



BELL CURVE TRADING

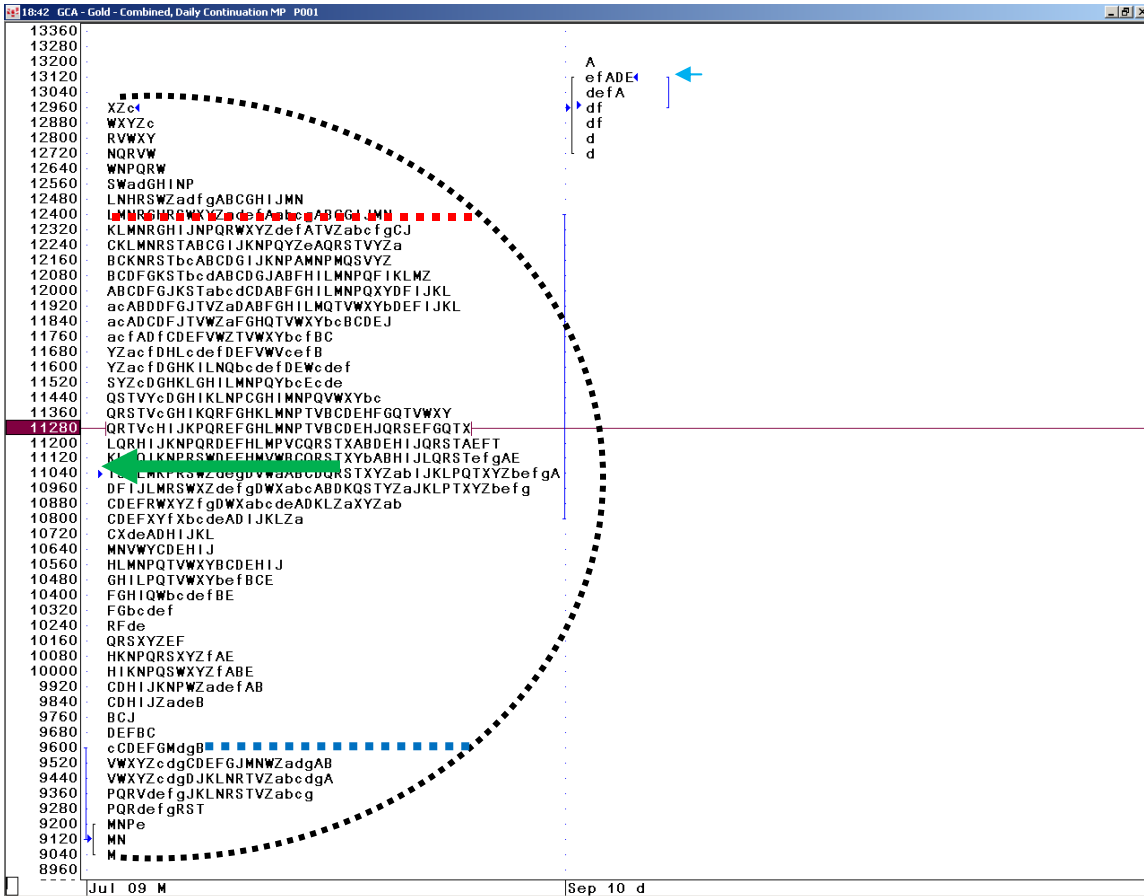
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October 5, 2010

GOLD - SHORT TERM

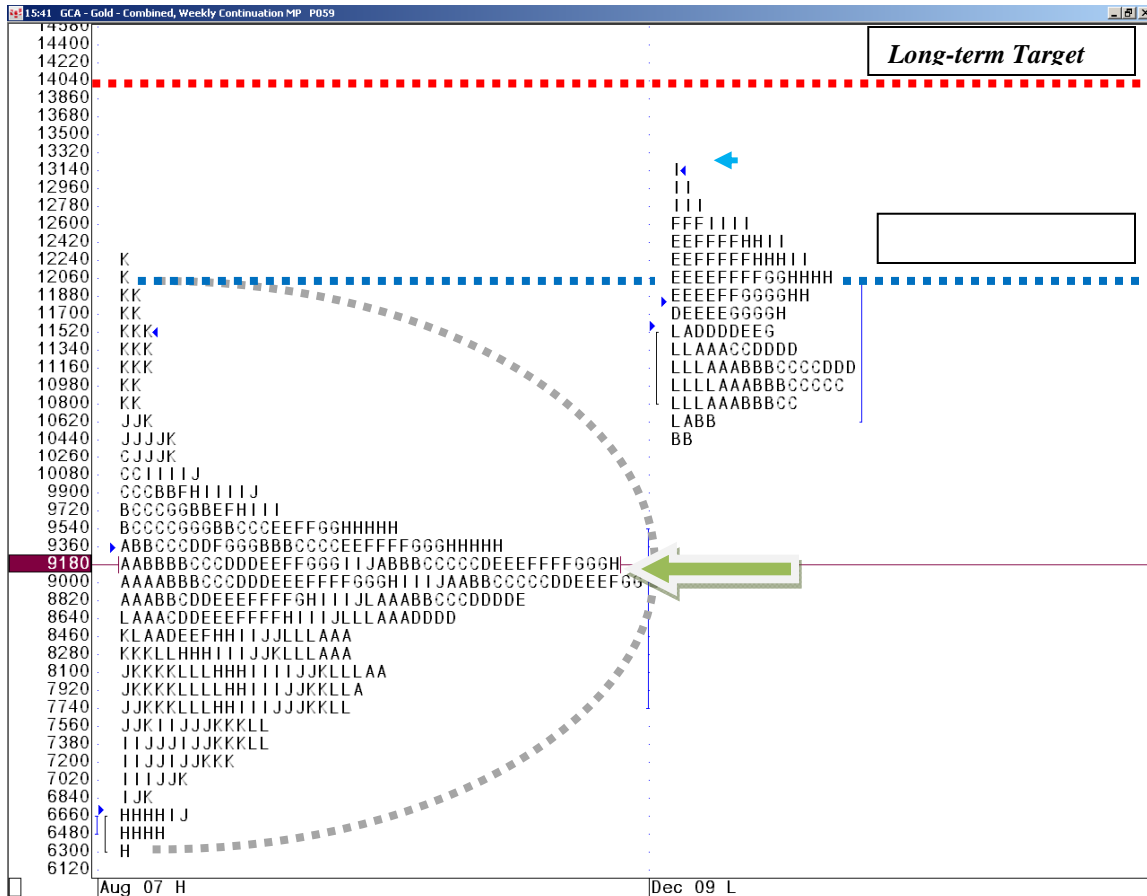


PLEASE SEE 2nd PICTURE AND COMMENTARY BELOW:

\$1256.00. Take profit at \$1275.00, \$1290.00, and \$1300.00. Only building value below \$1248.00 and closing below \$1236.00 (July 28th balance point) cancels this trade. IF the market builds value and closes above \$1300.00 we will move our buy area higher (\$1275.00/\$1285.00) looking for \$1335.00 and then \$1400.00.



GOLD – INTERMEDIATE-TERM



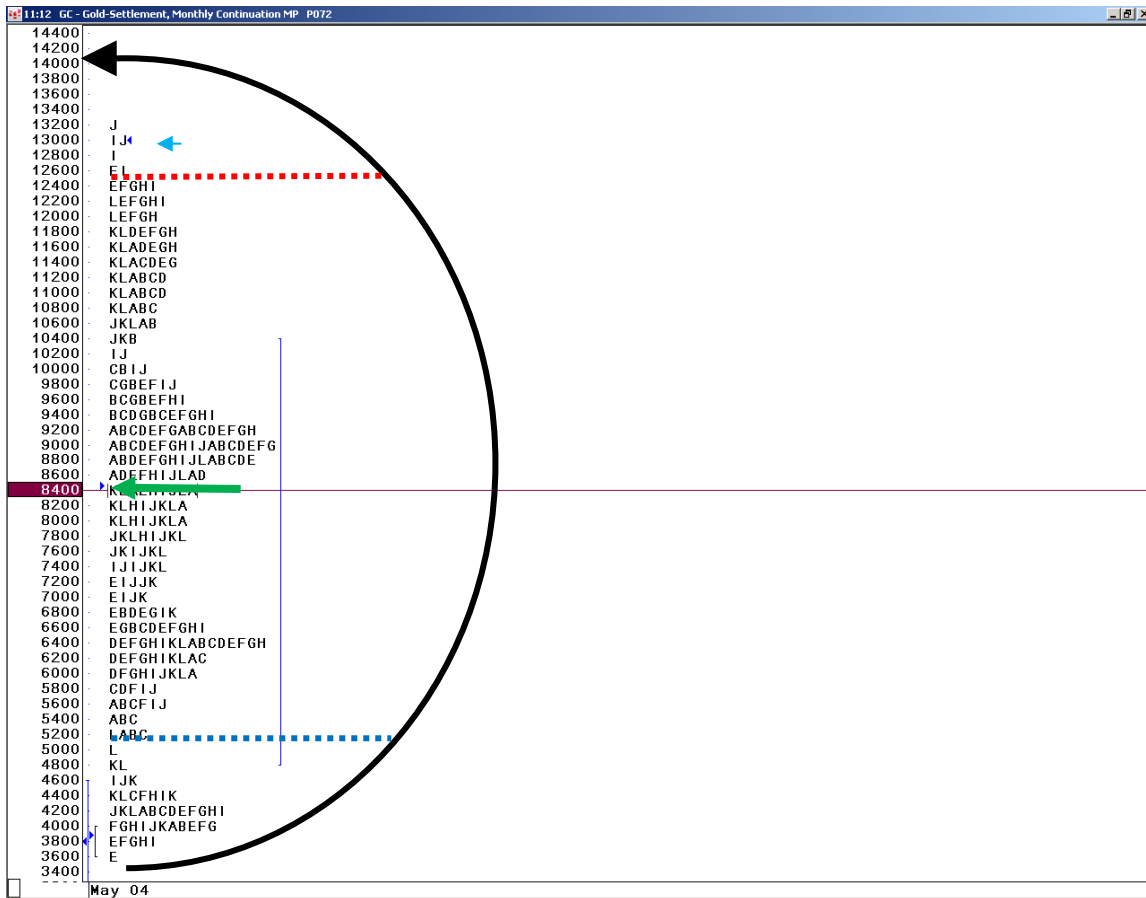
10/5- Continuation Contract. We are FLAT coming into this Intermediate-term letter. What's next? The market is caught between the \$1200.00 objective of the August 2007 up curve (left side of picture) and our Long-term target at \$1400.00. Traders can BUY from \$1200.00 to \$1230.00 and get SHORT from \$1370.00 to \$1400.00. Call \$1300.00 "fair value" in this range. Only building value below \$1200.00 and closing below \$1150.00 OR building value above \$1400.00 and closing above \$1450.00, on a weekly basis, cancels this range. PLEASE SEE updated Long-term picture and commentary.

6/29- Continuation Contract. On the left you have the August 2007 up curve. This curve was an excellent guide on the way up and also told us to set-up shorts around \$1200.00 when it was complete. This worked well at the end of last year. When the

market rallied from the lows (\$1045.20 on Feb. 5th) all the way back to the \$1200.00 area we tried the same trick again (see May 11th letter below): *Get SHORT from \$1200.00 to \$1230.00 looking for \$1150.00, \$1125.00/\$1110.00, and from there we will have to see how the down curve develops. Only building value above \$1230.00 and closing above \$1250.00, on a weekly basis, cancels the rest of this trade.* We got off to a good start as the market double topped in front of \$1250.00 that week and sold off all the way to \$1166.00 on May 21st. Unfortunately that was the end of the down move. The market rallied and went onto make new highs. The May 21st up curve (highlighted in the short-term view) has stopped us out of remaining shorts with Friday's close of \$1256.20. What's next? STAY FLAT for now. The August 2007 curve has not moved its longest line higher and we want to make sure that the market holds \$1200.00 after the June 24th (\$1275/80.00), May 21st (\$1275.00/80.00), and July 2009 (\$1300.00) curves top out. On the right we have broken out the down curve from Dec. 2009.



