

# Renewed take on analysis helps to build new business

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By Whitney Cole

LAFAYETTE, Ind. — Mike Zuzolo has been helping his clients manage risk for several years, but his latest move didn't seem the slightest bit risky to him. Zuzolo recently formed Global Commodity Analytics and Consulting LLC based in Lafayette, where he helps clients from across the Midwest get back to the basics of, well, commodity analysis.

Zuzolo, a registered commodities representative, wanted to take his business outside of a multi-partner setting to his home, where he could focus more on the markets and less on the day-to-day responsibilities of running an office. "I wanted to get back to talking to clients and less running of a business," he said. But just because he is working from home, that doesn't mean Zuzolo is working less. Actually, he's working more. "I've equipped my office at home with additional phone lines and extra technology so that it will be as advanced as my former office," he said. The analyst has four phone lines with a dedicated fax line and a number of computer monitors lining the multiple tiers on his desk.

Zuzolo starts the mornings early by checking markets to see what might have changed while he was sleeping. He does multiple newswire interviews over the course of a day and takes calls from clients all day long. "And at the home office, I'm better equipped to take evening calls from my clients," he said. With the markets staying open later, more and more people are calling Zuzolo to talk markets after quitting time. "The amount of trading in the evening has been increasing steadily in the past year and I am now positioned to help during those hours," he explained. "Producers are working later in the day, so their ability to pick up the phone in the evenings can be very valuable." If working at home had been a goal for Zuzolo for years, he wouldn't have necessarily been able to do it in the past. But thanks to an advancing spread of broadband Internet connections, more of his clients in rural areas are able to use his Web site to its full potential. "I couldn't have done this just a couple of years ago," he said. "The technology just wasn't there." On the site, [www.globalanalytics.biz](http://www.globalanalytics.biz), Zuzolo posts about 15 minute video sessions about the markets so clients can watch them anytime. He said he still intends to do a few day seminars and be out on the road helping clients, but the short video sessions are a great way to keep everyone up to speed with doses of information. "The technology allows me to give them in depth analysis 15 minutes at a time and the information is much more timely," Zuzolo said.

Another perk to starting GCAC is he has more time to devote to doing research and writing. As a part of opening the company, Zuzolo was able to write a white paper about the current economic situation, how it came to be and what he thinks may be the most sensible approach to it. "With the white paper, I definitely made a statement and have taken a stand," he said. "We are entering into, what I believe to be, one of the riskiest eras in human history." In the white paper, Zuzolo said there will be more inefficiencies built into the market, causing prices to fluctuate more violently than when Global Capitalism was at its peak just two short years ago.

"My definition and working understanding of utilitarianism helps support my bias and

belief that markets are not efficient because individual traders/investors are not working toward a common good, they are working toward financial gain that is usually associated with greed,” he said. “The emotion of greed breeds inefficiency into markets, creating the price extremes I have named Overvalue and Undervalue.” In other words, Zuzolo said, there is a lack of rationality. Instead of working from the emotion of greed when taking a position in the markets — and therefore making the markets more inefficient and volatile — a true risk manager works from the premise of profit he explained. The concept of overvalue and undervalue are the core concepts at GCAC and adding in a dose of common sense to the markets, instead of relying on Efficient Market Theory which Zuzolo said likely exacerbated the financial turmoil and make the markets more inefficient. “Therefore, it is paramount in the Global Commodity Analytics and Consulting LLC analysis that both fundamental analysis as well as technical analysis are utilized and fused together into a ‘Value-Level’ analysis,” he said.