

Wednesday, 3/20/13

****ROLL the CL over to the 05-13 contract****

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|-----------------------------------------------------------|---------------------------------|-----------------------|-------------------------------------|-----------------------|
| Crude Oil Inventory | | | RISK: 4 | CL 05-13 |
| 10:30 am Eastern / 7:30 am Pacific | | Forecast: 1.8M | | |
| Avg 1st Peak: 36 ticks (1-3 min after report) | Min: 13 ticks (3/28/12) | | Max: 93 ticks (4/4/12) | |
| Avg 2nd Peak: 83 ticks (5-23 min after report) | Min: 25 ticks (10/11/12) | | Max: 172 ticks (4/4/12) | |
| Avg Reversal: 64 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 | 15 Tick Stop |

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 and February reports were volatile, but relatively safe, with small yields. **As we are in 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.

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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.

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| FOMC Statement / Economic Projections | | RISK: 3 | CL 05-13 | |
| 2:00 pm Eastern / 11:00 am Pacific | | Forecast: n/a | | |
| Avg 1st Peak: 79 ticks (4–10 min after report) | Min: 14 ticks (MAR '12) | Max: 247 ticks (AUG '11) | | |
| Avg 2nd Peak: 137 ticks (14–53 min after report) | Min: 24 ticks (MAR '12) | Max: 310 ticks (AUG '11) | | |
| Avg Reversal: 105 ticks (44–72 min after report) | Min: 34 ticks (APR '12) | Max: 180 ticks (AUG '11) | | |
| Last 6 Reports: | 4 : SPK/REV | 1 : 2ND PK | 0 : DULL | 1 : INDECISIVE |

****DO NOT USE JOBB TO TRADE THIS REPORT****

2 of the meetings in the Spring of 2012 were indecisive as traders and economists were eager for intervention and hanging on every word when nothing actionable came out. The expectation for this meeting is for a continuation of the accommodative \$45B/month of QE3 and the Operation Twist policy, but commentary on an exit strategy or drawdown of the easing will cause a hawkish reaction. This report often breaks early or late but hardly ever on time making the use of JOBB unsafe. This report includes the projection for inflation and economic growth over the next 2 yrs, and a breakdown of individual FOMC member's interest rate forecasts. Keep an eye on the news, Bloomberg.com or the Marketwatch.com Breaking News ticker and watch for the announcement of the result as this is the reaction to the written statement and may be the catalyst of a FAN long or short driven by a

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large move on the Dollar index (DX). If you get in on the FAN, stay in for at least about 30 min and then keep an eye on the MACD and 13/20 SMAs for indications of the termination of the FAN usually by 60 min at the latest. If you see a large candle or series of 3–5 candles that yield 40 or more ticks, that is also a good spot to get out in the 30–60 min area. If you trade the reversal, wait to get in until the MACD crosses with angle, then go for about half as many ticks as the FAN maximum (if there is a pivot point or major SMA in the vicinity that is also a good place to exit).

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|-------------------------------------------------------------|--------------------------------|-----------------------|--------------------------------|-----------------------|
| CNY HSBC Flash Manufacturing PMI | | | RISK: 1 | 6A 06-13 |
| 8:45 pm Eastern / 5:45 pm Pacific | | Forecast: 51.2 | | |
| Avg 1st Peak: 18 ticks (1-3 min after report) | Min: 9 ticks (SEP '12) | | Max: 33 ticks (FEB '13) | |
| Avg 2nd Peak: 23 ticks (8-30 min after report) | Min: 15 ticks (JUN '12) | | Max: 28 ticks (AUG '12) | |
| Avg Reversal: 22 ticks (12-40 min after last Pk) | Min: 11 ticks (OCT '12) | | Max: 40 ticks (SEP '12) | |
| Last 6 Reports: | 3 : SPK/REV | 3 : 2ND PK | 0 : DULL | 0 : INDECISIVE |
| Recommended BracketDistance setting: | | | 3-4 | 8 Tick Stop |

A newer report for JOBB. This is a monthly early indicator of China manufacturing activity. Trade on the 6A since there is no index for CNY and the AUS economy is heavily correlated. This report has delivered a consistent 13–23 ticks on all except for 2 occasions when it was almost dull with 9 ticks, and last month gave 33 ticks. 3 of the last 6 reports have achieved a 2nd peak of 2–5 ticks more than the 1st peak. Look for 10–25 ticks on the reversal.