GOLD – LONG TERM



10/5- Continuation Contract. We caught the rally from \$1056.00/\$1128.00 to \$1180.00/\$1250.00 (Dec. 15th, April 27th, and May 4th Long-term commentaries) and then recommended traders either BUY a pullback to \$1150.00 - \$1100.00 OR get

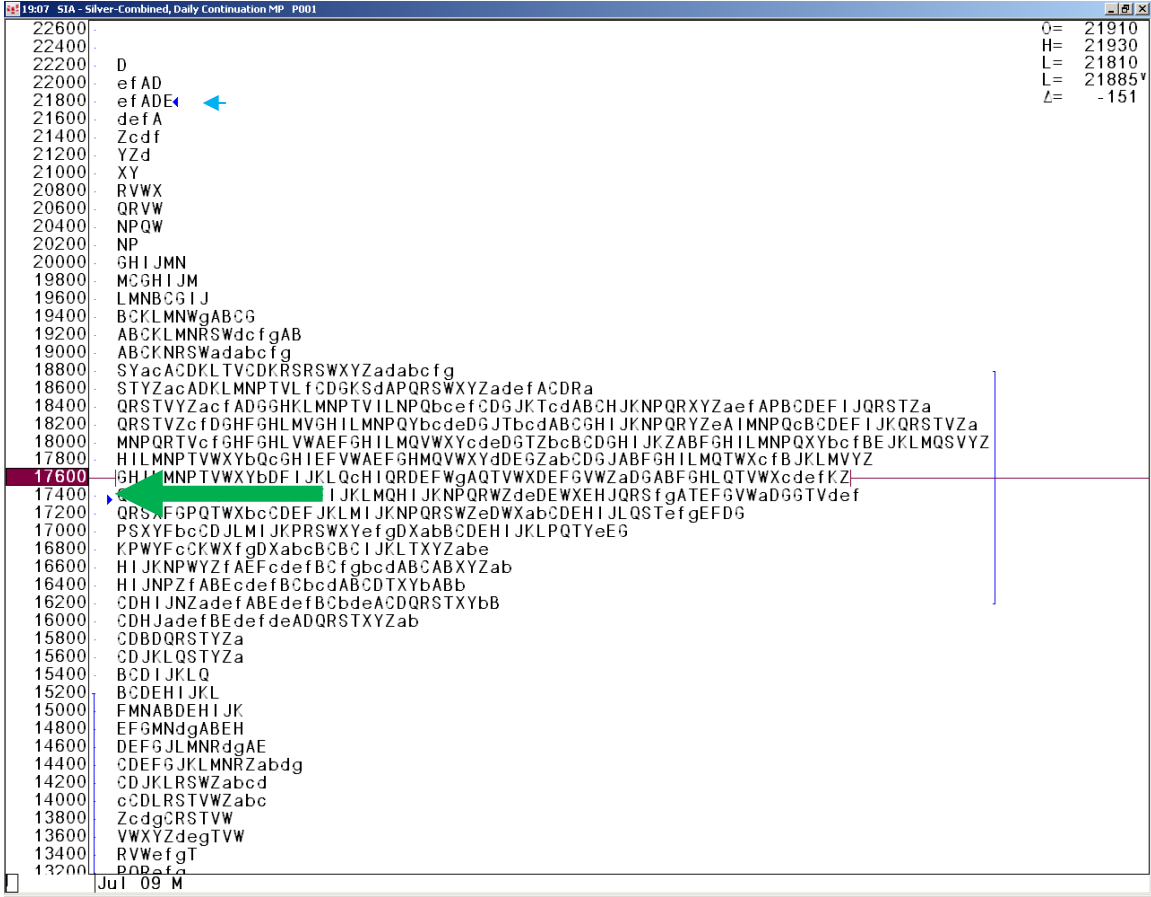
LONG at higher levels if the market built value above \$1250.00 for two consecutive weeks (see last Long-term commentary below, May 18th). Since our last Long-term commentary we just missed on our \$1150.00 - \$1100.00 buy zone as the market bottomed at \$1155.60 on July 28th. We did not see two consecutive weeks of building value above \$1250.00 until the close on Sept. 20th, which came in at \$1296.30 on the Continuation Contract. Traders were probably reluctant to buy so close to the July 2009 target (\$1300.00) so at this point the next trade is getting **SHORT** around \$1400.00 (target of the May 2004 up curve highlighted above). We have had \$1400.00 as a Long-term target since Sept. 21, 2009 (see Sept. 21, 2009 Long-term commentary, this is when the high volume price on the May 2004 curve moved from \$640.00 to \$900.00). At that time the market was trading around \$1000.00. Now the market is trading over \$1300.00 and within \$100.00 of our long-term objective. Take your first profit on shorts at \$1300.00 and then we will have to see how the down curve develops. Only building value above \$1400.00 and closing above \$1500.00, on a monthly basis, cancels this trade.

5/18- Continuation Contract. We were **LONG** from \$1056.00 - \$1128.00 (Dec. 15th letter) coming into this week and had already taken some profit at \$1152.00 per our April 27th commentary. Last Long-term commentary (May 4th, read below) we recommended traders take their remaining profit from \$1180.00 to \$1250.00. Since May 4th the low in the Continuation Contract has been \$1156.20 on May 5th and the high has been \$1249.20/\$1249.70 on May 12th and May 14th respectively. Long-term traders should have taken remaining profits from purchases in the \$1056.00 / \$1128.00 buy zone. What's next? **IF** the July 2009 up curve is the breakout curve (right side of picture, note: it starts from the high volume area on the May 2004 curve, left side of picture) then the market should be able to build value above \$1250.00. Building value above \$1250.00 for two consecutive weeks tells us we have to **BUY** above value looking for \$1300.00 and then \$1400.00. Otherwise we will wait for a pullback to \$1150.00 - \$1100.00 to get **LONG** looking for \$1200.00, \$1250.00, \$1300.00 and onto \$1400.00. Building value below \$1106.00 (July 2009 balance point) and closing below \$1078.00 (July 2009 mid-range), on a weekly basis, cancels this trade.

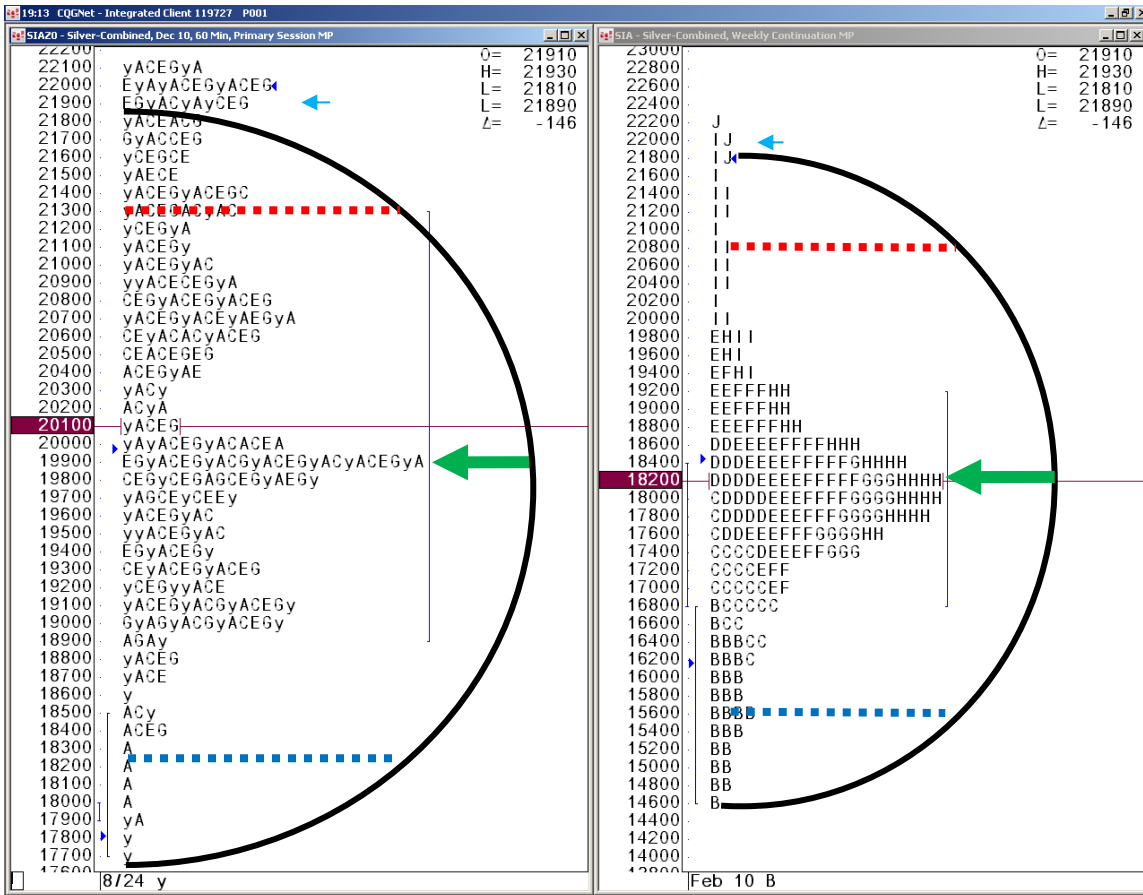


October 5, 2010

SILVER – SHORT-TERM



PLEASE SEE SECOND PICTURE AND COMMENTARY BELOW:



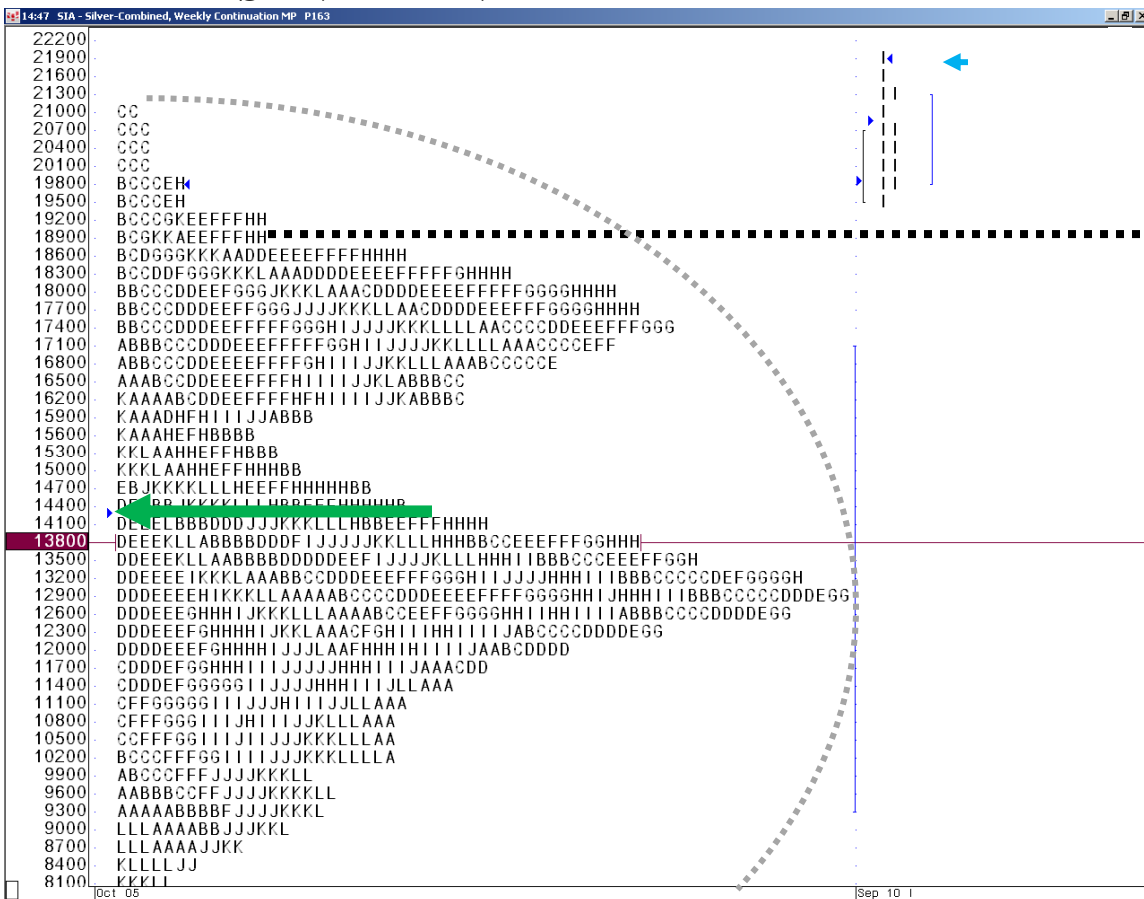
10/5- December Contract. We caught the rally from \$19.400/800 (Sept. 8th letter) to \$21.500/800 (Sept. 21st letter) and then got SHORT in the sell-tail of the August 24th curve (\$21.300 to \$21.800, left side of picture directly above, also the target area of the Feb. 5th curve, right side of picture directly above, Sept. 28th letter). This trade got stopped out with the close above \$22.000 on Oct. 1st (actual close = \$22.060). What's next? STAY FLAT. Why? The market has been building value above \$21.800 for just the past two sessions. We would like to see the market hold above \$21.800 for the rest of the week, going into our next letter. One explanation for the strength in the market is the July 2009 up curve (top picture). Unlike Gold, the July 2009 up curve in Silver has not reached its final target: \$23.400/800. Continuing to build value above \$21.800 over the next week tells us to set-up for a move to \$23.400/800. PLEASE SEE updated Intermediate and Long-term pictures and commentaries.

