

Peter Mathers (PM): Hoei, a Japanese commodity futures trading firm, advertised for trainee traders and I just went in. They had this idea that employing the first six people through the door would be their way of getting the keenest people to train. And they hired me.

TR: Why did you choose trading?

PM: I can't remember now. What I can remember was when I was about 10 years old, I was in a car with my Dad and when we were turning a corner I saw this building and I asked my Dad what that building was. He said it's the stock exchange, and I knew then or I had that feeling inside me that someday I would be working in the stock exchange.

TR: Do you still remember your first trade? How much money did you start with when you started trading?

PM: I can remember my first trade, it was in soy beans. We were only allowed to trade client accounts which were 10k minimum. Being thrown in the deep end was my apprenticeship into the world of commodity futures trading.

TR: What was your education and how did you prepare to become a trader?

PM: My education was at Wesley College in Perth. No Uni for me - the real world awaited, real work, real learning and playing were in mind. I didn't have any formal training or grounding in share trading before I joined Hoei. I think they trained me and the other recruits at that time for about six weeks and we were thrown on the deep end of trading futures.

TR: Can you share some of your experience while working with Hoei & Shoin?

PM: When I moved to Sydney to join Shoin an affiliate of Hoei, my position was in training new brokers in all aspects of trading within the Japanese trading world. The experience I gained in working with the Japanese was on many levels. Their accuracy in trading and their focus in business concepts plus attention to detail are really quite advanced. This gave me a powerful trading edge.

TR: What are some of your outstanding learning points from this company?

PM: Essentially this company fostered my primary way of operating and trading. One of my first valuable lessons was managing my time. Simple as it may sound managing time creates a balanced mind in which positive decisions are created.

Our method of trading was via Japanese candlesticks, charting back in the early 80s, we all hand drew our charts which I still like doing today as it connects me with the market in a subtle way that assists in anticipating market moves.

I was trained in the Japanese markets throughout Japan, essentially in Commodities Futures trading in soft agricultural commodities and base metals. By observing and trading these markets I learned that all markets have their own distinct personalities and players which enabled wise and confident trading decisions.

TR: How did your experience at Hoei & Shoin help you in your trading?

PM: Discipline: I'm very fortunate to have been taught from a Japanese company first up. Their values are more instilled in work practise than in the west. Patience: waiting without waiting, being in control of your own thoughts and emotions. Courage: facing the fear of failure and being able to be cool enough to make sensible decisions even while afraid by staying within the bounds of logic.

TR: Have you always been trading for companies?

PM: No. After my last Sydney appointment with Tradewins, trading through Bell Commodities and after the London based Corporate Services International I then returned to Australia and took time off in the Byron Bay area. I spent just over a year in Byron Bay. At that time I just really wanted to spend time with myself after working for several years overseas, I felt I needed some time off.

TR: When did you go it alone?
Why and how?

PM: By 2004 I wanted to return to Sydney and move back into trading. I started the Trading Lounge, a trading educational mentoring consultancy.

TR: What's your trading strategy and your current trading routine?

PM: Each market is different so I like to stay open to a market's particular requirements. I trade discretionary and fixed model methods, I may even mix and match, that is, entering a position on a discretionary basis and using a fixed model for trade management.

I basically let the market tell me what to do, I also trade long term positions that can be more than a year, right down to intraday trading on a 2-minute or tick chart. I have wheels within wheels operating. My routine is to be up before the morning sun and being prepared waiting for opportunity.

TR: What are some of your memorable winning and losing trades?

PM: When I was 24 I dropped a quarter on options, that loss shook me and taught me to take responsibility for my trading. Nothing that exciting on the winning side, my last trade in BNB from \$13 to \$20 and I'm still in STO from around \$5, so basically I just trade my levels.

TR: What are the most important trading lessons you've learned during your trading life?

PM: Stop loss, protect profit & let it grow.

TR: How do you handle wins and losses in the markets?

PM: I don't over trade, that way nothing bothers me financially or emotionally, I can sleep and go out to lunch.

TR: What's your basic philosophy in life?

PM: I respect all life because the world is round. I enjoy philosophy and spirituality and practice meditation daily. I've been doing meditation since 1986 and I have taught meditation and positive thinking courses (free of charge).

TR: What is your view on education?

PM: I see a real need to share knowledge with other traders, my belief is that a country or company without education is not complete, gaining knowledge and developing skill is the base of being successful.

TR: Who are your role models in your trading and in life in general?

PM: There have been many and there will continue to be many, it seems we are not always ready to learn something new. Information seems to come in the right place and time and life is always a mirror if we are ready to have a look.



