



Parrish & Lindsay

Grain Receivers, Shippers and Exporters

Grain Exchange

Winnipeg, Man.,

Rules for Grain Speculation.

Be an occasional, not a chronic speculator, don't speculate too much, that is, don't try to read the market daily, for no man living can do it.

It is wise not to enter the market more than once or twice a month. The average fluctuations of wheat and corn during a month for many years range from 5 to 8 cents. When prices strike these extremes you can enter as a buyer at low price or a seller at the outside range.

It is of first importance that you ascertain the probable course of the market and above all things go with the market; don't try to buck against it, for one man's opinion or will and determination against the course of prices, will meet with disastrous results. An advancing market has these ear marks, viz. a higher opening and a rally in prices during the last half hour of the session. A declining market is the reverse. When the markets are free from manipulation, if influences cause a higher opening than previous day's close, values will advance, and if the market opens down the round up of the day's business will be down.

Don't enter the market for a small profit. If it goes your way your sale or purchase is probably for five times the profit you are inclined to close out at.

If a trade does not go at once in your favor, better get out with a small loss. It is not a bad idea to never let the sun go down on an open trade that is against you. It should certainly not be carried going continually against you.

Don't use a large amount of money in the market. You enter the market to make. If a small amount doesn't increase your margin wait until prices offer an almost certain venture, and if you are on the right side, your profits will accumulate fast enough.

When your broker calls for margins on trades going against you better close your trades. Save your money for a better chance; your judgment will be better. Close up a trade at once that is annoying you or looks wrong. The market is there all the time, and chances come often enough when your head is clearer.

Don't let your losses eat up former profits.

When you have made a nice profit take it out of the market and use only a small share of profits for future trading.

After a year of bountiful crops, and prices have been steady for a long time, as well as low, and numerous reports of damage begin to influence the future, it is usually the forerunner of a substantial advance.

Don't keep margining trades: it is evident you are on the wrong side. Time is money in speculating as in other things.

Cut your losses off promptly. This is the golden rule of all business.



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Let your profits run on. This is difficult and requires nerve. Carry a trade going in your favor as long as you would if going against you.

Buy on a break and sell on a bulge. It is natural to do the reverse. This rule will make the most money if the bulge or break has extended three or four days. It is also correct in daily fluctuations.

After making a profit don't be too anxious to enter the market again.

The most successful plan of operation (on small margin) and to which many owe their fortunes, is this, viz., Buy or sell, according as the course of the market points, a small amount. If it goes in our favor sell or buy as much more, and follow it up, when the last purchase or sale goes against you, close all open trades.

After a long depression of prices or advancing markets, your judgment points to a decided change. Go into the market with ample margin on the plan of averaging your purchases or sales. Resolve not to take a loss. A slight turn of the course of prices will bring you handsome profits.

Remember the quick and instinctive impressions of a market are generally the correct ones. Reflection or a casual remark from some one will throw you off the track.

Close up all trades, whether short or long, by the 20th or 25th of the month that you have open for the following month; you thus avoid a corner if short, and the depression on last two days of the month if future property is at a large premium for carrying charges.

Often in a declining or advancing market the culminating low or high point is on Saturday. After several days of declines or advances, if the market opens lower or weak, or with a boom and excited it is often the turning point and a sure reaction.

When prices close a little above the low points touched, or some below the high points reached during the day, the movement either up or down is not at an end, but will likely continue.

Let cornered or manipulated property alone. Corners in grain usually occur in May, June, and July; in provisions, in August, September, and October.

After a long series of advances and the market can't seem to go higher, it is a sure point prices have struck top. The reverse is true after a declining market.

The lowest prices on grain, according to statistics, for many years, are in October, November, and December. The highest in March April and May. Don't be a bull, however, on June property. From February to August the weather is an important factor in governing values. After crops are harvested the amount of receipts and shipments exercise greater influence.

Don't speculate in bucket shops. Your interests are entirely opposed to each other. If you make they must fail. A first class commission house will work for your interests, for yours and theirs are the same. Over every bucket shop should be written Dante's



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immortal words: "All hope abandon ye who enter here."

It is the worst plan in the world to watch continuous quotations you are influenced by temporary gossip and more liable to make mistakes and cut your profits short.

After trades have gone against you, better close them if prices touch again the point you bought or sold at.

Don't allow your broker to carry trades beyond the amount of margins deposited with him, or expect him to fill orders without you have deposited in local bank, or remitted margins or have a credit balance with him.

In times of panic and failures grain stocks are nine times out of ten a purchase for you will shortly profit by other people's misfortunes.

When prices close strong after two or three days advance, and the curb market is up a $\frac{1}{2}$ to $1\frac{1}{2}$, the regular market will generally close lower next day.

It is poor policy to bull property on the beginning of harvest without general disaster to crops; also to bull the tail end of a short crop.

Don't take a load on you can't carry, or risk your all on any single deal. In other words, don't put all your eggs in one basket.

When you have a 3 to 5 per cent per bus. profit, it is best to take it.

Don't operate in over one cereal at a time. Certainly not in all.

Don't give your broker discretionary orders. Be exact and positive in all orders. Say just what you mean in a few words.

In advancing markets going in your way advance the price of your stop orders. The same in declining markets.

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