9/28- December Contract. MISSION ACCOMPLISHED. We were LONG from the \$19.800/400 area (Sept. 8th letter) coming into this week. The market had reached our first two objectives: \$20.350 and \$20.780. Last letter (Sept. 21st, read below) we recommended traders: *STAY LONG and take our remaining profit at \$21.000 and \$21.500/800.* Unfortunately we did not get an opportunity to set new longs in our \$19.810/\$20.100 buy zone BUT the market did hit our remaining targets: \$21.000 and \$21.500/800 (actual high = \$21.645 on Sept. 27th). Traders should have taken all profits on long positions established in the \$19.800/400 zone. What's next? As we

recommended in our last letter (read below): *Traders can also get SHORT in front of \$21.800.* For those who sold, **STAY SHORT.** For those looking to get involved you can get **SHORT** in the sell-tail of the August 24th curve highlighted above: \$21.300 to \$21.800. Take your first profit in front of \$20.700 and bank the rest from \$20.100 to \$19.700 (“fair value” on the August 24th curve). Only building value above \$21.800 (also the target from the Feb. 5th lows) and closing above \$22.000 cancels this trade. Traders can also get **LONG** in the \$20.100 - \$19.700 area.



SILVER – INTERMEDIATE-TERM

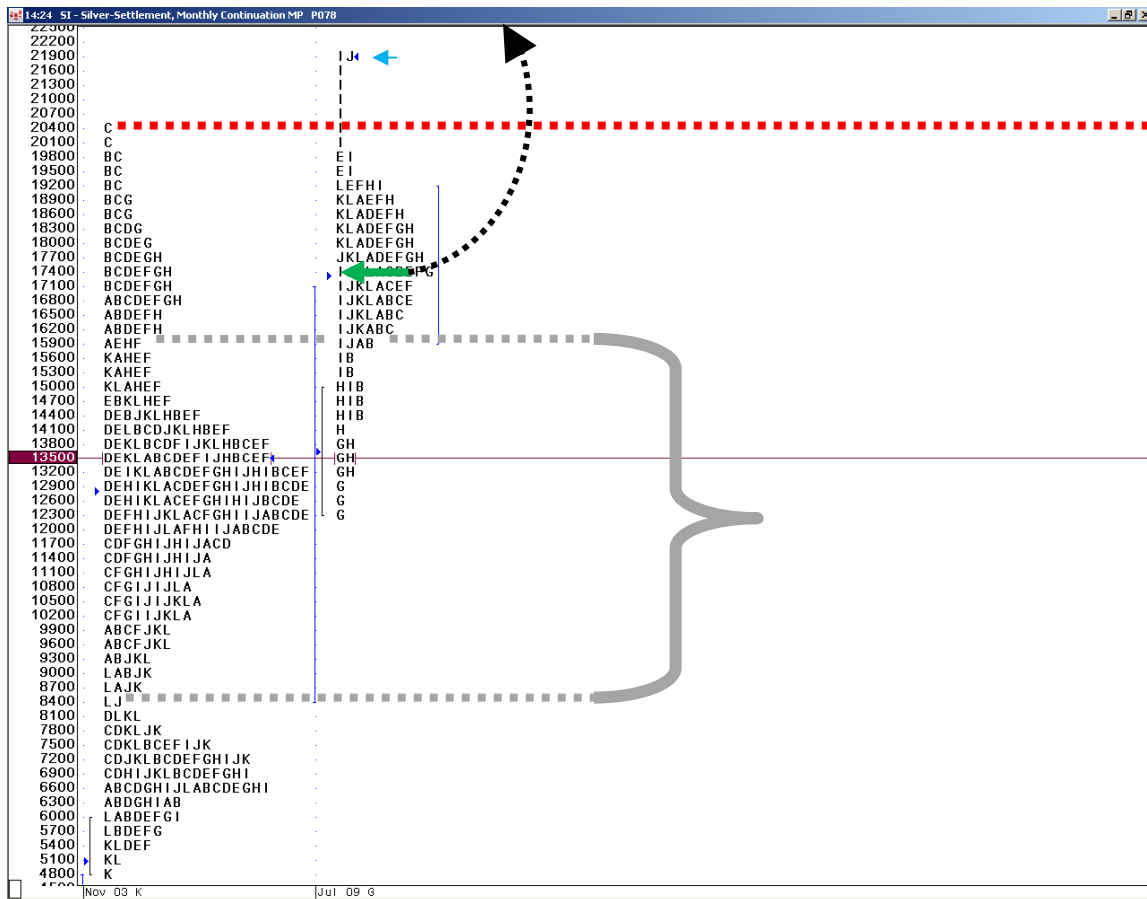


10/5- Continuation Contract. We are **SHORT** from in front of \$18.900 (top of value on the Oct. 2005 curve, highlighted above, April 20th letter) and have already taken some profit at \$17.100 coming into this Intermediate-term commentary. In our last Intermediate-term commentary (May 11th, read below) we recommended traders cover if the market builds value above \$18.900 and closes \$20.000, on a monthly basis. You can see by the trade activity on the right (for all of September and early October) that this has occurred. Cover remaining Intermediate-term shorts and **GET FLAT. PLEASE SEE** updated Long-term picture and commentary.

5/11- Continuation Contract. In our last Intermediate-term commentary (April 20th, read below) we recommended: ...get *SHORT* in front of \$18.900 (top of value on the Oct. 2005 curve). *SELL* from \$18.900 to \$18.000 looking for \$17.100, \$16.000, \$14.400 (Oct. 2005 mid-range), and \$13.500/\$12.900 (balance point / high volume price on the Oct. 2005 curve). Only building value above \$18.900 and closing above \$20.000, on a monthly basis, cancels this trade. Since April 20th the high in the Continuation Contract has been \$18.890 on May 3rd the low has been \$17.080 on May 5th. Traders should have taken some profit as the market bottomed right around our first objective (\$17.100). What's next? Same game plan going forward. Traders can use the same sell area, objectives, and risk management parameters.



SILVER- LONG-TERM



10/5- Continuation Contract. We are **LONG** from in front of \$16.000 (Jan. 5th letter) and have already taken profit at \$17.000/500, \$18.500, and \$19.800. Last letter (May 18th, read below) we recommended traders stay long because the market is headed to \$21.500/\$22.000. Since May 18th the market has bottomed at \$17.195 on June 7th and topped out at \$22.235 on Oct. 4th. By this point in time traders should have taken most, if not all, of their profit on longs established in front of \$16.000. What's

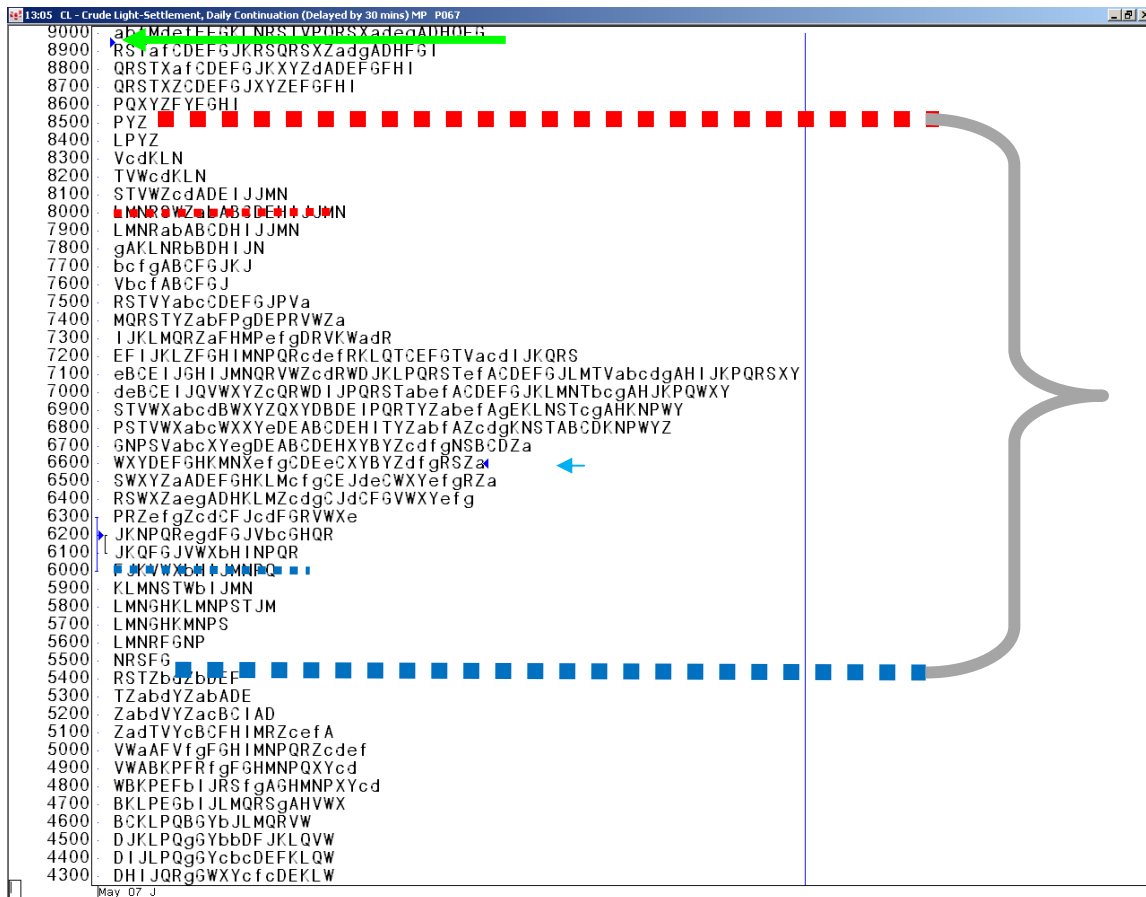
next? If you still have a small long position STAY LONG. As we pointed out in our short-term commentary, the July 2009 up curve (first picture and also diagrammed on the right in the picture directly above, it is our breakout curve) still shows the potential to trade as high as \$23.400/800. Take profit on remaining longs in front of \$23.400. Only building value and closing below \$17.400 (July 2009 mid-range) cancels the rest of this trade. Traders can also get SHORT in front of \$23.400.

5/18- Continuation Contract. We are LONG from in front of \$16.000 (Jan. 5th letter) and have already taken profit at \$17.000/500 and \$18.500. Last Long-term commentary (April 27th, read below) we advised traders to: *Take your next profit at \$19.800/\$20.000 and bank the rest in front of \$22.000. Only building value and closing below \$16.000 (July 2009 mid-range and top of Value of the Nov. 2003 curve, left side of picture), on a monthly basis, cancels the rest of this trade.* Since April 27th Silver (Continuation Contract) has bottomed at \$17.090 on May 5th and topped out at \$19.800, to the penny, on May 13th. Traders should have taken some more profit. What's next? STAY LONG your remaining position. Why? The July 2009 curve (breakout curve on the right and first picture in the Silver Letter) still projects a move to \$21.500/\$22.000. Again, only building value and closing below \$16.000, on a monthly basis, cancels the rest of this trade.

9/28- November Contract. We are SHORT from the \$75.80 area in the Nov. Contract and the market continues to trade around this level. Last week we got a minor sell off and the market came close to our first objective (\$73.00, actual low = \$73.58 on Sept. 23rd) but there was no follow-thru. What's next? COVER SHORTS around current levels (\$76.25) and GET FLAT. Why? The August 6th down curve (highlighted above) still projects a move to \$69.00/\$68.00 BUT Nov. Crude is trading above the balance point (\$76.00) of this down curve, which tells us we could just as easily see a further rally to the mid-range (\$77.50) and possibly as high as \$82.00/25 (where traders should look to sell again).



