

Wednesday, 2/27/13

Core Durable Goods Orders / Durable Goods Orders				CL 04-13
8:30 am Eastern / 5:30 am Pacific		Forecast: 0.3% / -4.8%		
Avg 1st Peak: 17 ticks (1-2 min after report)	Min: 6 ticks (AUG '12)		Max: 80 ticks (AUG '11)	
Avg 2nd Peak: 59 ticks (8-17 min after report)	Min: 23 ticks (APR '12)		Max: 86 ticks (FEB '12)	
Avg Reversal: 47 ticks (8-24 min after report)	Min: 12 ticks (APR '12)		Max: 113 ticks (OCT '11)	
Last 6 Reports:	2 : SPK/REV	3 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended Bracket Distance			5	

A smaller moving report of late that has the potential for a much larger 2nd peak. We have not seen a 1st peak more than 25 ticks since FEB, '12, even with the Fall of '11 averaging about 40 ticks. AUG '12 had a dull reaction after divergent reports on the core and actual offset. The 1st peak often takes more than 1 bar to hit its max. Reversal usually greatly exceeds the peak. Look for 12-25 ticks on the spike, 25-80 ticks on a potential 2nd peak, and 30-60 ticks on the reversal.

The big difference in the forecast between the core and regular readings is likely due to the hold on the new Boeing 787 orders.

Wednesday, 2/27/13

FED Chairman Bernanke Testifies				CL 04-13
10:00 am Eastern / 7:00 am Pacific		Forecast: n/a		
Avg 1st Peak: 30 ticks (2-6 min after report)	Min: 7 ticks (OCT '11)		Max: 71 ticks (JUL '11)	
Avg 2nd Peak: 148 ticks (4-40 min after report)	Min: 19 ticks (MAR '12)		Max: 415 ticks (JUL '11)	
Avg Reversal: 94 ticks (7-40 min after last Pk)	Min: 25 ticks (FEB '12)		Max: 161 ticks (MAR '12)	
Last 6 Reports:	1 : SPK/RVS	4 : 2ND PK	0 : DULL	1 : INDECISIVE
Recommended Bracket Distance			5-7	

FED Chair Bernanke is due to testify on the Semi-annual monetary policy report on day 2 before the House Financial Services Committee in Washington D.C. Has a potential to impact the markets depending on what is read, but most of the air has been let out of the balloon from earlier Tuesday. In a nutshell he said that the economy is still in bad shape, and strongly defended the asset buying programs in the face of heavy scrutiny. There may still be some fireworks in the Q&A though. Normally has a peak in the 2-6 min range after the start, and often develops into a FAN. Look for comments on Quantitative Easing, Operation Twist, and economic projections to drive the reaction. Dovish statements will cause the CL to rally; Hawkish statements will cause the CL to plummet.

Wednesday, 2/27/13

Crude Oil Inventory				CL 04-13
10:30 am Eastern / 7:30 am Pacific		Forecast: 2.4M		
Avg 1st Peak: 41 ticks (1-3 min after report)	Min: 13 ticks (3/28/12)		Max: 93 ticks (4/4/12)	
Avg 2nd Peak: 86 ticks (5-23 min after report)	Min: 25 ticks (10/11/12)		Max: 172 ticks (4/4/12)	
Avg Reversal: 67 ticks (17-44 min after Pk)	Min: 25 ticks (2/23/12)		Max: 181 ticks (7/12/12)	
Last 10 Reports:	4 : SPK/REV	3 : 2ND PK	0 : DULL	3 : INDECISIVE
Recommended BracketDistance setting:			10	

Trade with caution and ensure you understand the risk. Use a 10 tick buffer for this trade to avoid a premature fill in the wrong direction.

After a safe April – June timeframe for this report with only one indecisive report, 3 reports in late June and early July were losers, then the last 7 reports were safe and delivered a big yield. Then the last 3 weeks were indecisive again before we took a break for December. The January reports were volatile, but relatively safe, with small yields. **As we shift into the colder months, the distillate reading of the report holds more sway and presents a riskier trade for JOBB.** That is the nature of this report, though. Look for 30-50 ticks on the spike, and 40-60 ticks on the reversal. If the initial spike pops for only 15-20 ticks, get out there if possible, because a reversal is likely forthcoming. Does not routinely abide by the laws of supply and demand.

It is also a safe play to wait out the initial reaction to check the results and enter a manual trade 2-5 min after the report breaks. Paper trade this if you have not traded this report before.