

## The Kase Commentary on Natural Gas Scorecard

Cutoff Date December 31, 2011

Graded this Six Months by Daniel Kase and Dean Rogers, AP

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The following is the review of the Kase Commentary on Gas performance.

The Commentary is graded on three criteria.

- I. **Scenario:** The first criterion relates to whether the primary, secondary or unlikely scenario was met, as defined in the glossary. If no unlikely scenario was defined in the Commentary it is automatically defined as neither the primary nor the secondary scenario having been met. If the primary was met, one point is awarded. If the secondary is met, and the odds that the secondary might be met, given some special circumstances, was identified ahead of time, or random events caused the secondary scenario to be met, then a half point is awarded. Otherwise a zero is assigned. This criterion in previous evaluations was called Bias. "Scenario" is given a weight of 70% relative to the overall score.
- II. **Price:** The second criterion relates to price. If a targeted price was called to be met, and was met, met and held or met and was exceeded, then one point is awarded. If a target was called to hold and did hold, a point is given. If it is only exceeded slightly, or for a short period of time, a half point is awarded. Otherwise a zero is given. If more than one target is given, for example, "declining to no lower than \$4.00 then rising to at least \$4.20", then points are awarded with a 50% weighting for each target. "Price" is given a weight of 20% relative to the overall score.
- III. **Order:** The third criterion relates to the order in which a scenario having multiple support and resistance targets is expected to play out. If the order is correct a point is awarded, correct but the order slightly different than called for a half point is awarded, and if the scenario was incorrect a zero is given. The "Order" column in the results specifies a CO for correct order, DO for different order or W for wrong. If no order was called for, then the column is left blank and order is not included in the overall score. "Order" when given carries a 10% weighting.

Normally, the first nearby contract is graded. However, during rollover weeks in which the second nearby, soon to become first nearby, is the focus of the Commentary, it is graded instead.

Based on these three criteria, the Scorecard results are as follows.

### Kase Commentary on Gas Scorecard Summary, Percent Correct

	<b>Bias</b>	<b>Price</b>	<b>Scenario</b>	<b>Total</b>
Weights	70	20	10	100
Overall Score	68	19	10	96
2 Year Score	69	18	10	97
12 Month Score	70	18	10	98
6 Month Score	68	19	9	96
3 Month Score	70	19	10	99

The details for the last six months are shown below. Since July 1996 Kase's "Overall" score has averaged 96%, and for the past six months 96%.

**Kase Commentary on Gas, Scorecard Results**

<b>Date</b>	<b>Bias</b>	<b>Price</b>	<b>Scenario</b>	<b>B Pts.</b>	<b>P Pts.</b>	<b>S Pts.</b>
07/08/11	P	M	CO	1	1	1
07/15/11	P	M	CO	1	1	1
07/22/11	P	M	CO	1	1	1
07/29/11	P	ME	CO	1	1	1
08/05/11	P	M	W	1	1	0.4
08/12/11	P	M	CO	1	1	1
08/19/11	P	M	CO	1	1	1
08/26/11	P	M	CO	1	1	1
09/02/11	P	M	CO	1	1	1
09/09/11	P	ME	CO	1	1	1
09/23/11	P	M	CO	1	1	1
09/30/11	P	ME	CO	1	1	1
10/07/11	P	M	CO	1	1	1
10/14/11	P	M	CO	1	1	1
10/21/11	P	M	W	1	1	0.4
10/28/11	P	M	DO	1	1	1
11/04/11	P	ME	CO	1	1	1
11/18/11	P	M	CO	1	1	1
11/25/11	P	M	CO	1	1	1
12/02/11	P	MS	CO	1	0.4	1
12/16/11	P	M	CO	1	1	1
12/23/11	P	M	CO	1	1	1
6 month total				22	21.4	20.8
6 month percent				97.3	95	95
6 month weighted score				68	19	9
6 month overall score						96

Below is the detail of the scoring. Please call Kase and Company, Inc. if you have any questions about the results please notify the call center promptly.

**Legend:**

P (Primary Bias Met)

S (Secondary Bias Met)

SH (Secondary Hybrid Bias Met)

M (Met Price Target)

ME (Met, then Exceeded Price Target)

MS (Met Price Target, then stalled)

DM (Did Not Meet Target)

CO (Scenario Occurred in order)

DO (Scenario Occurred, but in a different order)

W (Wrong Order)