CRUDE OIL – INTERMEDIATE-TERM



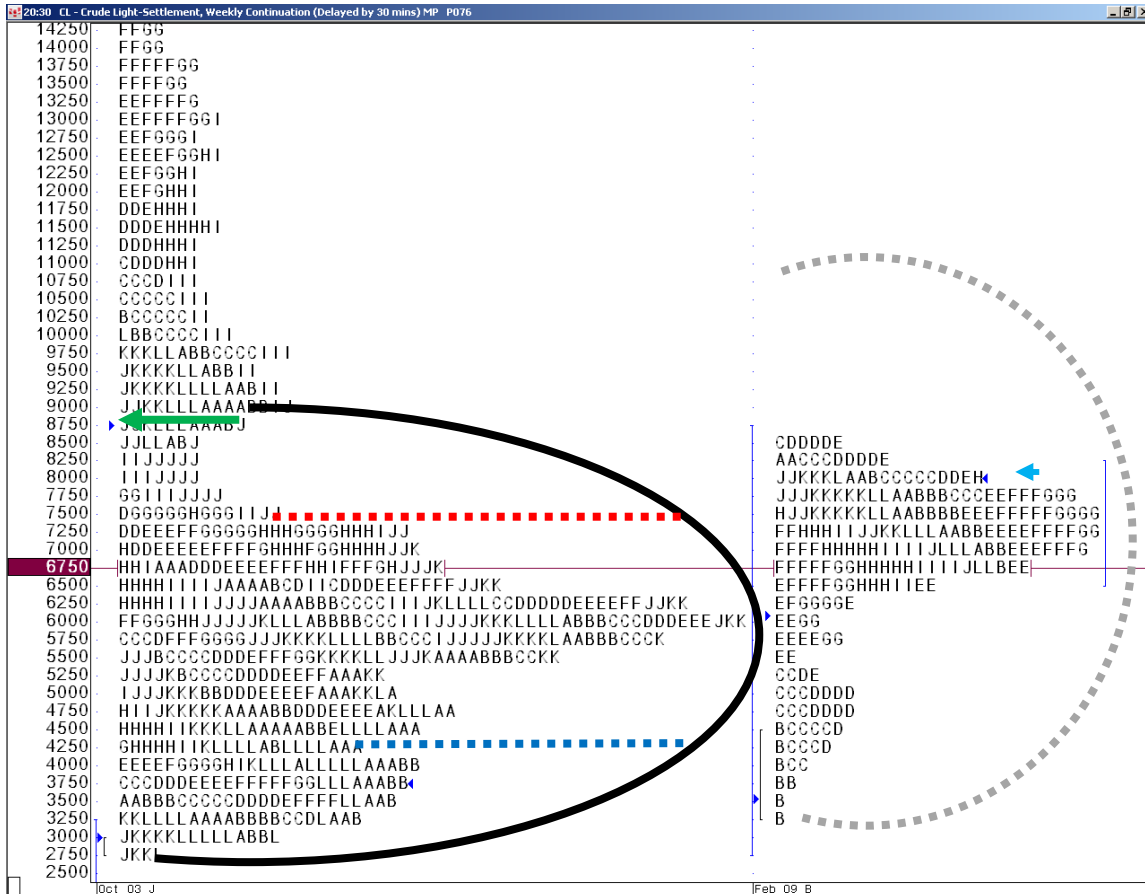
9/29- Continuation Contract. In our last Intermediate-term commentary (July 14th, read below) we mapped out the intermediate-term range as one that: runs from \$55.00 (possibly as deep as \$50.00) to \$80.00/\$82.50 (possibly as high as \$85.00). Fair value = \$70.00. This has worked well as the low since that letter is \$59.14 on July 14th and the high has been \$75.00 on August 25th. We will continue with this same

basic range. The picture above illustrates it well. Use \$60.00 - \$55.00 as your BUY - TAIL and \$80.00 - \$85.00 as your SELL -TAIL. Consider \$70.00/\$71.00 “fair value” and use this area as an interim profit objective on the upside and downside. Only building value above \$85.00 and closing above \$90.00 (May 2007 mid-range, curve highlighted above) OR building value below \$55.00 and closing below \$50.00, on a weekly basis, cancels this range.

7/14- Continuation Contract. Above you have the May 2007 curve, which is now a fairly balanced curve. “Fair value” in this time frame comes in around \$90.00. This normally means the market will mean revert to \$90.00 and rotate around this area (possibly trade as high as \$115.00/\$120.00 and as low as \$60.00/\$55.00) before breaking out from \$90.00 (where supply and demand = 0). HOWEVER, our long-term curve tells us \$90.00 should be the very top of the range and a “fair price” is really around \$60.00. It is our belief that this conflict will be resolved in favor of the long-term curve. We are highlighting the May 2007 Intermediate-term curve above because it gives you a much better feel for the current distribution/range. NOTE: we are currently trading a range (see picture above) that runs from \$55.00 (possibly as deep as \$50.00) to \$80.00/\$82.50 (possibly as high as \$85.00). Fair value = \$70.00. This will be the best guide to the intermediate-term trade. The market would have to build value above \$82.50 and close above \$90.00 OR build value below \$55.00 and close below \$45.00, on a weekly basis, to cancel this range. PLEASE SEE updated Long-term picture and commentary below.



CRUDE OIL – LONG-TERM



8/3- Continuation Contract. Since Jan. 6th, 2009 we have mapped out our long-term buy and sell areas as follows: *The bottom of our long-term Oct. 2003 curve (\$43.00 to \$28.00) has worked well as a support zone. Use this as the long-term BUY area. Fair value now comes in at \$60.00 - \$67.50. The upper end of the range is \$75.00 to \$90.00 (mid-range area of the Oct. 2003 curve). Use \$75.00 to \$90.00 as your long-term SELL area.* These parameters have worked very well. The low since 1/6/09 is \$32.70 on 1/20/09 and the high has been \$87.15 on 5/3/10. Not bad, the range we defined 19 months ago has called the market to within a few dollars of the low and the high. What's next? We will stay with the same game plan BUT for the first time we see evidence of a breakout in the short-term and long-term. The fact that the market continues to build value above \$70.00/\$67.50 (balance point area of the both the Oct. 2003 curve, left side of picture, and the Feb. 2009 up curve, right side of picture) tells us we could be looking at an eventual move to \$105.00/\$110.00 (Feb. 2009 target). We will monitor how our short-term breakout progress, if the market can build value and close above our Intermediate-term sell zone (\$80.00 - \$85.00), on a

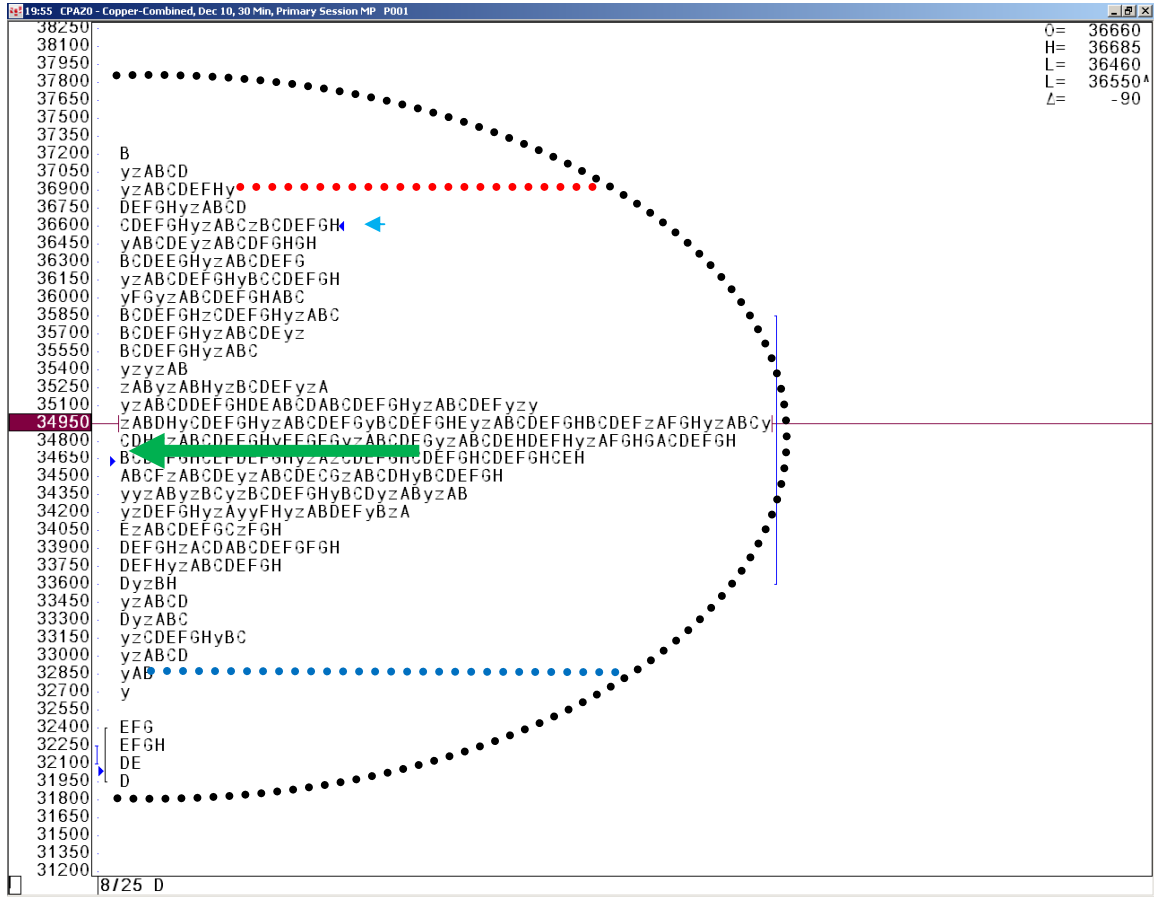
weekly basis, and if the market can continue to build value in our Long-term sell zone (\$75.00 - \$90.00).

9/21- Continuation Contract. Since Jan. 6th we have mapped out our long-term buy and sell areas as follows: *The bottom of our long-term Oct. 2003 curve (\$43.00 to \$28.00) has worked well as a support zone. Use this as the long-term BUY area. Fair value now comes in at \$60.00 - \$67.50. The upper end of the range is \$75.00 to \$90.00 (mid-range area of the Oct. 2003 curve). Use \$75.00 to \$90.00 as your long-term SELL area.* These parameters have worked very well. The low since Jan. 6th is \$32.70 on Jan. 20th and the high has been \$75.00 on August 25th. What's next? On the right we have broken out the rally coming off the Feb. 2009 lows. This curve now shows a further move to \$100.00. Do we think the market will break the upper end of our range (\$90.00)? NO. As we previously stated (see Intermediate-term commentary above), there are two possible big picture scenarios: the Intermediate-term May 2007 curve argues that \$90.00 is simply a "fair price" and the market will end up rotating around this level in the long-term, which makes a move to \$100.00 not only possible but probable. The second scenario, highlighted above with the Oct. 2003 curve, tells us \$90.00 is the top of the distribution and mid-range of the Oct. 2003 curve and should be an "extreme price" not a "fair price". We still believe the older Oct. 2003 curve is dominant, which makes our \$75.00 - \$90.00 long-term sell zone still valid. There is another very important implication to this analysis, which is our long-term "fair price" is \$60.00 (see picture above) NOT \$90.00. We wanted to make this point again with the Feb. 2009 curve projecting a move above \$90.00.