Turn
pro.

 CMC Markets

traders switch
from
long
to
short

Experience has shown that in times of an abrupt shift of market sentiment, those stocks that have been aggressively bought up will be aggressively sold off



October certainly started the month with a bang as the S&P/ASX 200 shed nearly 200 points in two days. A market move like this one is exactly what can be expected in terms of market action following a sustained increase in share prices over such a long period of time.

Over the one month period the market moved from a high of 4654.30 to a low of 4311.10 before closing out the month at 4459.70.

All in all, it was a very volatile month for anyone trading the Australian equity markets.

This is not to suggest that it wasn't possible to make money, but it did require a very dynamic type of trading. Some of the traders that made the most of the market movements were very swift to dump their long positions and quickly adopt new short positions. The real trick was in choosing which positions to go short in.

The difficult part for traders was the unloading of long positions. In times of extreme falls on the market like we saw, it is very difficult to tell if the market is going to have such a hostile reaction to share prices. One thing to bear in mind though is that in a strong bull market to which we have been witness, the corrections are going to be quite severe when they occur.

In day to day trading, most people will look for their short positions by finding the stocks that are already trending downward despite the bull market. These probably represent the logical choices to be short in because they are out of favour with the market despite the generally strong upward movement. However, in the case of a market correction, these probably aren't your best choice for a quick short play.

Experience has shown that in times of an abrupt shift of market sentiment, those stocks that have been aggressively bought up will be aggressively sold off. The likely reason, which is probably as much psychological as anything, is that traders are trying to quickly nail down any remaining profits as quickly as they can. As the selling gains momentum they will be more and more desperate to sell as the fear that the falling prices will never stop. High volatility times in the market generate the least rational decisions among traders.

Following is a table which shows the major sectors of the Australian market. The first percentage movement column shows how much the sector moved up or down in the month of October. The second column shows how much the sector fell on the 5th and 6th of October.

The final column shows the variation (var.) between the first series of rankings and the second set of rankings, essentially, the positive percentage rate of change from highest to lowest. The second column of ranking shows the negative rate of change from highest to lowest.

As you can see, the ranking of the sectors between the two columns is extremely similar. Were it not for the relatively large fall of the industrials sector, the correlation on the up and down movement of the sectors would have been almost perfect.

It is impossible to say that this will remain a unified rule of finance but it is certainly something to keep in mind for the next time the market has a major shift in direction that not only will the market fall faster than it has risen, but that the sectors that have risen the fastest will likely be sold off the hardest.

We saw a further cooling of the crude oil price in October. The per barrel price closed out September at USD \$66.24 and closed out October at \$59.76, a fall of 9.8%

The decline was largely attributed to falling demand for gasoline due to high prices as well as warm conditions in the Northern Hemisphere sapping demand for heating oil. The energy sector in Australia fell by 11.34% over the same period of time.

The S&P/ASX 200 fell 3.91% in October which was the first negative month after five straight months of positive movement averaging 3.11% monthly growth over that time.

Sector	% change September	Rank	% change 5th and 6th October	Rank	Var
Energy	+7.37	2	-8.46	1	1
Cons Disc	-0.01	8	-2.75	8	0
Cons Stap	+1.94	5	-3.30	6	1
Financials	+0.26	7	-3.24	7	0
Health Care	+5.85	3	-4.25	4	1
Industrials	+1.09	6	-4.39	3	3
Materials	+10.41	1	-6.58	2	1
Utilities	+4.26	4	-3.85	5	1



As you can appreciate short selling in a bull market may be a challenging endeavour. This article will look at two types of short selling strategies with short-term and medium-term holding period. Short-term trading can range from intraday to 5-day holding period and a medium-term trade can run from 20 days to three months or a longer holding period.

First let's consider where the 'easier' money is made in the markets and that is from nice trending CFDs where the price action continues in the same direction for many weeks to months. A good example is Caltex (CTX) where the trend has been incredibly strong for a couple of years and it's all upward trending.

No doubt many people have been able to take advantage of this nicely trending CFD and traded it successfully on the long side with a very low maintenance strategy (i.e. not getting in and out constantly).

In order to find the easier money on the short side we need to find stocks that are doing the exact opposite of Caltex which is trending down nicely over a good period of time. As you can appreciate with a roaring bull market those opportunities are rare finds indeed. Think of it like finding that proverbial needle in a haystack!

bringing out the **BEAR** in you

Finding Success with Short Selling

With our bullish markets you may feel like it's a lost cause in designing and building strategies to profit from the downtrend, but you can win provided you follow some sensible guidelines.

