

THE ROSEN MARKET TIMING LETTER

PRECIOUS METALS - FOREX - STOCK INDICES - COMMODITIES

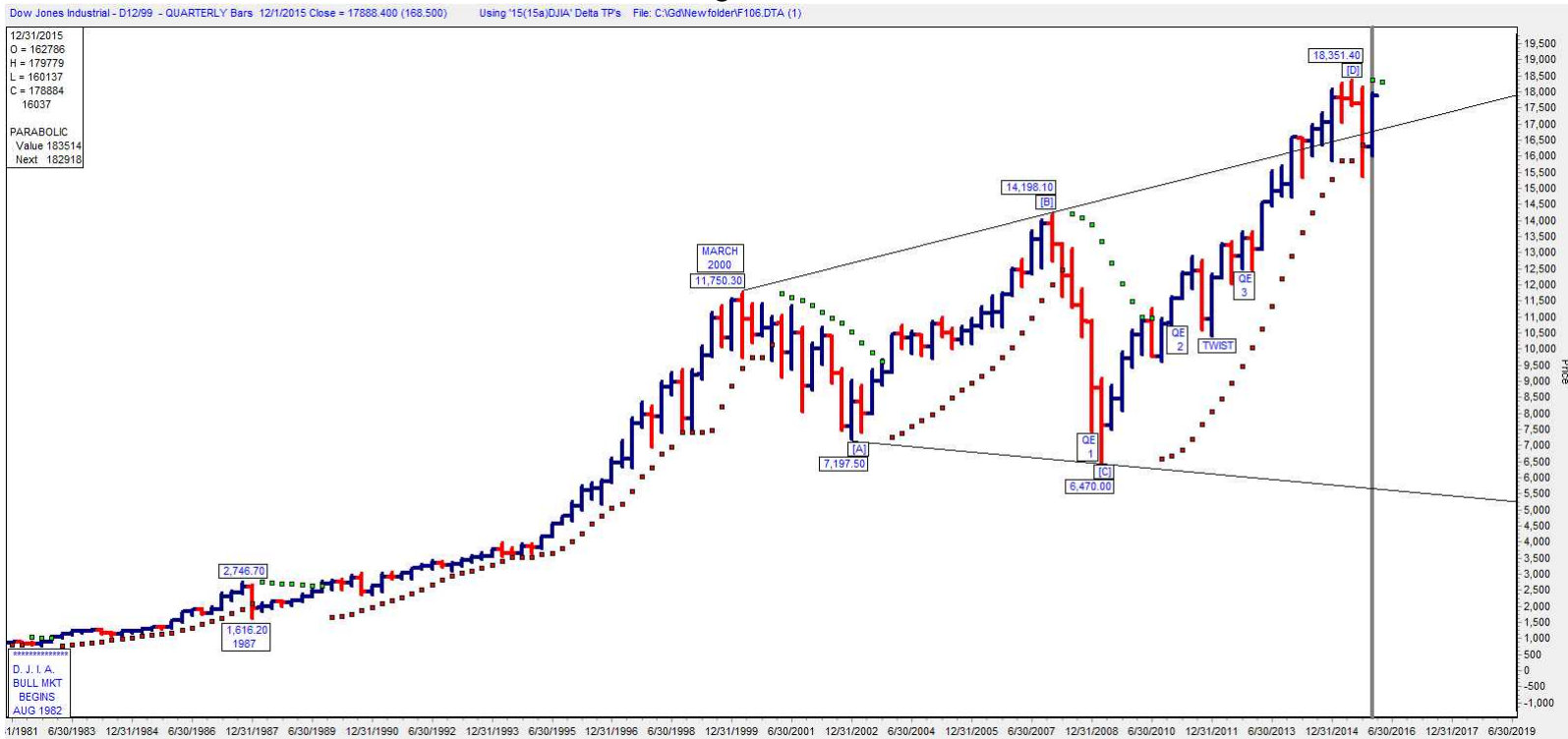
<https://www.deltasociety.com/content/ron-rosen-precious-metals-timing-letter>