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COPPER- SHORT-TERM



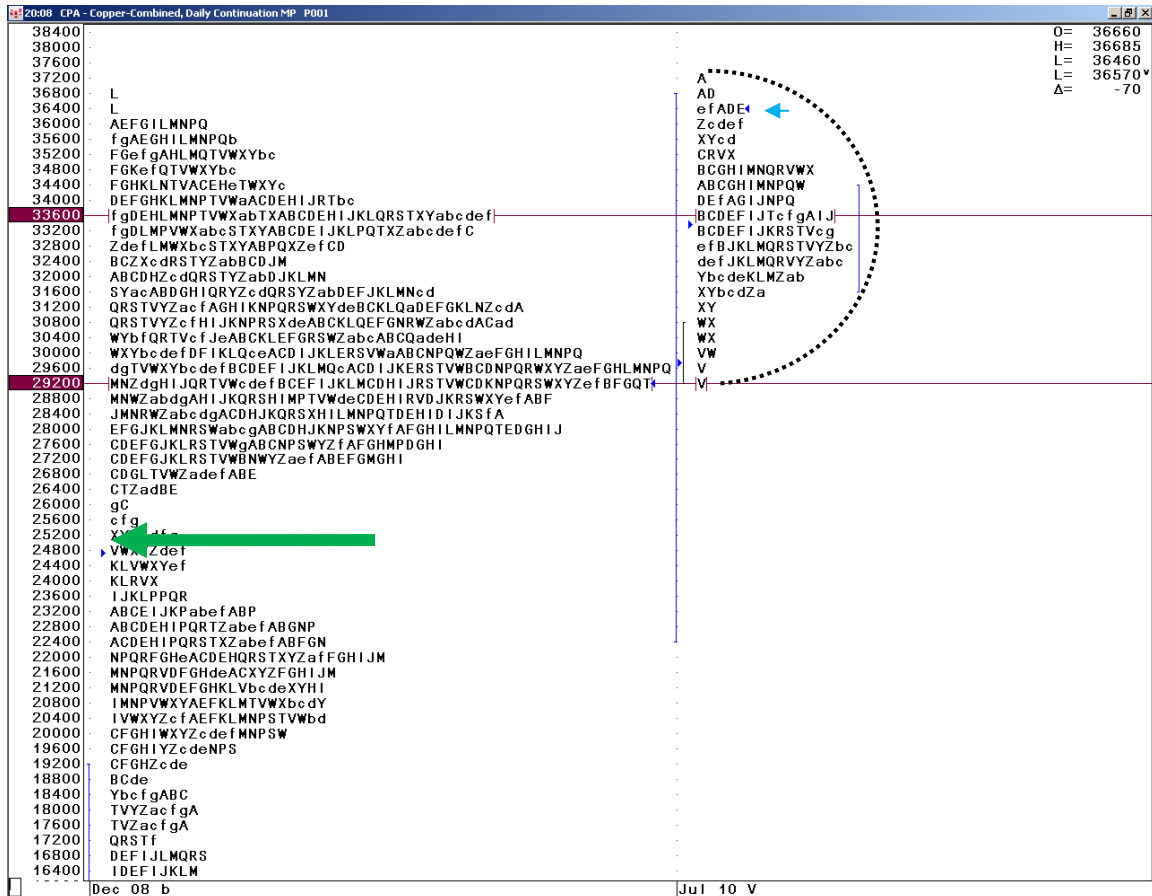
10/5- December Contract. We are LONG from \$3.225 - \$3.300 (August 10th letter) and have already taken some profit at \$3.345/360, \$3.450, and \$3.630/750. At this point traders should have no more than one-half of their original long position. The August 25th up curve (highlighted above) points to \$3.780 and the market has already traded as high as \$3.7220 (Oct. 1st). Take your remaining profit in front of \$3.780 (sell from \$3.690 to \$3.780 or on a close below \$3.610). Traders can also get SHORT in the \$3.690 - \$3.780 sell-tail. Look for a move back to \$3.610, \$3.540, and onto “fair value” on the August 25th curve (\$3.510/450). Only building value above \$3.780 and closing above \$3.850 cancels this trade. Traders can also get LONG from \$3.510 to \$3.450. PLEASE SEE updated Intermediate-term & Long-term pictures and commentaries.

9/28- December Contract. We are LONG from \$3.225 - \$3.300 (August 10th letter) and have already taken some profit at \$3.345/360 and \$3.450. We also bought in front of \$3.375 per our Sept. 14th commentary. In our last letter (Sept. 21st, read below) we recommended traders take their next profit at \$3.630/750. The high since our last letter is \$3.6440 on Sept. 27th, right at the beginning of our target area.

Traders should have taken some more profit. What's next? **STAY LONG** your remaining position. The August 25th up curve (right side of picture) projects a move to \$3.750/800 while the March 2009 up curve (top picture, left hand side) has an objective of \$4.200/400. Traders can establish **NEW LONG** positions from \$3.480 (August 25th balance point) to \$3.420 (August 25th mid-range). **DO NOT** reach because the July 19th curve (top picture, right hand side) is complete so we should see some profit-taking. Look for \$3.590, \$3.750, \$4.000, and onto \$4.200/400. **FOR ALL LONG POSITIONS**, only building value below \$3.480 and closing below \$3.420 (August 25th mid-range) cancels the rest of this trade.



COPPER – INTERMEDIATE-TERM

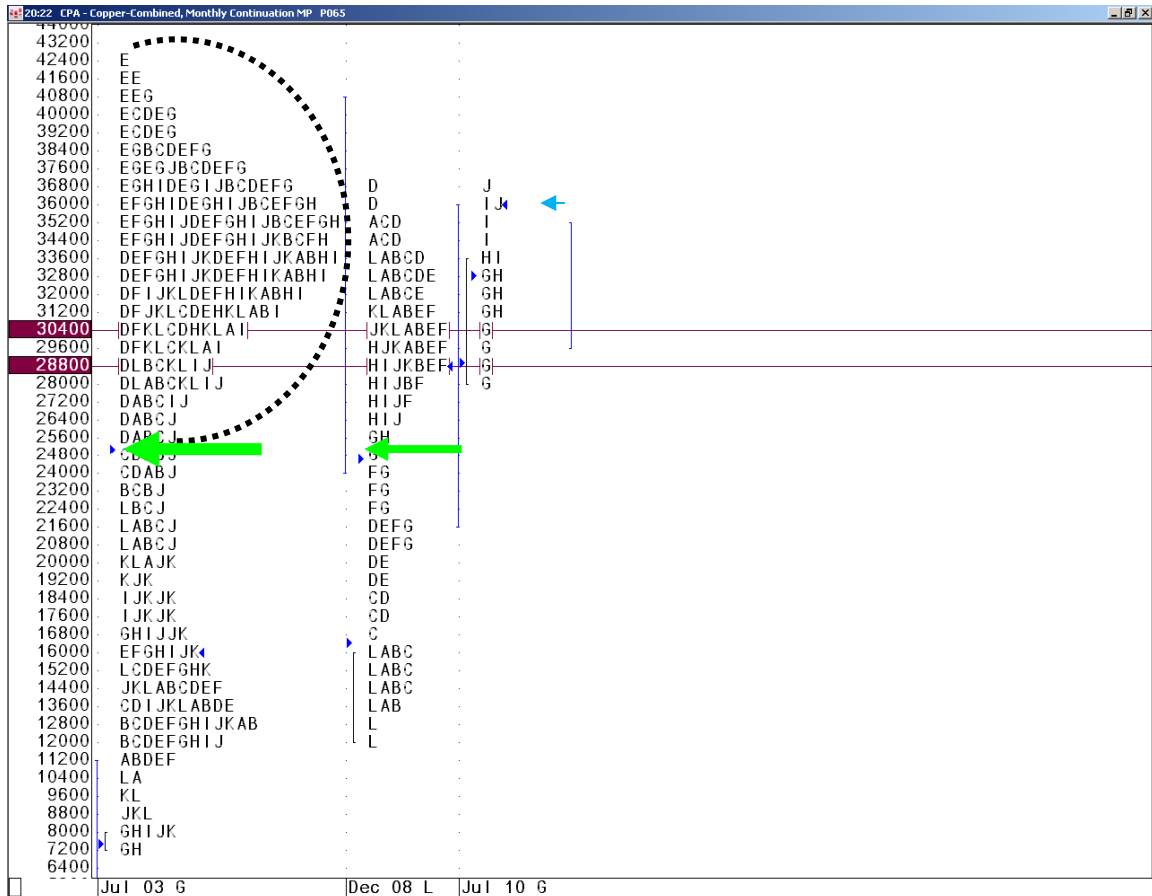


10/5- Continuation Contract. We are **FLAT** in the Intermediate-term and will **STAY FLAT**. Why? The Dec. 2008 up curve (highlighted above, left side of picture) has moved its high volume price from \$2.800 to \$2.960 **BUT** the balance point has followed and is positioned right below at \$2.920. This tells us the Dec. 2008 up curve is still bullish but running late. On the right we have the breakout higher, from July 20th, but this bullish curve has reached its target for now. **STAY FLAT** in the Intermediate-term. **PLEASE SEE** updated Long-term picture and commentary.

6/15- Continuation Contract. We are LONG from our \$3.050 - \$2.800 BUY ZONE (Dec. 8, 2009 letter) and have already taken some profit at \$3.300/400. The market then topped out right in front of our next objective (\$3.700/800) on April 12th (actual high = \$3.680). What's next? The critical Dec. 2008 breakout curve (highlighted above) is in trouble. Why? NOTICE how the balance point has reached the high volume price at \$2.800. This tells us the projected run to \$4.250/350 is way behind schedule and subject to more long liquidation. EXIT remaining long positions at current levels (\$2.970) and GET FLAT for now.



COPPER – LONG-TERM



10/5- Continuation Contract. *Same basic game plan:* We are LONG from \$3.050 - \$2.800 (Dec. 22, 2009 letter) and have already taken some profit at \$3.360/400. In addition, in our last Long-term letter (June 29th, read below) we recommended buying from \$3.040 to \$2.800 and the market bottomed at \$2.8445 on July 1st and has since traded as high as \$3.7220 on Oct. 1st. Long-term traders who bought in late June should take one-third profit at current levels (\$3.6585). What's next? We will STAY LONG all of our remaining positions. Take your next profit at

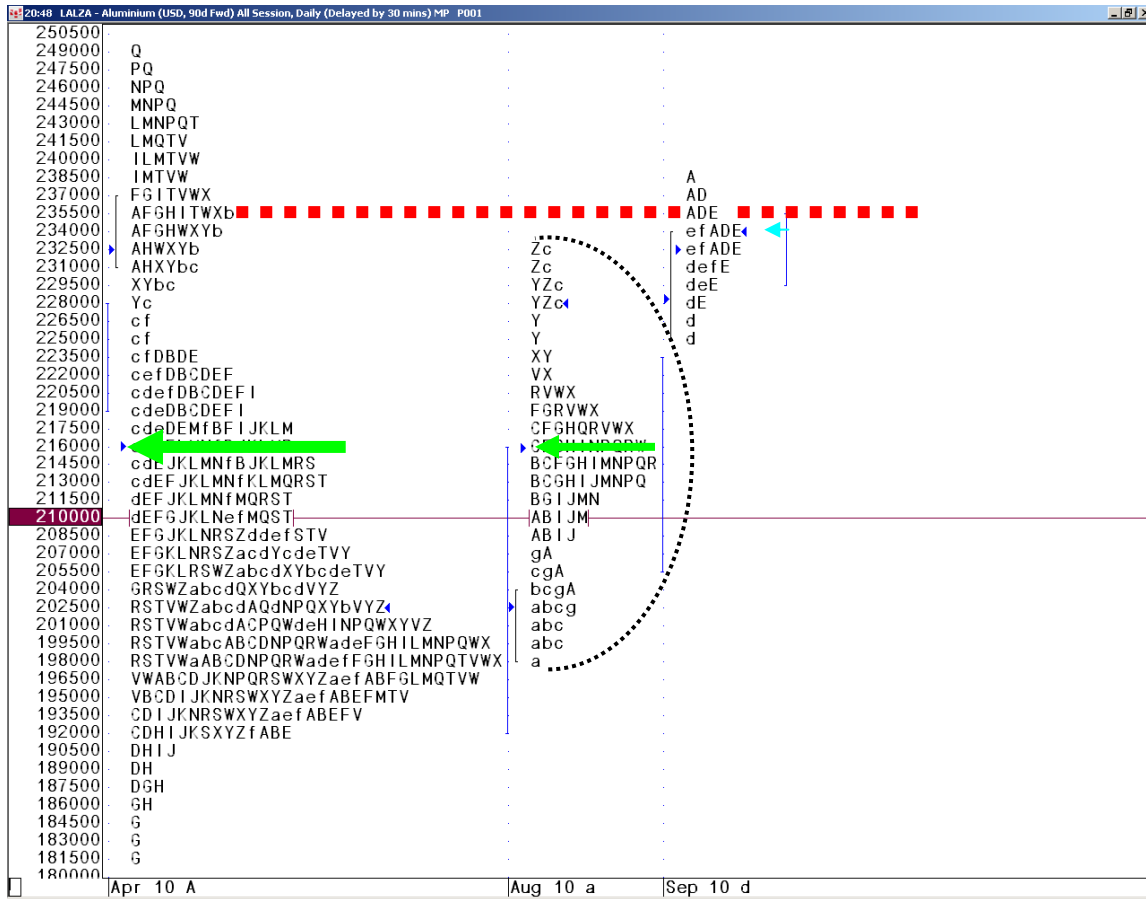
\$4.200/500 (top of the July 2003 curve, left side of picture, and target area of the Dec. 2008 up curve, second from left – at this point you should have no more than one-half of your original position). Save the remainder for \$5.500/\$6.000 (target of the July 2003 curve). Only building value below \$2.880 (Dec. 2008 balance point) and closing below \$2.480 (mid-range area of both the July 2003 curve and the Dec. 2008 curve), on a monthly basis, cancels the rest of this trade. NEW LONGS can be set from \$2.880 (Dec. 2008 balance point) to \$3.150 looking for \$3.400, \$4.200/500, and \$5.500/\$6.000. Use the same risk management parameters mapped out above. Traders can also get SHORT in front of \$6.000.

