

# Jake Bernstein's Online Trading Courses

## Course #3 Winning Seasonal Strategies

### Lesson #1 Seasonal Basics

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Course #3  
Winning Seasonal Strategies  
Lesson #1  
The Basics of Trading

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# Jake Bernstein's Course #3 -- Seasonal Strategies

## Lesson #1 -- Seasonal Basics

### Introductory Comments

The futures market is the daily proving ground for a host of trading methods, systems and economic studies. To this day, the futures market remains one of the last frontiers of low-investment, high-profit potential speculation. However, many fortunes are made, more fortunes are lost in the futures market.

Throughout the years, literally thousands of trading techniques have flourished and vanished. Perhaps those having the greatest degree of success have rarely been revealed to the public.

Yet investors continue to labor under the expectation that somewhere in the far reaches of “commodity land” there exists the ultimate or perfect trading system.

Perhaps it is human nature to persist in dreams of financial success, based upon the unrealistic belief that it will somehow be acquired fortuitously. While it is certainly true that overnight success has come to some futures traders, it is more realistically true that those of us who have been successful in futures have struggled many years to become an “overnight success.”

Furthermore, public awareness and perception are constantly being shaped by the dichotomy of futures trading. On the one hand, dramatic tales abound of vast fortunes acquired seemingly overnight with virtually no starting capital. On the other hand, equally fantastic tales are told of immense fortunes, which vanish virtually overnight as a consequence of a single bad trading decision.

We rarely hear of speculators who make a steady income from their trading, neither losing great amounts nor making great amounts, but acquiring considerable wealth over extended periods of time.

The public has a fetish for extremes. It is human nature to be attracted to things that are sensational or fantastic. The large worldwide circulation and readership of “scandal sheet” newspapers underscore the public’s thirst for sensationalism. Futures trading is viewed in a similar light by many individuals.

To dispel the notion that success or failure are virtually instant in futures trading, those of us who are veterans in the business have sought to temper such unreasonable expectations with research, direction and a great deal of common sense.

### Some Background

When I wrote my first book in 1980, *The Investor’s Quotient: The Psychology of Successful Investing in Commodities and Stocks*<sup>1</sup> (revised in 1993), I sought to revive the common sense approach to investing, focusing attention upon the investor as opposed to the investment and investment technique.

In 1982, when I published my second book, *The Handbook of Commodity Cycles: Jake Bernstein’s Comprehensive Guide to Repetitive Price Patterns in Stocks, Futures and Financials*<sup>2</sup> (revised in

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1991), I discussed, among other patterns, the concept of seasonality as one aspect of cyclic price behavior.

In the many years since, I have since published well over 30 additional texts, several of which cover the analysis of seasonal spread behavior. In addition, my seasonal cash charts and seasonal futures charts focused upon seasonal relationships in precise detail.

My writings and teachings have been directed at the pragmatic and common sense aspects of trading, in order to equip futures traders with a technical repertoire by which profits can be accumulated at a reasonable and steady pace. I have also stressed the principles of effective money management and sensible accumulation of positions as significant aspects of rational trading.

### **Rational, Logical, Historical, Observable & Pragmatic**

My work has taken a direction contrary to that taken by merchandisers of “ultimate trading systems” which claim hundreds of percent (if not more) in potential profit over a span of many years.

Rather than further add to the unrealistic expectations which have comprised the steady diet of most futures traders, I have chosen an essentially rational, logical, historical, observable, pragmatic (and perhaps dull) avenue of price analysis.

Judging by the hundreds of letters I have received from the readers of my publications since 1980, I must say that my slow-and-steady approach has certainly won public approval. Though I may find myself in the minority, I also find myself with inner peace and contentment knowing that my work and research have been a public service of sorts.

The futures markets offer little opportunity to the individual who seeks to satisfy some inner needs by bettering the lot of humankind. I do not speak here of public service in the sense of the of public servant: I speak of the public good as it is served by analytical, educational studies such as mine. I seek to inform rather than sensationalize.

My newsletter, which has been in continuous publication since 1972, as well as my books, tapes, computer programs, seminars and classes have all been created with the goal of teaching in mind. In this course, the specific goal is to teach the details of winning seasonal strategies by teaching you about seasonal price behavior and my latest findings in this area.

I have intentionally excluded sensationalist claims, dramatic headlines and promises that cannot be fulfilled. I offer you this course as another opportunity to learn from my experience and research. I sincerely hope that you will benefit both directly in the profits that you may show and indirectly in the further research that this course may stimulate.

### **Seasonality & History -- Humans & Nature**

The earth and its environment are in a state of constant change. Natural forces are at the heart of this process. These forces include the effects of gravity, weather, extra-planetary magnetic fields, atmospheric composition, erosion by water and, more recently, human-made events.

Notwithstanding the role of such things as pollution, radioactive fallout and the diversion of waterways, the greatest force in environmental change has always been nature. Humans have, for thousands of years, been fascinated with the prospect of someday controlling nature.

In the twentieth century such hopes continue to flourish as a result of technological progress. The