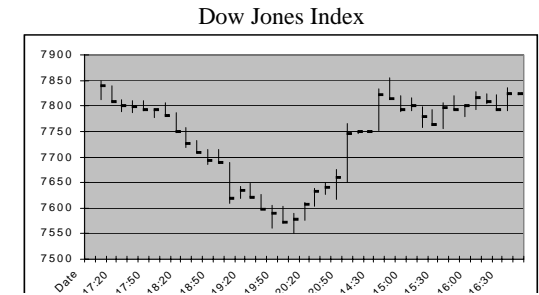
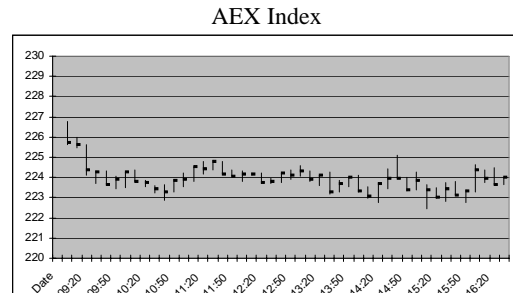


Market 26-03-09 – Difficult Week

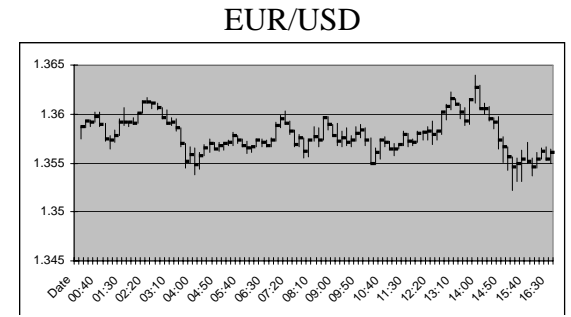
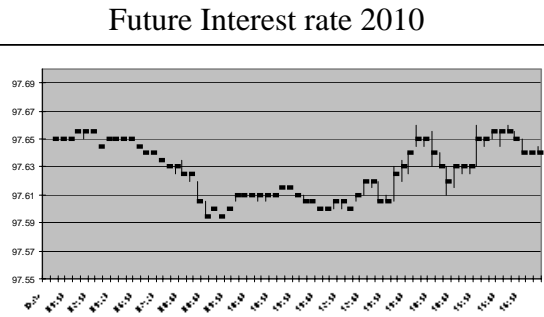
In Brief...

With the same level of volatility we end up our day today. As it is very clear in the graphs on the right, markets does not seem to know where it is heading. That is typical for week where there are not much data releases or important meeting/speech/events. Stock Market remained relatively flat, but with a much more aggressive volatility. Oil and gold made serious gains while interest rate long term and remained unchanged (but very volatile through out the day).



Words of the day

A **put option** (sometimes simply called a "put") is a financial contract between two parties, the seller (writer) and the buyer of the option. The buyer acquires a long position offering the right, but not obligation, to sell the underlying instrument at an agreed-upon price (the strike price). If the buyer exercises the right granted by the option, the writer has the obligation to purchase the underlying at the strike price. In exchange for having this option, the buyer pays the writer a fee (the option premium).



Frascati Investment Fund – Walking up the stairs

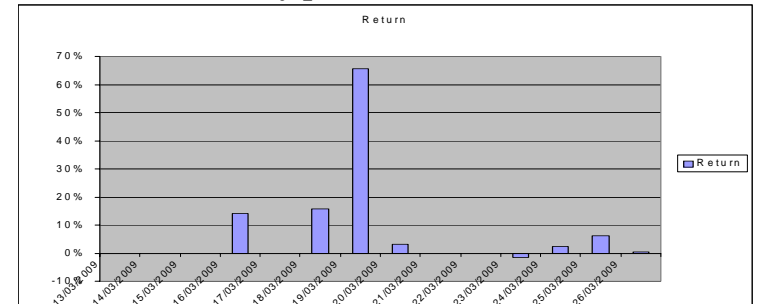
Strategy

This week we had two bets. Stock market will go down and long term interest will go up. It looks like both bets did not take place but we are happy enough to see that it did not go against us and that we did not loose the profit we made last week. We will keep FIF as it. We will try our bet for the last day tomorrow.

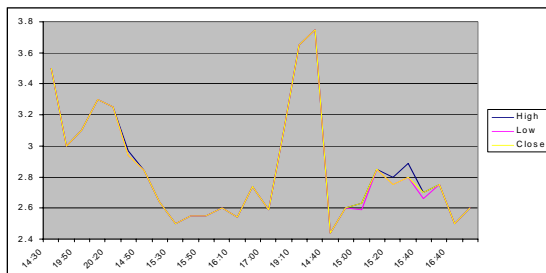
Generic Performance for Today

	Purchase Price	Qty	Market Price	Profit and Loss
2011 Future Rate	96.95	-2	96.885	162.5
Dow Jones Put Option	2.67	1800	2.6	-126
Cash	2145	1	2145	0
				36.5

Daily performance in %



Volatility of the Put Option We bought?!



Summary of Daily Activity

Date	Ticket Sales	Opening	Profit/Loss	Closing	Return
13-Mar	700	700	0	700	0%
14-Mar	510	1210	0	1210	0%
16-Mar	0	1210	172	1382	14%
17-Mar	0	1382	-1	1381	0%
18-Mar	690	2071	328	2399	16%
19-Mar	400	2799	1837	4636	66%
20-Mar	550	5186	164	5350	3%
21-Mar	360	5710	0	5710	0%
23-Mar	0	5710	-93	5617	-2%
24-Mar	0	5617	126.5	5743.5	2%
25-Mar	0	5743.5	350	6093.5	6%
26-Mar	800	6893.5	36	6929.5	1%

FIF value

