

## **HIGH IMPACT REPORT ALERT: Week of 04 – 08 February Schedule:**

**Busy week with the end/beginning of the month reports and Central Bank news.**

Monday: Factory Orders – 10:00 AM EST

AUS Trade Balance – 7:30 PM EST

AUS Cash Rate / RBA Rate Statement – 10:30 PM EST

Tuesday: ISM Non-Manufacturing PMI – 10:00 AM EST

Wednesday: Crude Oil Inventories – 10:30 AM EST

AUS Employment Change – 7:30 PM EST

Thursday: EUR ECB Minimum Bid Rate – 7:45 AM EST

Natural Gas Storage – 10:30 AM EST

RBA Monetary Policy Statement – 7:30 PM EST

Friday: CAN Employment Change – 8:30 AM EST

WASDE report – Corn – 12:00 PM EST

Notes:

1. We will not trade the Unemployment claims this week as the ECB Press Conference will be released at the same time causing a potentially volatile and risky proposition.
2. US Trade Balance releases at 8:30 AM EST on Friday, but the CAN report is a much better opportunity.

## HIGH IMPACT REPORT ALERT: Week of 04 – 08 February Schedule:

Monday, 1/28/13

Factory Orders (ORANGE REPORT)				CL 03-13
10:00 am Eastern / 7:00 am Pacific		Forecast: 2.3%		
Avg 1st Peak: 24 ticks (1-6 min after report)	Min: 8 ticks (MAY '12)		Max: 48 ticks (JAN '12)	
Avg 2nd Peak: 45 ticks (9-16 min after report)	Min: 34 ticks (DEC '11)		Max: 57 ticks (NOV '12)	
Avg Reversal: 40 ticks (5-12 min after last peak)	Min: 21 ticks (JAN '12)		Max: 86 ticks (JUL '12)	
Last 6 Reports:	5 : SPK/REV	0 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			5	

A medium mover, but influential and reliable orange report. It will occasionally seek a 2nd peak. The 1st peak often takes more than 1 candle to hit its max. Reversal usually exceeds the peak. Look for 20-30 ticks on the spike, 30-45 ticks on a potential 2nd peak, and 20-40 ticks on the reversal.

## HIGH IMPACT REPORT ALERT: Week of 04 – 08 February Schedule:

AUS Trade Balance				6A 03-13
7:30 pm Eastern / 4:30 pm Pacific		Forecast: -0.81B		
Avg 1st Peak: 17 ticks (1-4 min after report)	Min: 7 ticks (DEC '12)		Max: 53 ticks (AUG '11)	
Avg 2nd Peak: 31 ticks (11-27 min after report)	Min: 17 ticks (JUN '12)		Max: 62 ticks (AUG '11)	
Avg Reversal: 17 ticks (20-37 min after report)	Min: 10 ticks (JAN '12)		Max: 45 ticks (OCT '11)	
Last 6 Reports:	2 : SPK/REV	3 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			3-4	

Bottom tier report that does not have the same shock value of the unemployment, GDP, or RBA reports. Still good for about 8-10 ticks after minimal slippage and JOBB buffer. Often peaks after the 1st bar. The 2nd peak consistently delivers a meager 8-12 ticks extra about 50% of the time, and the reversal will yield 10-25 ticks slowly as the volume dries up.

## HIGH IMPACT REPORT ALERT: Week of 04 – 08 February Schedule:

AUS Cash Rate / RBA Rate Statement				6A 12-12
10:30 pm Eastern / 7:30 pm Pacific		Forecast: 3.00% (no change)		
Avg 1st Peak: 43 ticks (1-2 min after report)	Min: 10 ticks (MAR '12)		Max: 107 ticks (FEB '12)	
Avg 2nd Pk/Fan: 65 ticks (8-14 min after report)	Min: 50 ticks (SEP '12)		Max: 107 ticks (MAY '12)	
Avg Reversal: 34 ticks (9-35 min after report)	Min: 20 ticks (AUG '11)		Max: 72 ticks (APR '12)	
Last 6 Reports:	3 : SPK/REV	2 : 2ND PK	0 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:			7-10	

Parameters	
AtmStrategy	stop 1
BracketDistance	7
Entry CancelledIfGapp	False
Entry Slippage Ticks	5
Entry StopLimit Orders	True
Entry Time	22:29:57

Based on the potential for high slippage, I am recommending the stop limit orders with the settings to the left with software V.4.

One of the major AUS monthly reports that is also riskier. After bearish economic news hit the AUS economy in April, the RBA executed a drastic 50 BP rate cut in April. Then the European crisis and the slowdown of the Chinese economy had ripple effects on the AUS \$ in May prompting the RBA to cut rates another 25 BP in June. The RBA left rates unchanged in July, August, and September, then unexpectedly cut them 25 BP in October. In December, another 25 BP cut was instituted. There is no expectation of a rate cut this month, but with the RBA taking the month of January off, there will be more attention on this meeting. RBA Governor Stevens said further rate cuts may be an option in future months if required.

## **HIGH IMPACT REPORT ALERT: Week of 04 – 08 February Schedule:**

**This report is one of the riskier ones to trade. December saw an indecisive reaction prior to the OCO function logic and ATM strategy could place a stop loss on the chart. This resulted in a successful first test of the "Knife switch" built into v.3 of the software preventing additional undesired stop orders from executing.**

If you see a trend long or short in the 2–3 hrs before the report, the market is likely pricing in an expectation of a cut (if short move) or no change (if long move). If you see such precursors, beware of volatility right before the news release and the risks to using JOBB.

Look for 25–50 ticks on the spike, a possible slow developing 2nd peak for a few more ticks, and a longer slower reversal for 20–40 ticks.