RONALD L. ROSEN
January 3, 2015

UPDATE

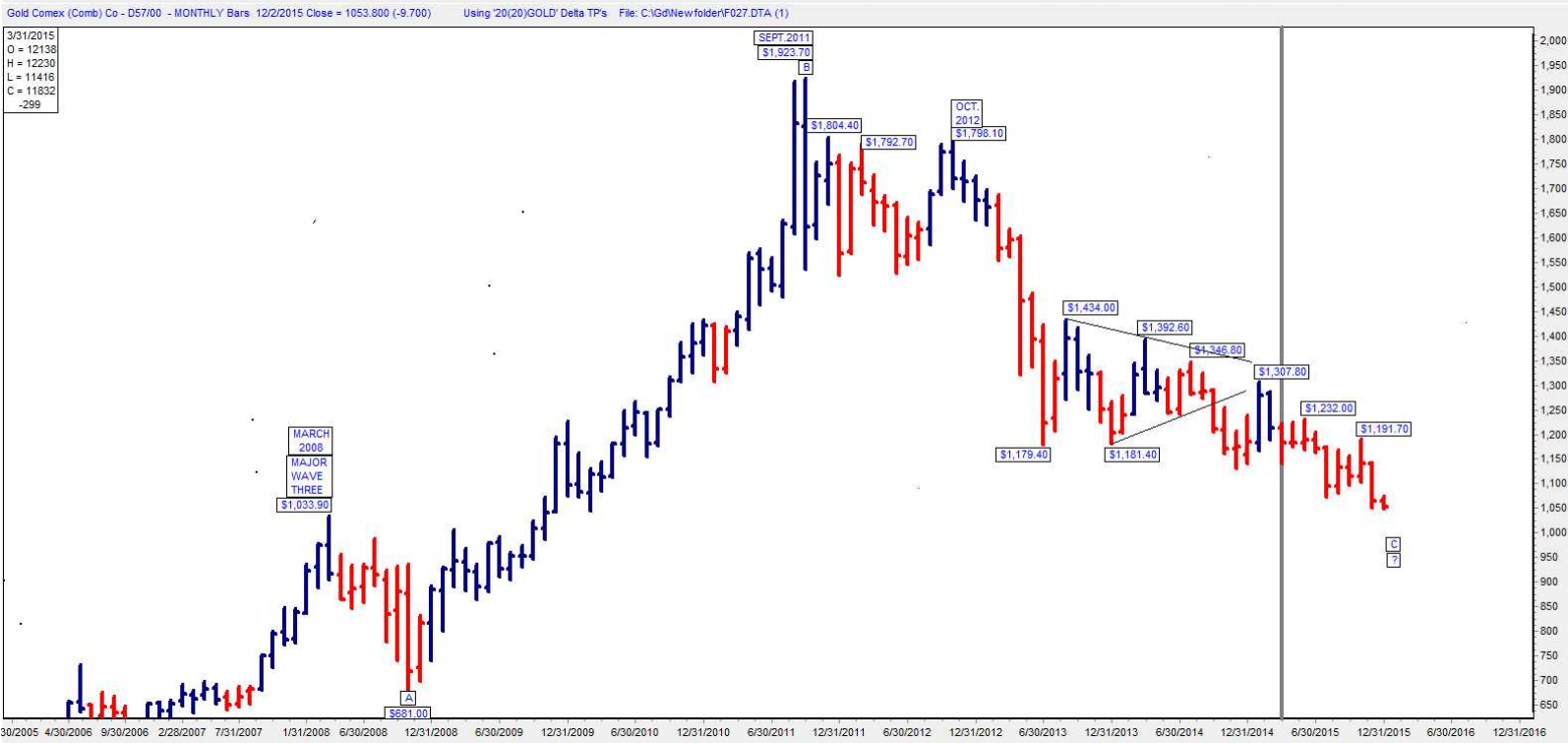
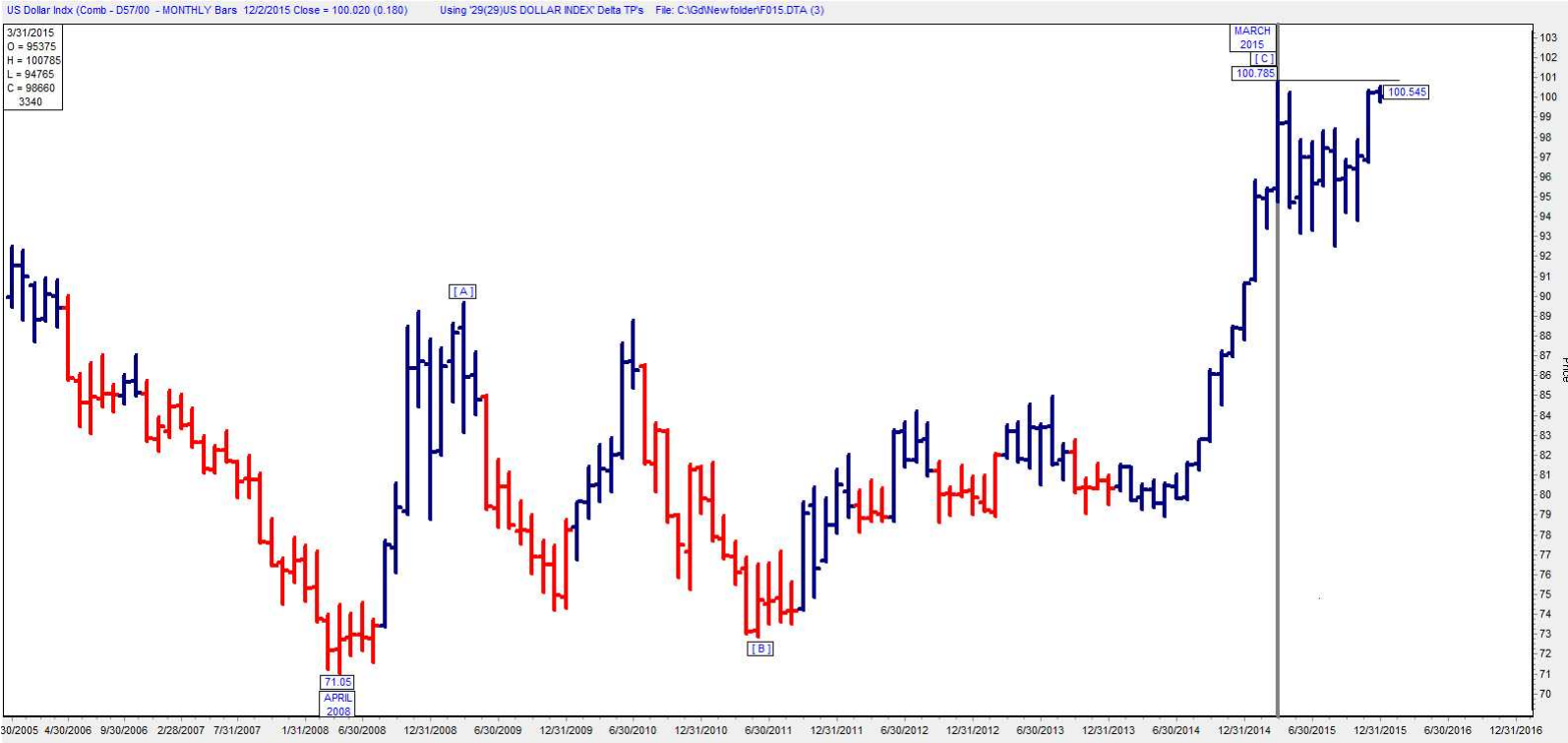
Ever since the bull market in the D. J. I. A. began, in August 1982, the green dots have accurately and consistently warned of a severe decline “dead ahead.” Once again the green dots are posting a warning!