6/29- Continuation Contract. We are LONG from \$3.050 - \$2.800 (Dec. 22, 2009 letter) and have already taken some profit at \$3.360/400. What's next? We will STAY LONG. Take your next profit at \$4.000/250 (top of the July 2003 curve, left side of picture, and target of the Dec. 2008 up curve, second from left – at this point you should have no more than half of your original position). Save the remainder for \$5.500/\$6.000 (target of the July 2003 curve). Only building value below \$2.800 (Dec. 2008 balance point) and closing below \$2.480 (mid-range area of both the July 2003 curve and the Dec. 2008 curve), on a monthly basis, cancels the rest of this trade. NEW LONGS can be set from \$3.040 (July 2003 balance point) to \$2.800 (Dec. 2008 balance point) looking for \$3.360/400, \$4.000/250, and \$5.500/\$6.000. Use the same risk management parameters mapped out above. Traders can also get SHORT in front of \$6.000.



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ALUMINUM – SHORT-TERM



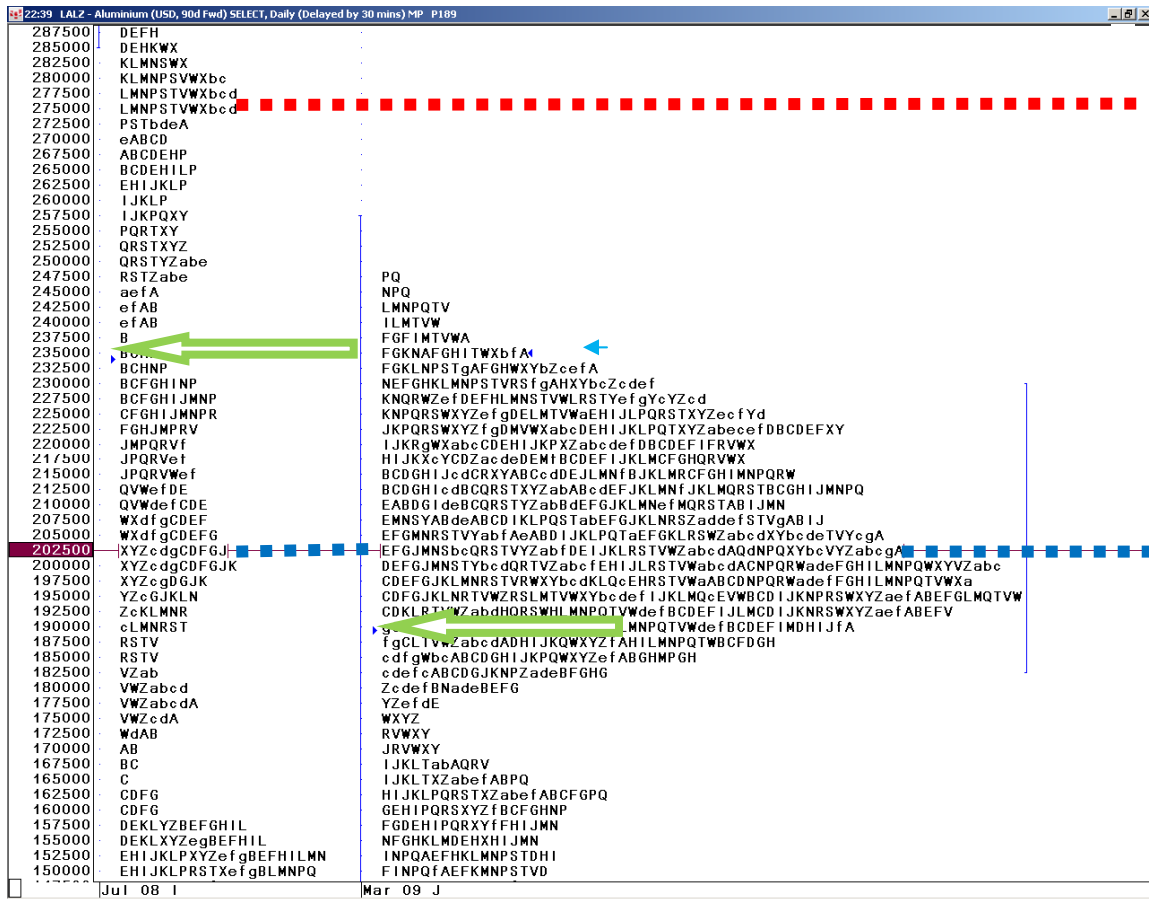
10/5- LME USD 90 Day Forward. Last letter (Sept. 28th, read below) we advised traders to **SELL** from \$2355 to \$2310 looking for \$2200/\$2160 (mid-range areas of the April 16th down curve, left side of picture, and the August 25th up curve, right side of picture) and then we will have to see how the down curve develops. Only building value above \$2355 and closing above \$2400 cancels this trade. It looked like the market was following the script because it sold off to \$2263 on Sept. 28th BUT there was no follow-thru and Aluminum has returned to the \$2355 sell area. What's next? We will **STAY SHORT** but we need to see the market drop soon. IF Aluminum is trading above \$2355 at Wednesday's close exit shorts and get flat. Otherwise take one-third profit on shorts at \$2265, one-third profit at \$2200/\$2160 (again, mid-range area of the August 25th up curve, right side of picture, and the April 16th down curve, left side of picture) and bank the rest in front of the balance point on the April 16th down curve: \$2100. PLEASE SEE updated Intermediate-term picture and commentary.

9/28- LME USD 90 Day Forward. Last letter (Sept. 21st, read below) we recommended traders get **SHORT** in the \$2240 to \$2310 sell zone. We got stopped

out on this trade with the close above \$2310 on Sept. 24th (actual close = \$2318). What's next? We will SELL again. Why? The down curve from the April highs (left side of picture) is still bearish AND the up curve from the August 25th lows (right side of picture) is complete. Traders can SELL from \$2355 to \$2310 looking for \$2200/\$2160 (mid-range area of both curves) and then we will have to see how the down curve develops. Only building value above \$2355 and closing above \$2400 cancels this trade.



ALUMINUM – INTERMEDIATE-TERM



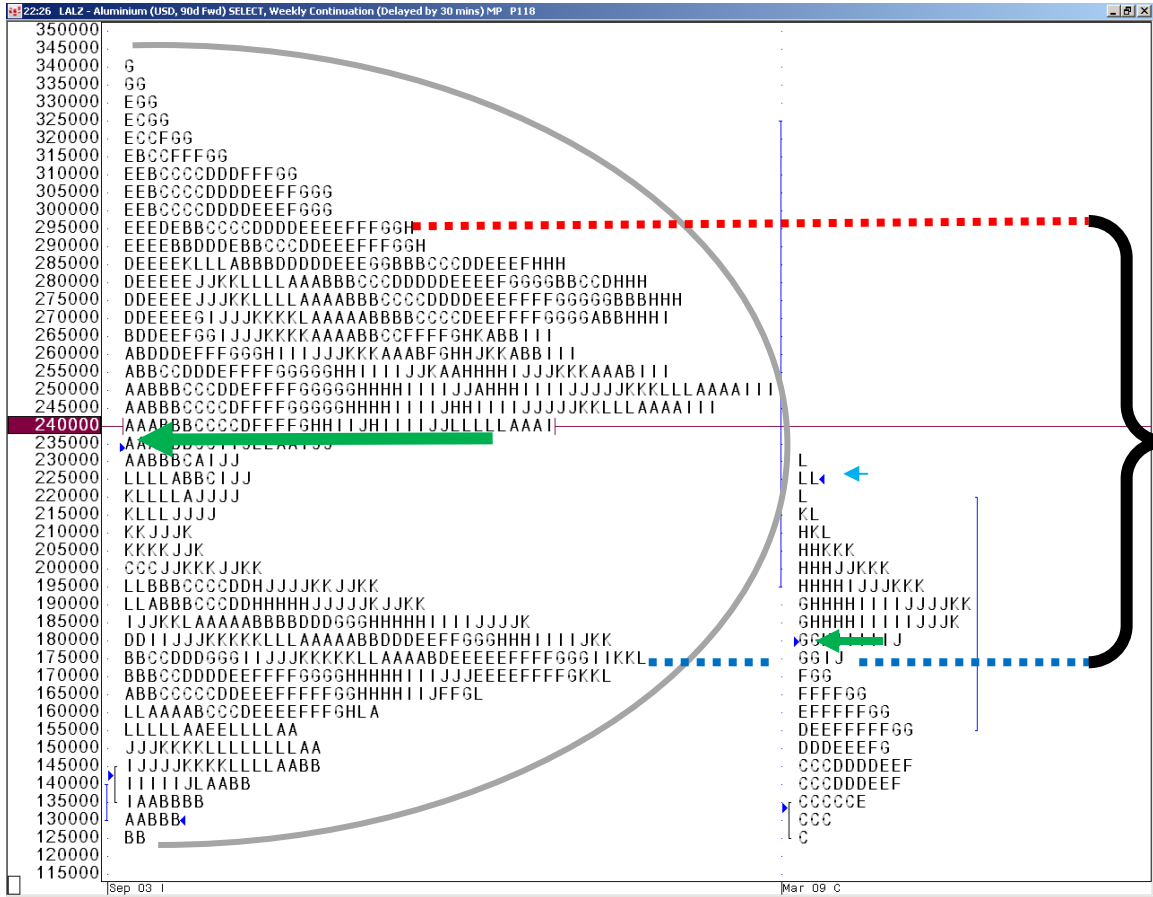
10/5- LME USD 90 Day Forward. We were SHORT from the \$2150 area per our Feb. 9th letter and in our last Intermediate-term commentary (April 20th, read below) we recommended traders take profit on those shorts around \$2000. Since our last Intermediate-term letter Aluminum bottomed at \$1828 on June 7th. This allowed traders to take all of their profit on shorts from the \$2150 area. In our April 20th letter we also recommended traders get LONG around \$2000, looking for \$2350/\$2500 (mid-range on the July 2008 down curve, left side of picture) and possibly the high volume area in the distribution above the mid-range: \$2700/\$2775. So far so good, after bottoming at \$1828 the market has gone onto trade as high as \$2387 (Oct. 1st). Traders who are LONG should take at least half profit around

current levels (\$2363/43). What's next? **STAY LONG** your remaining position. The March 2009 up curve (right side of picture) has broken the balance point on the July 2008 down curve (\$2025) and that tells us the market should trade to the July 2008 mid-range (achieved) and possibly as high as the longest line in the distribution above the mid-range (\$2750/\$2775). Take the rest of your profit in front of \$2750/\$2775. Only building value and closing below \$2025, on a weekly basis, cancels the rest of this trade. Traders should also get **SHORT** in front of \$2750/\$2775.

4/20- LME USD 90 Day Forward. We are **SHORT** from in front of \$2150 per our last Intermediate-term commentary (Feb. 9th, read below). The market is now trading around our stop-out area (\$2450). What's next? **STAY SHORT**. Why? As you can see in the picture above, the March 2009 curve is complete (right side of picture, reached its target in the same \$2500 area as the Nov. 13th and Feb. 5th short-term curves). Look for a pullback to the \$2000 area to take profit (balance point zone of the March 2009 curve and the July 2008 down curve, left side of picture). Closing above \$2550 cancels this trade. Traders can also get **LONG** in the \$2000 area for a move to \$2350/\$2500 (July 2008 mid-range) and possibly the high volume area in the distribution above the mid-range: \$2700/\$2775. On a move to \$2700/\$2775 traders should get **SHORT** again.



ALUMINUM – LONG-TERM



12/15- LME USD 90 Day Forward. We are LONG from \$1350 to \$1650 (April 14th letter) and have already taken one-third profit at \$1750. In our last Long-term commentary (August 4th, read below) we recommended: *STAY LONG your remaining position. Take the rest of your profit in front of \$2350 (mid-range of the Sept. 2003 up curve, left side of picture, and the July 2008 down curve, middle of picture, also balance point area of the entire timeframe).* Since that letter Aluminum has bottomed at \$1776 on Oct. 5th and topped out at \$2305 on Dec. 14th. Take the rest of your profit from current levels (\$2270) to the March 2009 target (\$2500, up curve on the right side of the picture). After that we will look to BUY around \$1750 and SELL around \$2950. Use \$2400/\$2350 as an interim profit objective on the upside and downside. This is “fair value” on the Sept. 2003 balanced curve (left side of picture). Eventually the market will come back to this area and breakout into another long-term trend.