1 Do not go against the prevailing trend. Remember the saying: "The trend is your friend until it bends at the end!" We are simply looking for the bend at the end as the starting point to our shorting. The best way to ensure you are trading in the direction of the trend is to use a longer term moving average like a 200 period moving average. Whether you are trading over a period of 2 days, 2 weeks or 2 months a long term moving average will be very helpful. Use the following rule of thumb. If the price is below the 200 period moving average then you are trading in the direction of the trend where the 'easier' money can be made (for short side profiting). If the price is above the 200 period moving average then you need a good skill set to profit from any downwards move. Wait until you have completed at least 100 trades before attempting to short CFDs where the price is above the longer term moving average.

2 For shorter term moves you are best using a breakout style of trading. Look to short a CFD if the price is breaking below a new 6 or 12 month low. You will find those CFDs hitting a new 12 month low will provide a more reliable pattern for those quick, sharp downward moves. If the share is breaking a recent 1-6 month low then you will find the break will either be a false break or limiting from a profit standpoint.

3 Be quick to take profits on any sign of a bullish reversal. Given that the markets have been so bullish you will note that some quick sell offs are usually followed by a quick 'snap back' as investors and traders jump on to what they believe to be 'bargain territory'. Don't hesitate to lock in quick profits on the short side as testing will prove over the last 18+ years markets have generally risen and many traders love 'bargain hunting'.

By following those guidelines you should have greater success with your shorting strategies.

Hedging your way to Safety

CMC Markets provides the greatest trading platform with which to access and trade the worlds markets. Now what does that mean to you, you might ask? It means that from the one account (held in your local currency) you can protect certain trades or investments you might currently have instead of sticking your head in the sand!

Is this the greatest GOLD strategy ever?

Let's say for example that you are currently trading gold stocks like Lihir (LHG) or Newcrest Mining (NCM) and you are trading them long (ie you are bullish on gold in general). If there was a strong move to the downside on the Spot Gold price overnight of say \$6, what would happen to the price of the gold producers the next day? More than likely there is going to be a great chance that they will fall in value.

At this point most traders would put their head in the sand or bail the next day; however, this is where I believe most traders are missing the boat. Instead of selling at a loss you can protect yourself through CMC Markets' **Marketmaker®** by shorting the spot gold price (ticker on **Marketmaker®** XAUUSD) overnight and profiting from the downward move.

Spot Gold can be traded through **Marketmaker®** commission free and you only require 1% margin upfront to hold the position. The minimum parcel is 10 ounces of gold.

So your protection comes with no commission and fantastic leverage!

This is not the only protective hedge you can do and you are only limited by your own imagination. Another example is the price of Crude oil versus Woodside Petroleum. Or perhaps you are long the banks and need to short the finance sector for protection.

As you can see Shorting is not for those who are just starting out, however, with experience comes the potential to profit from falling markets. Further to that you can use shorting to protect your current investments but first make sure you completely understand the concepts before jumping in 'bear' feet first!

Happy trading.



**When it comes to trading,
Greg Bidwell believes
in taking "small bites of
the cherry"**

"I've been trading for over 24 years now and one of the things I've realised about the market a long time ago was that it doesn't sit still. The market changes very quickly and you have to act accordingly," Bidwell said when interviewed by CFD Trade Review.

"I'm more of a short-term trader now and my strategy is to get in there (place a trade) take some profit, run away and wait for the next opportunity.

Being a short-term trader means Bidwell could be in about 10-15 trades a day while still doing his day job as a suspended ceiling contractor.

"I like trading and I would love to trade full time (in the future), but at the moment I still see trading as a hobby and a supplement to my income," Bidwell said.

trades

For someone who considers and treats his trading as a hobby, Bidwell is one serious hobbyist. In his more than two decades of trading (though on and off at one point), he has traded almost everything there is to trade: from blue chip stocks to penny dreadful and speculative stocks, from options to SPI to indices. Now he's setting his trading sights to the US and European markets.

About 12 months ago Bidwell discovered contracts for difference (CFDs) and has been actively trading Share and Index CFDs since then.

"I like CFDs. It must be one of the best financial instruments in the market now. I like the liquidity and the fact that I can trade on margin. It also allows me to trade long and short, which is very important if I want to trade both sides of the market," Bidwell said. While he still maintains quite a substantial portfolio of physical shares for his long-term investment, Bidwell said he plans to increase his trading capital for CFD trades. And why not? Since he started trading CFDs Bidwell has seen some substantial rise in his trading capital. "I'm still on a learning curve because I'm predominantly trading Share CFDs now, but I want to do more Index CFD trading. I want to expand my trading into the US and European markets," Bidwell said. As part of his preparation to trade international markets Bidwell said he's started working on a number of systems using various combinations of indicators. For example he's been doing some analysis on retracement figures and swing trading strategies using charts.

