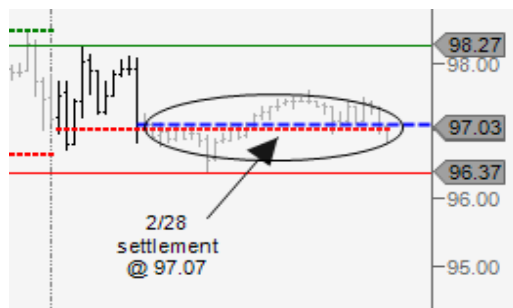


CL – Trading Journal (03/01/2011)

03/01 Pre-Mkt analysis.

Since Friday, the market has been in a trading range between 98.48 and 96.63. What I noticed yesterday was that the CL mkt ended yesterday's session as an Inside Day to Friday's overlapping day. We need to be aware of any strong break out from yesterday's balance area as this may be a significant run to either the upside or downside. However, I would anticipate downward action more likely because of last Thursday's late session spike down with increased volume. News coming out of North Africa or the Middle East may have final say as to what direction CL may take. Be aware of any Econ report coming out today @ 10AM.

So far, as of 7AM, o/n trading has remained neutral as price is generally within the same area as it settled, around the 97.07 area. If the market opened price would remain open in balance indicating that CL prices may spend further time rotating up and down within the generally the same area as it has been. What has changed that might upset the balance that I already mentioned was Inside Day formation yesterday and its implications.



Trade Entry Commentary for 03/01/2011 CL 4-11

T#1 – Long // Pullback to YH // Entry @ 98.37 // Stop: 98.09 // Target: 99.50 (2/24 POC) // P&L: +20 Ticks

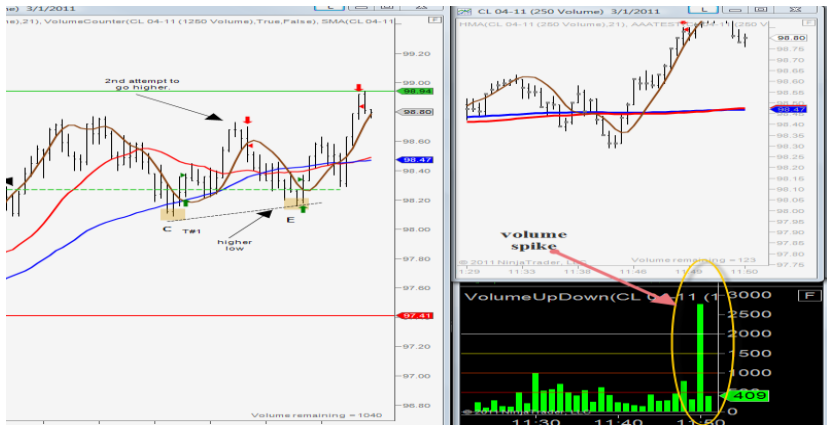
A break from balance and from an Inside Day poises me to look long. My target initially was to the 2/24 POC @ about 99.5 (given the appropriate market conditions).

The mkt broke from balance (however, not a clean break) to the upside during “B” period. The basic strategy was to wait for a pullback to somewhere close to yesterday's high. CL dipped below yesterday's high and right after received a 1250V signal. I entered long and monitored but volume was not as robust as I'd like to have seen it and the momentum of the mkt was lethargic considering the target objective. An Early exit was necessary and settled for what I was able to take.

T#2 – Long // Reversal @ YH // Entry @ 98.34 // Stop @ 98.15 // Target: 98.77 (intraday high) // P&L: +50 Ticks

Another play long of Yesterday's high as the 1250V gave a more convincing signal than T#1 did. But how high is the question as low volume and momentum dominated and it reflected the sentiment of the market. This was in contradiction to the mkt's efforts of going higher. Because of this uncertainty I set my target @ only the intraday high instead of @ the 2/24 POC mark. Having entered price had already given me a +32 profit @ 98.63 but retraced back down to 98.29 for a 5 tic deficit. A little annoyed for not taking profit I didn't decide to exit for a couple of reasons: One was the mkts determination to stay above yesterday's high fr 4