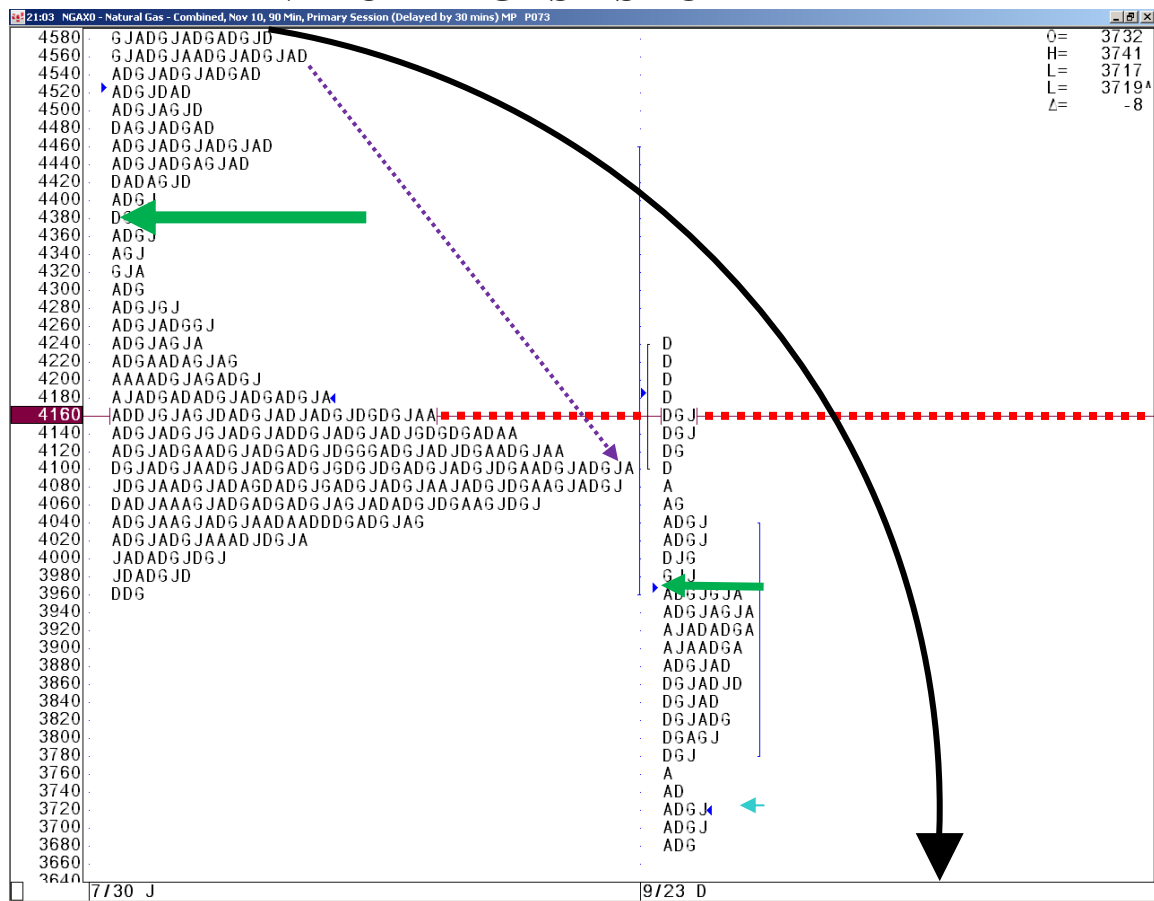
8/4- LME USD 90 Day Forward. In our last Long-term commentary (April 14th, read below) we recommended traders: BUY from \$1350 to \$1650 looking for \$1750 and then \$2350. Since our April 14th letter Aluminum bottomed at \$1383 on May

28th and has gone on to trade as high as \$1981 on August 3rd. Traders should have taken at least one-third profit by now as the market has easily achieved our first objective (\$1750). What's next? **STAY LONG** your remaining position. Take the rest of your profit in front of \$2350 (mid-range of the Sept. 2003 up curve, left side of picture, and the July 2008 down curve, middle of picture, also balance point area of the entire timeframe). Only building value and closing below \$1350 (bottom of the Sept. 2003 curve), on a monthly basis, cancels the rest of this trade. On the right we have broken out the rally off the March 2009 lows.



October 5, 2010

NATURAL GAS – SHORT-TERM



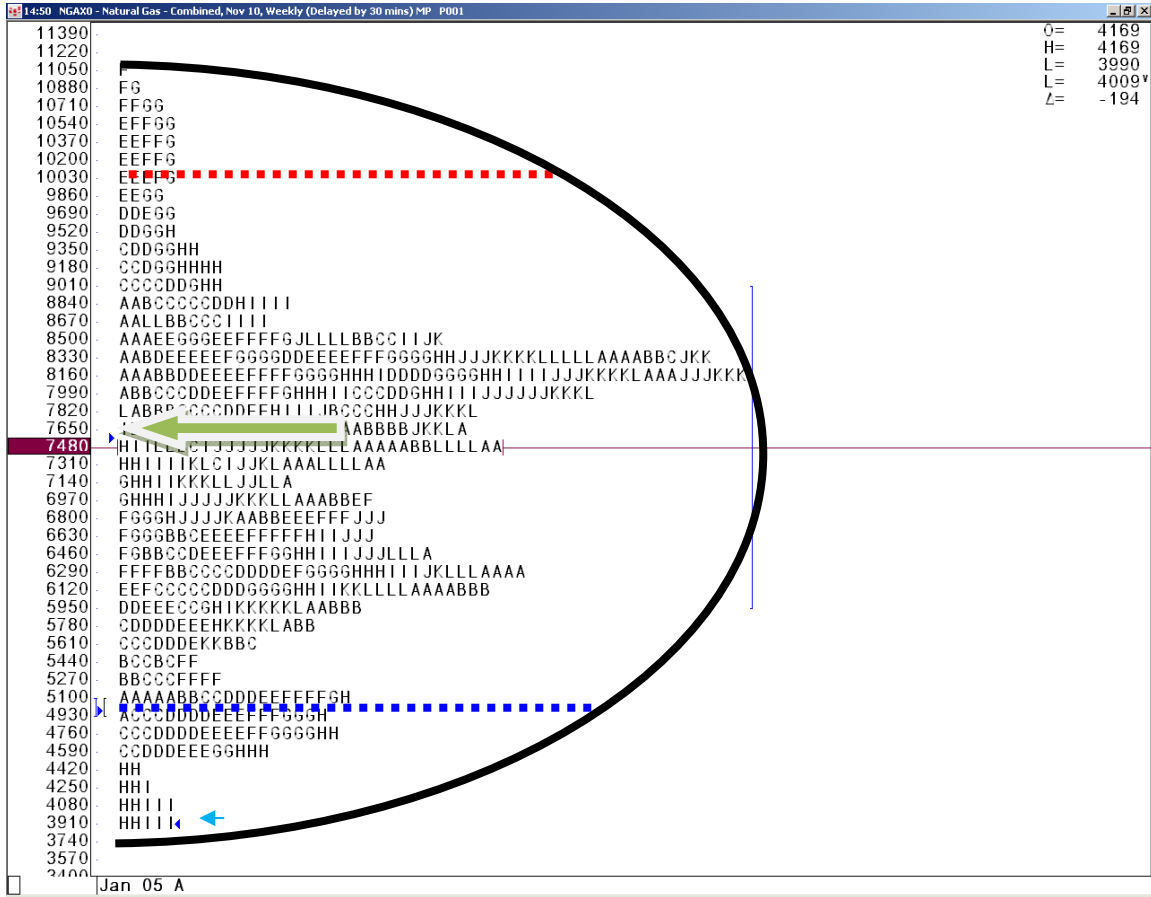
10/5- November Contract. We are **SHORT** from \$4.200/020 per our Sept. 21st letter. We have already taken some profit at \$3.950. Last week (see Sept. 28th letter below) we advised using the same objectives: \$3.950, \$3.800, \$3.600, \$3.500 and onto \$3.150/000. Since our last letter Nov. Nat. Gas has topped out at \$4.012 on Sept. 30th (right in front of our new sell zone: \$4.030/180) and then traded as low as \$3.686 on Oct. 4th. This allowed traders to take some more profit at our next objective: \$3.800. What's next? **STAY SHORT** your remaining position. Use the aforementioned targets. **NEW SHORTS** can set-up in front of the mid-range of the most recent

down leg (\$3.960, Sept. 23rd down curve, right side of picture). SELL from \$3.960 to \$3.840. FOR ALL SHORT POSITIONS, only building value above \$3.960 and closing above \$4.160 (balance point on the July 30th down curve, left side of picture) cancels the rest of this trade. Traders can get LONG from \$3.150 to \$3.000.

9/28- November Contract. Last letter (Sept. 21st, read below) we recommended traders exit remaining long positions from the \$3.700 area and try to get SHORT from \$4.020 to \$4.200 looking for \$3.950, \$3.800, \$3.600, \$3.500 and onto \$3.150/000. Since our last letter Nov. Nat. Gas topped out at \$4.250 on Sept. 23rd and then sold off as low as \$3.867 on Sept. 27th (trade activity since our last letter is broken out on the right). Traders should have taken some profit as the market easily achieved our first objective: \$3.950. What's next? STAY SHORT your remaining position. Use the same objectives outlined above. Traders can set-up NEW SHORTS in front of the balance point of the late July/ early August sell off highlighted above (\$4.180 - left side of picture). SELL from \$4.180 to \$4.030. FOR ALL SHORT POSITIONS, only building value above \$4.180 and closing above \$4.300 cancels the rest of this bearish trade. Traders can also get LONG in the \$3.150 - \$3.000 zone (target of the July 30th down curve, left side of picture).



NATURAL GAS – INTERMED./LONG-TERM



9/21- ROLLED TO THE NOVEMBER CONTRACT. Same basic game plan: We are LONG from the \$5.000 - \$3.910 buy-tail highlighted above on the Jan. 2005 curve. In the November 2010 Contract we will look to take one-third profit at \$5.440/\$5.610, one-third at \$6.120/290, and the rest at “fair value” on the Jan. 2005 curve: \$7.480/\$8.160 (balance point/ mid-range/ high volume price, respectively). Only building value below \$3.910 and closing below \$3.000, on a monthly basis, cancels this trade.

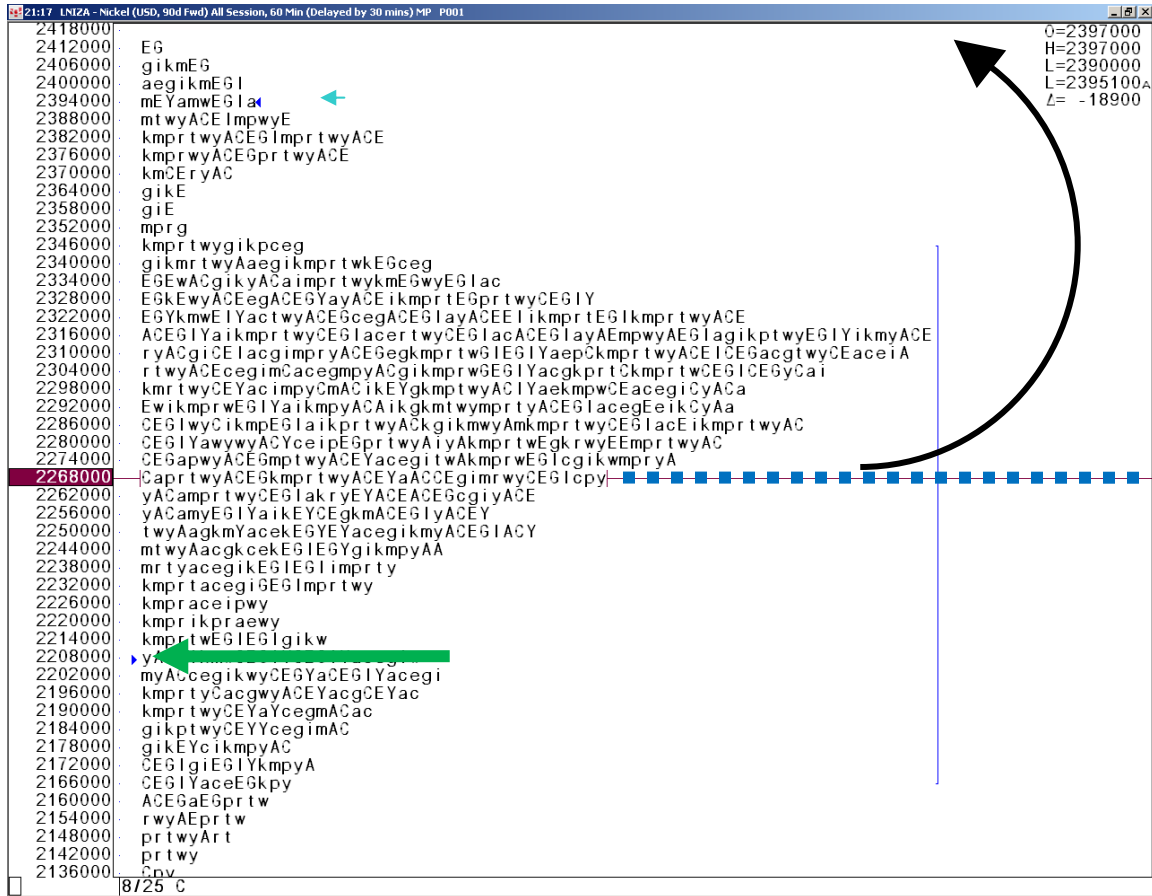
8/24- ROLLED TO OCTOBER CONTRACT. Same basic game plan: We are LONG from the \$4.930 - \$3.910 buy-tail highlighted above on the Jan. 2005 curve. In the October 2010 Contract we will look to take one-third profit at \$5.780/\$5.950, one-third at \$6.460, and the rest at “fair value” on the Jan. 2005 curve: \$7.140/\$7.480 (balance point/ high volume price/ mid-range, respectively). Only building value below \$3.910 and closing below \$3.200, on a monthly basis, cancels this trade. The Jan. 2005 curve (using the October 2010 Contract) does show the potential to trade to \$3.200 but the balance point and high volume price are the same at \$7.140 so that move should have already occurred. The most important take

away from the picture above is that the market is trading right around critical Long-term support (the Long-term buy-tail: \$4.930 - \$3.910).



