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Trend-driven funds profit on oil's slippery path



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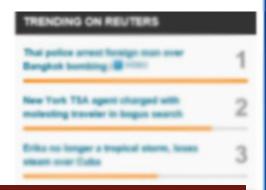
Aug 28 (Reuters) - The oil market's 10 percent surge on Thursday offered a visceral

reminder that many of its most active participants could not care less about global oil

For dozens of commodity trading advisors (CTAs) from Rotterdam to Chicago, so-called

inventories, Saudi Arabia's stressed finances or the American shale revolution.

By Barani Krishnan and Luc Cohen



Red Rock Capital, a Chicago-based CTA, saw its short position in U.S. crude, which opened at \$58.77 a barrel in early July, stopped out on Thursday when the market rebounded more than \$2 intraday.

"It's all very similar to blackjack," said Thomas Rollinger, Red Rock's chief investment officer. "Basically you're not going to win at every hand."

U.S. crude eventually settled the day at \$42.56, up almost \$4. But Red Rock's exit at \$40.99 still netted Rollinger almost \$18 a barrel. On the broader side, the \$42 million fund is up 21 percent on the year, almost 15 percent of that gained since the start of July when oil began tumbling.

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"Typically when you have these big trends, the systematic people do a better job capturing them," said Sol Waksman, president of SarolayHedge, an lowa-based firm that tracks CTA performances. "The problem is, once that trend units, that's when the systematic trader is more likely to give back a bigger piece than a discretionary manager." (Additional reporting

by Eric Onstad in London and Lawrence Delevingne in New York; Editing by Lisa