While he believes that backtesting a trading system is important for system traders, he admits that he himself tends to have his favourite shares once in a while. At one stage he said he would be monitoring and looking closely at about 50 stocks.

"I found that it is easier to have a few select shares and get to know them better - know the intricacies and trading pattern of each. Instead of monitoring the thousands of shares out there I tend to trade only a handful of them," Bidwell said.

When it comes to his outstanding trades over his 24 years of trading, Bidwell still remembers the tech boom (and eventual tech wreck). One of the stocks he bought when it listed at \$2.20 rose to as much as \$8.00. He was able to pick up about \$10,000 from this position in one day before the price collapsed to 80 cents.

Recalling those speculative trades and others he entered years ago, Bidwell said, "You need a lot of discipline when you're trading. Eventually there will come a time that you will have some 'accidents' - those trades that will really hit you on the hip pocket. So you have to be very disciplined to stick to your money management and trading plan."

However, no matter how stressful trading could be at times, Bidwell said he has learned to be flexible and go with the flow.

"Stress is part of trading. It is part of life. The rules of the games are always changing and we have to change as the market changes. That is life," he said.

CMC Markets won Technology Multicultural Marketing Awards

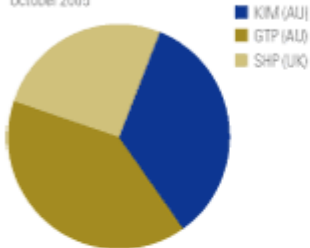
CMC Markets, the largest CFD provider in Australia, has won the Technology Award for the 2005 Multicultural Marketing Awards for its efforts to provide a multilingual trading platform (**Marketmaker®**) that incorporates Cantonese and Mandarin language capability.

David Trew, Managing Director of CMC Markets Asia Pacific said, "This award is a fitting recognition of our innovative and world-class trading platform. It also confirms our leadership position in the industry and our efforts to reach non-English speaking communities."

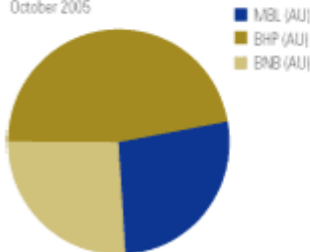


**Profit Vs Trading volume:
Share CFDs**

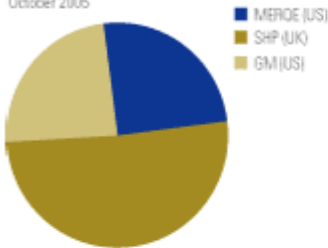
AUS Stocks
Top 3 most profitable for CMC Markets clients
October 2005



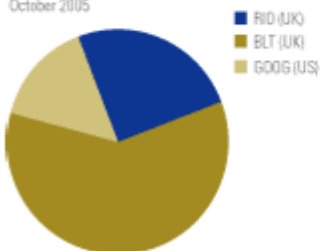
AUS Stocks
Top 3 by client trading volume
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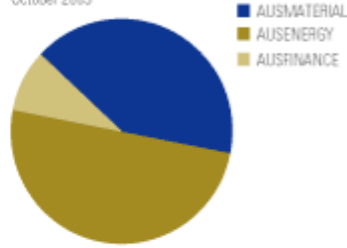


International Stocks
Top 3 by client trading volume
October 2005

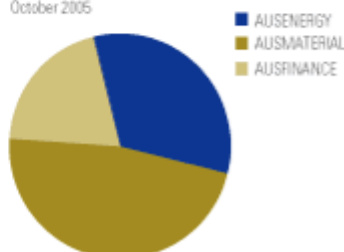


**Profit Vs Trading volume:
Sector CFDs**

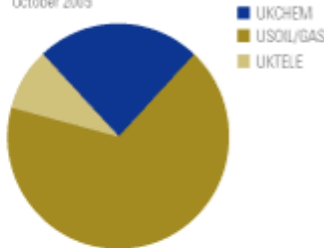
AUS Sectors
Top 3 most profitable for CMC Markets clients
October 2005



