

HIGH IMPACT REPORT ALERT: Friday, 6/1/12

Monthly Unemployment rate / Non-Farm Employment Change				
8:30 am Eastern / 5:30 am Pacific		Forecast: 151K jobs / 8.1%		
Avg 1st Peak: 54 ticks (1 min after report)	Min: 35 ticks (MAY '12)		Max: 277 ticks (AUG '11)	
Avg 2nd Peak: 194 ticks (8-35 min after report)	Min: 106 ticks (FEB '12)		Max: 296 ticks (MAY '12)	
Avg Reversal: 91 ticks (12-42 min after report)	Min: 58 ticks (SEP '11)		Max: 222 ticks (AUG '11)	
Last 6 Reports:	3 : SPK/RTC	1 : 2ND PK	0 : DULL	2 : INDECISIVE

The last report was initially indecisive, with a drop in the rate and a small increase in jobs. When the reason for the drop in rate was digested as being very bearish, the market then fell precipitously. The ADP report on Thursday showed only 133K jobs were created. While there is little correlation between the BOLS report and the ADP report, this is still a bearish indicator. Remember the # of jobs created carries more weight here than the U-3 % of unemployed, but if the rate change offsets the job #s, it can cause initial indecision. The investors are also suspect of the Bureau of Labor Statistics (BLS) cooking the books. It is easier to fudge the rate than the # of jobs. There are also 4 less significant reports breaking at the same time. They should be overshadowed by this report, but if they are strongly different from the forecast, they will weigh in on the price action.

Look for 40-80 ticks on the spike, a possible 2nd peak north of 100 ticks, and a reversal of 60-90 ticks.

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ISM Manufacturing PMI				
10:00 am Eastern / 7:00 am Pacific		Forecast: 54.0		
Avg 1st Peak: 48 ticks (1-4 min after report)	Min: 9 ticks (APR '11)		Max: 83 ticks (OCT '11)	
Avg 2nd Peak: 131 ticks (14-35 min after report)	Min: 66 ticks (JUN '11)		Max: 201 ticks (AUG '11)	
Avg Reversal: 49 ticks (8-11 min after report)	Min: 23 ticks (DEC '11)		Max: 73 ticks (MAR '12)	
Last 6 Reports:	4 : SPK/RTC	0 : 2ND PK	1 : DULL	1 : INDECISIVE

A top tier report that almost always delivers a large reaction. Lately the peak has been on the :01 candle and the forecast deviations have been smaller. If the report deviates more than 3.0 from the forecast, look for a second peak around 14-16 minutes after the release of about 50% more ticks than the initial peak. Look for 20-50 ticks on the spike. The Reversal usually yields 30-60 ticks and is finished by 15 minutes after the last peak.