

HIGH IMPACT REPORT ALERT: Friday, 7/6/12

Monthly Unemployment rate / Non-Farm Employment Change				
8:30 am Eastern / 5:30 am Pacific		Forecast: +92K jobs / 8.2%		
Avg 1st Peak: 61 ticks (1 min after report)	Min: 35 ticks (MAY '12)		Max: 277 ticks (AUG '11)	
Avg 2nd Peak: 185 ticks (8-35 min after report)	Min: 106 ticks (FEB '12)		Max: 296 ticks (MAY '12)	
Avg Reversal: 95 ticks (12-42 min after report)	Min: 58 ticks (SEP '11)		Max: 222 ticks (AUG '11)	
Last 6 Reports:	2 : SPK/RTC	2 : 2ND PK	0 : DULL	2 : INDECISIVE

The last report was strongly negative, with a jump in the rate, a dismal increase of only 69K jobs, and a downward revision of 40K jobs to the May report. The market reacted accordingly and fell precipitously. The ADP report on Thursday showed a better than expected 176K jobs were created. While there is little correlation between the BOLS report and the ADP report, this is possibly a bullish indicator. On the other hand the 4 week moving average of initial unemployment claims is up to nearly 386K. 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. The only other report breaking at the same time is the CAN employment, but that plays second fiddle by far. Look for 40-80 ticks on the spike, a possible 2nd peak north of 100 ticks, and a reversal of 60-120 ticks.

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Natural Gas Storage (Yellow Report) (Use NG 08-12)				
10:30 am Eastern / 7:30 am Pacific		Forecast: +39B FT³		
Avg 1st Peak: 54 ticks (1-2 min after report)	Min: 19 ticks (4/19/12)		Max: 142 ticks (6/14/12)	
Avg 2nd Peak: 127 ticks (4-20 min after rpt)	Min: 55 ticks (5/17/12)		Max: 257 ticks (6/14/12)	
Avg Reversal: 52 ticks (6-19 min after Pk)	Min: 16 ticks (3/8/12)		Max: 98 ticks (4/12/12)	
Last 10 Reports:	4 : SPK/RTC	2 : 2ND PK	0 : DULL	4 : INDECISIVE

Trade with caution and ensure you understand the risk. Occasionally prone to opposite direction spike 1-2 sec before report is released. USE of JOBB is highly discouraged.

One day late due to the 4th of July. This is similar to the CL inventory, but it is prone to a decisive direction after the report release and about 15-25 ticks of slippage. Look for 40-60 ticks on the spike after, and a reversal that often exceeds the spike. If the offset is less than 20, trading the reversal is a safe proposition. If the results are matching or nearly matching, trap trading the breakouts is a good play.