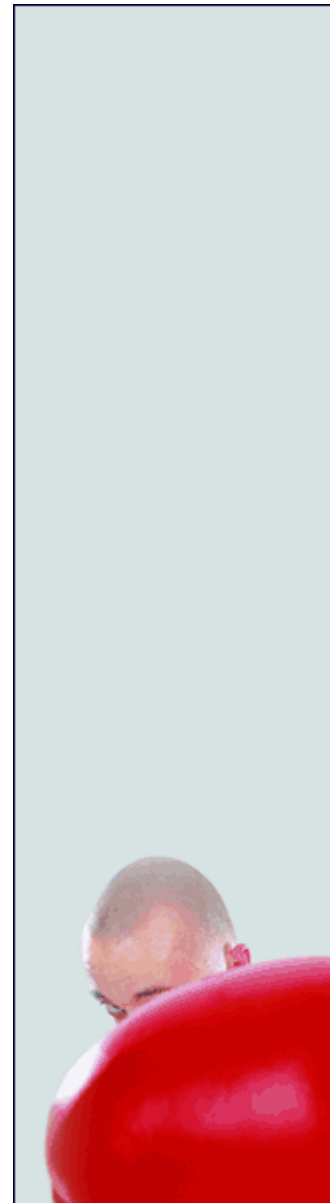
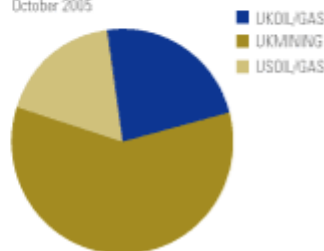
AUS Sectors
Top 3 by client trading volume
October 2005



International Sectors
Top 3 most profitable for CMC Markets clients
October 2005



International Sectors
Top 3 by client trading volume
October 2005



November - all times are AEST

21st	AUS: 1130 US 0200	New Motor Vehicle Sales Leading Indicator
22nd	JAP 1050 GER 1800 US 0600	Tertiary Industry Index GDP FOMC Minutes
23rd	UK 2030 US 0030 US 0145 US 0230	BOE Minutes Initial Jobless Claim Consumer Sentiment EIA Petroleum Status Report
24th	JP 1050 JP 1600 US 2400	Trade Balance BOJ Minutes Thanksgiving Day
25th	JAP 1030 GER 2000 UK 2030	CPI IFO Business Survey GDP, Import & Export
28th	JAP 1050 US 0200	Retail Trade Existing Home Sales
25th	JAP 1030 JAP 1050 US 0030 US 0200	Jobless Rate IP Durable Goods Orders Consumer Confidence, New Home Sales
30th	AUS: 1130 GER 1955 UK 2130 US 0030 US 0200 US 0230 US 0230	Retail Sales, Trade Balance Unemployment Consumer Confidence Survey GDP Chicago PMI EIA Petroleum Status Report Beige Book

December - all times are AEST

1st	AUS 1130 UK 2030 GER 1955 GER 2345 US 0030 US 0200	Current A/C Deficit PMI Mfg Index PMI Mfg Index EU: ECB Rate Announcement Initial Jobless Claim, Personal Income & Expenditure ISM Mfg Index
2nd	AUS 1130 US 0030	Building Approvals Non-farm Payrollt
5th	AUS 1130 GER 1955 UK 2030 US 0200	ANZ Job Ad, 3Q Company Profit, 3Q Inventor PMI Services Index PMI Service Index ISM Non-Mfg Index
6th	UK 2030 GER 2200 GER 0100 US 0200	IP Factory Order CA: BOC Rate Announcement Factory Orders
7th	AUS 0930 AUS 1130 JAP 1600 US 0230	RBA Cash Target GDP Leading Economic Index EIA Petroleum Status Report
8th	AUS 1130 JAP 1600 GER 2200 UK 1100 US 0030	Unemployment Machine Orders IP BOE Rate Announcement Initial Jobless Claim
9th	JAP 1050 UK 2030 US 0145 US 0200	GDP Trade Balance US: Consumer Sentiment Wholesale Trade
12th	JAP 1050 JAP 1600 UK 2030	Import & Export Price Index, Current A/C Balance, Trade Balance Consumer Confidence PPI
13th	JAP 1530 UK 2030 GER 2100 US 0030 US 0615	IP, Capital Utilisation CPI ZEW Survey Business Inventories, Retail Sales FOMC Announcement
14th	JAP 1050 UK 2030 US 0030 US 0230	Tankan Industry Survey Unemployment Import & Export Prices, Trade Balance EIA Petroleum Status Report
15th	AUS 1500 JAP 1600 UK 2030 US 0030 US 0100 US 0115	RBA Nov. Bulletin Leading Economic Index -Retail Sales CPI, NY Empire State Index, Initial Jobless Claim Treasury Int'l Capital AEST 0115 - IP