October 5, 2010

NICKEL - SHORT-TERM



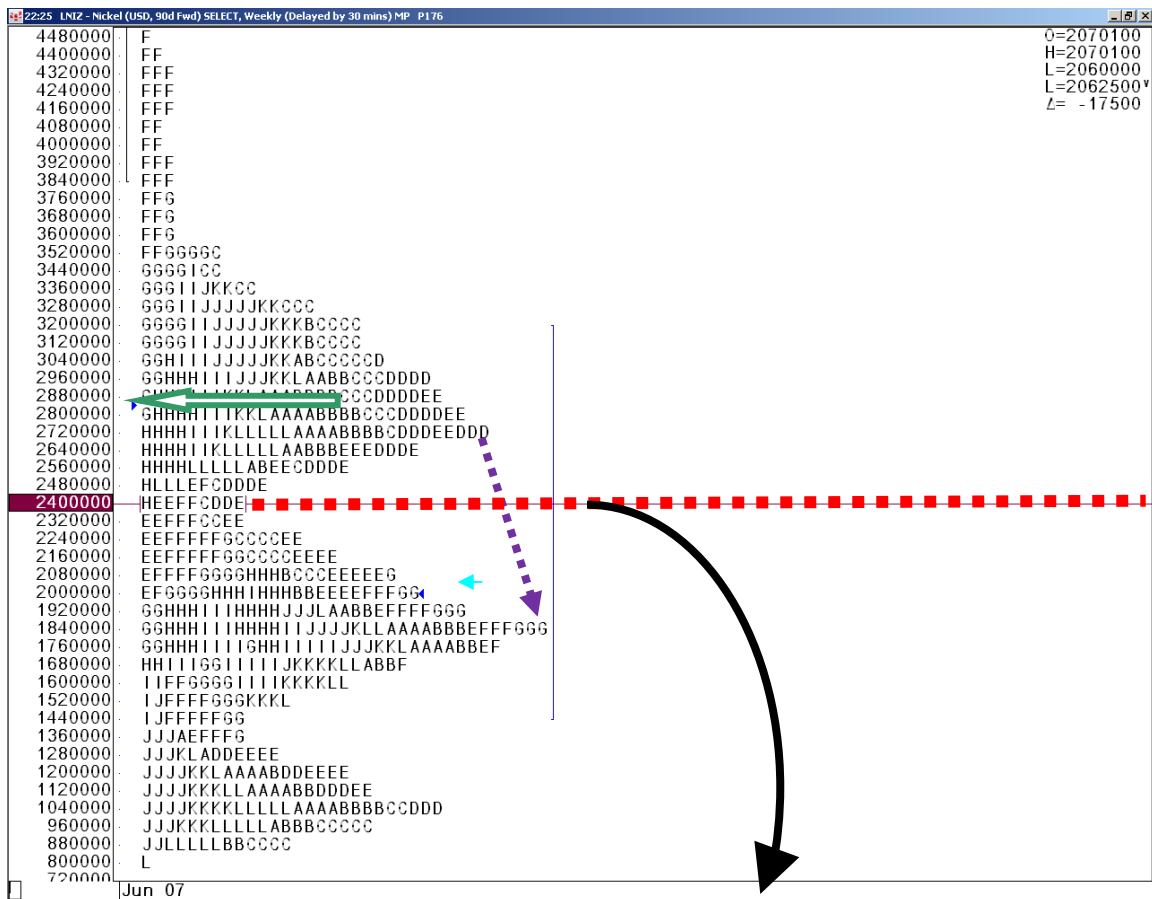
10/5- LME USD 90 Day Forward. We are LONG from \$22,190/\$22,820 (Sept. 21st letter) and we have already taken some profit at \$23,170. Last letter (Sept. 28th, read below) we advised traders to take more profit at \$23,500, \$24,000 and onto \$26,000. Since our last letter Nickel bottomed at \$22,700 (Sept. 28th) and topped out at \$24,145 on Oct. 4th. This range allowed us to take more profit at \$23,500 & \$24,000 as well as reload on long positions in the NEW BUY ZONE we mapped out last week (read below): \$22,500 to \$23,000. Traders with new longs should have taken some profit at \$23,500 & \$24,000 as well. What's next? STAY LONG your remaining positions. The August 25th up curve (highlighted above) still shows a move to \$26,000. Traders can take their next profit at \$25,000 and bank the rest in front of \$26,000. NEW LONGS can set-up from \$23,160 (high volume price) to \$22,680 (balance point) looking for \$23,500, \$24,000, \$25,000 and \$26,000. FOR ALL LONG POSITIONS only building value below \$22,680 and closing below

\$22,000 (mid-range) cancels the rest of this trade. Traders can also get SHORT in front of \$26,000.

9/28- LME USD 90 Day Forward. Last letter (Sept. 21st, read below) we recommended traders BUY from \$22,190 to \$22,820 looking for \$23,170, \$23,500, \$24,000 and onto \$26,000. Since our last letter Nickel bottomed at \$22,120 on Sept. 22nd (right around the bottom of our support zone) and then traded as high as \$23,184 on Sept. 27th (right at our first objective: \$23,170). Traders should have taken some profit. What's next? **STAY LONG your remaining position. Use the objectives outlined above and take your last profit at \$25,700/\$26,000 (target of the August 25th up curve highlighted above). **NEW LONGS** can set-up in front of the \$22,500 balance point (buy from \$22,500 to \$23,000). **FOR ALL LONG POSITIONS**, only building value below \$22,500 and closing below \$21,800 (mid-range of the August 25th up curve) cancels the rest of this trade.**



NICKEL – INTERMEDIATE-TERM



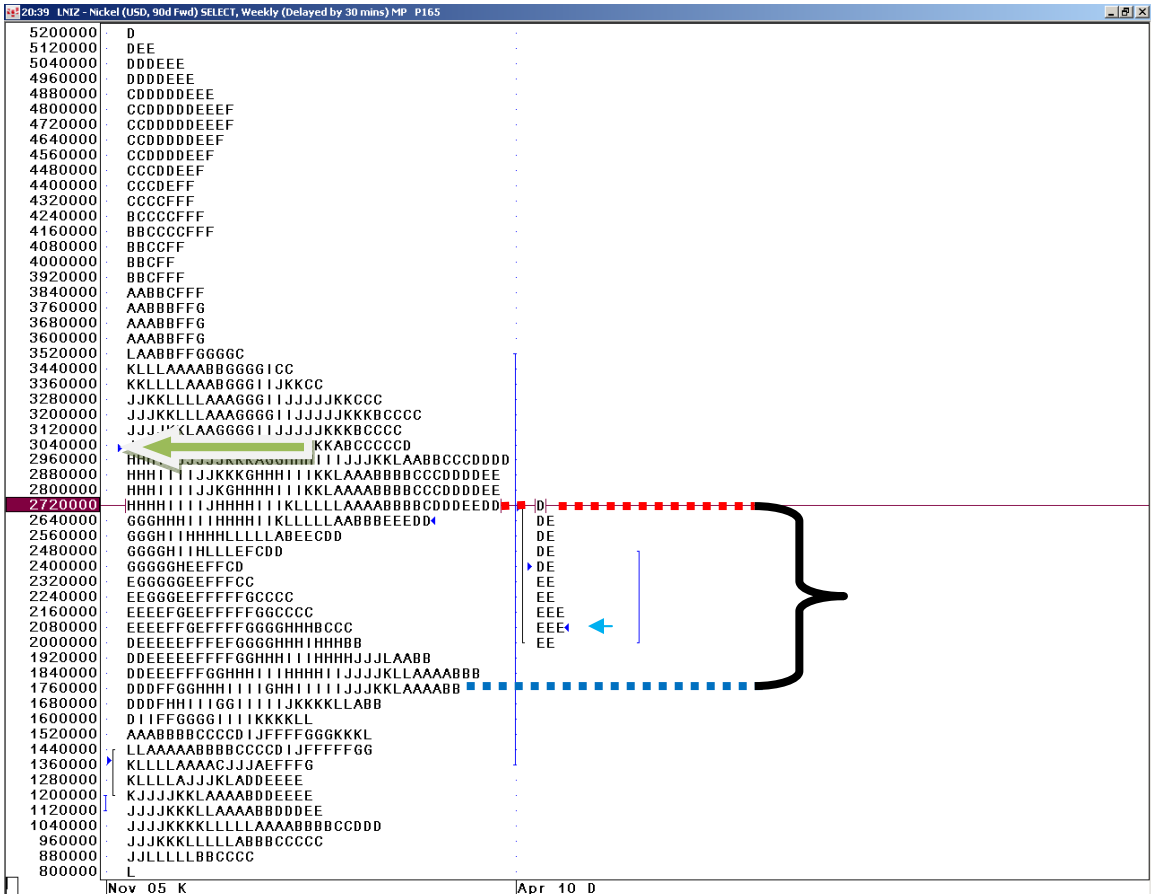
7/27- LME USD 90 Day Forward. We are FLAT in the Intermediate-term after catching a big rally and a big sell off (read previous Intermediate-term commentary

below). What's next? The June 2007 down curve (highlighted above) has moved its longest line from \$27,200 to \$18,400. This is a bearish development. How do we play it? Traders can get SHORT in front of the \$24,000 balance point (sell from \$24,000 to \$22,000) looking for \$18,400, \$14,400 and then \$12,000/\$10,400. Only building value above \$24,000 and closing above \$28,000 (mid-range), on a monthly basis, cancels this trade.

6/22- LME USD 90 Day Forward. We caught the rally from \$15,200/\$16,500 to \$26,400/\$28,000 and then in our last Intermediate-term commentary (April 20th, read below) we recommended: *Traders can get SHORT from \$28,000 to \$26,500 looking for \$25,000, \$23,000, \$21,000 and \$19,200/\$18,400.* Since April 20th the market topped out right around \$27,500 on April 20th, 22nd, and 26th and then sold off all the way to \$17,375 on June 7th. Traders should have taken all of their profits on short positions. What's next? STAY FLAT for now. Why? When you move all trade activity to the y-axis the June 2007 down curve (left side of picture) is close to locking in a new, lower longest line around \$17,600/\$18,400.




NICKEL – LONG-TERM



5/18- LME USD 90 Day Forward. We were LONG from \$14,500 - \$8,000 (buy-tail on the Nov. 2005 curve highlighted above, Jan. 6, 2009 commentary) and had taken at least one-third profit at \$20,000. Last Long-term commentary (March 9th, read below) we recommended traders take their remaining profit from \$27,000 to \$30,400. Since March 9th Nickel traded as high as \$27,592.50 on April 16th. Traders should have taken their remaining profit. What's next? The November 2005 curve is still "bottom heavy" (more bad shorts/underweights than bad longs). Traders can get LONG again in the \$18,800/\$17,600 area looking for another move back to \$27,000. Only building value below \$17,600 and closing below \$14,400, on a monthly basis, cancels this trade.

3/9- LME USD 90 Day Forward. We are LONG from \$14,500 - \$8,000 (buy-tail on the Nov. 2005 curve highlighted above, Jan. 6, 2009 commentary) and have taken at least one-third profit at \$20,000. What's next? STAY LONG your remaining position. Take the rest of your profit from \$27,000 to \$30,400 (balance point / high volume area / and mid-range on the Nov. 2005 curve). This is a classic mean reversion trade. Only building value and closing below \$14,500, on a monthly basis, cancels the rest of this trade.

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