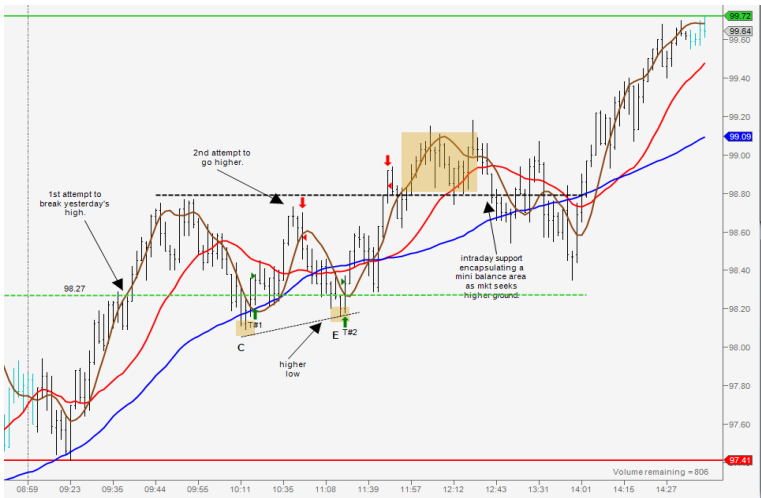
time periods, “A” through “B”. The second was that the strength of the entry signal; it showed a strong responsive buying reaction to price as it tried to push below yesterday's high. Besides pullbacks often accompany and with somewhat stronger signals I feel more confident staying in. Although, I had set my initial target to 98.77, depending on increased volume and momentum, my plan was to trail price with a trailing stop. That didn't happen as I was forced out of the market in a wink of an eye by an extraordinary buy-volume spike (2,700 contracts in seconds – snapshot below) that shot price up to my 98.77 sell order before I had a chance to move it further up. This even gave me more ticks on the exit.



No more trades for today. Net Today (Ticks): +69 Tics.

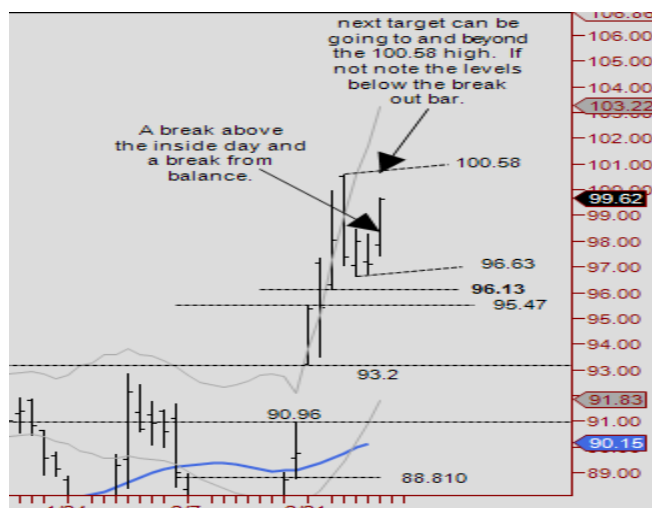
Trade-#	Market pos.	Action	Quantity	Stop	Entry price	Exit price	Target	Profit (Ticks)	Cum. Profit (Ticks)	Entry time
1	Long	PB	1	98.09	98.37	98.57	99.50	0.20	0.20	3/1/2011 10:18 AM
2	Long	RV	1	98.15	98.34	98.84	98.77	0.50	0.70	3/1/2011 11:27 AM

1250V Chart



Daily Chart

The Daily chart should provide some general perspective as to possibilities for tomorrow.



General Commentary

For the 3rd consecutive day, the market once again opened within balance @ 97.83. "B" period started the market's long attempt to find higher value multi time periods in higher areas above yesterday's high started to form. Today's poc also form above yesterday's high, and above the balancing range of the 2 prior market days (Friday and Monday). There was the lack of long term buyers coming into the market to bring price above and beyond Thursday's 2/24 balance. Having thought that the market was going down I tried to keep my mind free of personal bias and focused on what the market was doing for the most part. Although no new buyers came in as of the time of writing this, CL did climb up to the lower edges of 2/24 balance. As the market showed its intentions of going higher, the general bias was long and not short. With that in mind I looked to play off of yesterday's-high level.

As I'm completing this journal during the last ½ hour of trading, I'm witnessing the close of today's market and the 30Min chart, as it indicated higher prices, clearly show that 99.50 being the next major level to be reached as it just did. The CL market closed within 2/24's balance. The next question – what is the next move for CL. Tomorrow is the CL inventory report which may send crude to its new leg up past its milestone high, or maybe more balancing may occur for at the 2/24's value. We'll see what the o/n markets will bring to tomorrow's opening, where price will open in relationship to today's settlement and the o/n activity.