DJIA QUARTERLY



The Dollar Index has failed to make a new high since March 2015. In spite of this fact gold has been declining since March 2015.

DOLLAR INDEX MONTHLY



GOLD MONTHLY

The indicators beneath this chart are confirming that a top in the Dollar Index occurred in March 2015.

DOLLAR INDEX MONTHLY



The question is, “Why has the price of gold been declining so violently for the last three months?” The answer is, Uncle Sam is going to get his piece of the action every year up or down in the price of any commodity or option!



“Under ERTA and subsequent provisions, gains or losses on futures positions (and options) *open at year end* are taxed as if they had been liquidated on the last day of the year.”

“Right on schedule, for tax purposes, the Commercials are closing out their short positions and taking profits. As the tax memo above states they will be taxed on the profits whether or not they close out their positions. So, they close out their short positions and pay taxes on the profits in hand. As the gold price declines they are going long and buying. Their buys will have tax losses by year end that they can use to offset some of their short profits. Next year their longs will be considered bought at the 2015 year end closing price. *They may be net long by the end of this year with all contracts at a loss for tax purposes.*” Ron R. November 29, 2015

=====
=====
**The Tax Treatment
of Commodity
Futures
and
Futures Options**

Ted Tesser, CPA
Marc Sloane, CPA
Mark Press, Esq.

☪ **Center for Futures Education, Inc.**

P.O. Box 309
Grove City, PA 16127
Tel.: (724) 458-5860
FAX: (724) 458-5962
e-mail: info@thectr.com
<http://www.thectr.com>

Prior to the *Economic Recovery Tax Act of 1981 (ERTA)*, futures contracts were taxed only on realized gains and losses; i.e., on positions which were closed. Thus, when a taxpayer took a position in one year and did not liquidate the position until a subsequent year, the resulting gain or loss was **not recognized** until the subsequent tax year when the position was liquidated. Taxpayers could, with a sharp eye on tax planning, control when gains or losses were recognized. This benefit was ended in 1981. Under *ERTA* and subsequent provisions, gains or losses on futures positions *open at year-end* are taxed as if they had been liquidated on the last day of the year. The mark-to-market rules also apply to options on futures contracts and index options on broad-based indexes. The price used for tax purposes is a settlement price established by the exchange on the last day of trading for the year.

To avoid taxing the same gain twice, the settlement price at year-end becomes the starting point for determining the gain or loss in a subsequent year.

FOR SUBSCRIPTION INFORMATION

<https://www.deltasociety.com/content/ron-rosen-precious-metals-timing-letter>

Disclaimer: The contents of this letter represent the opinions of Ronald L. Rosen. Nothing contained herein is intended as investment advice or recommendations for specific investment decisions, and you should not rely on it as such. Ronald L. Rosen is not a registered investment advisor. Information and analysis above are derived from sources and using methods believed to be reliable, but Ronald L. Rosen cannot accept responsibility for any trading losses you may incur as a result of your reliance on this analysis and will not be held liable for the consequence of reliance upon any opinion or statement contained herein or any omission. Individuals should consult with their broker and personal financial advisors before engaging in any trading activities. Do your own due diligence regarding personal investment decisions.