

HIGH IMPACT REPORT ALERT: Tuesday, 7/17/12

Canadian BOC Rate Statement / Overnight Rate (Trade 6C 09-12)				
9:00 am Eastern / 6:00 am Pacific		Forecast: 1.00%		
Avg 1st Peak: 33 ticks (1 min after report)	Min: 16 ticks (JAN '12)	Max: 51 ticks (APR '12)		
Avg 2nd Pk/Fan: 87 ticks (9-67 min after report)	Min: 40 ticks (MAR '12)	Max: 181 ticks (OCT '11)		
Avg Reversal: 34 ticks (7-19 min after last Pk)	Min: 16 ticks (DEC '11)	Max: 54 ticks (OCT '11)		
Last 6 Reports:	1 : SPK/RTC	4 : 2ND PK	0 : DULL	1 : INDECISIVE

This is the Bank Of Canada's periodic adjustment of monetary policy. Expectations are for no change to the rate or big policy changes with easing as CAN employment was adequate a week ago, but European and US economies have had bearish economic news in the last few weeks. Look for 20-40 ticks on the spike, but if there is little change, it could be a yawner. Expect a 50% chance of a 2nd Peak with a wide range on the time frame. Reversal is normally achieved quickly after the last peak in 7-19 min.

Industrial Production (ORANGE REPORT)				
9:15 am Eastern / 6:15 am Pacific		Forecast: 0.4%		
Avg 1st Peak: 17 ticks (1-3 min after report)	Min: 5 ticks (MAY '12)	Max: 44 ticks (AUG '11)		
Avg 2nd Peak: 33 ticks (3-6 min after report)	Min: 19 ticks (MAR '12)	Max: 61 ticks (AUG '11)		
Avg Reversal: 26 ticks (5-21 min after report)	Min: 11 ticks (OCT '11)	Max: 67 ticks (AUG '11)		
Last 6 Reports:	1 : SPK/RTC	3 : 2ND PK	2 : DULL	0 : INDECISIVE

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One of the more impacting ORANGE reports. Usually good for 12–25 ticks in a gradual rise as opposed to a rapid spike in 1–3 min. Occasional second peak in the 3–6 min range. Reversal usually exceeds the peak for about 20–40 ticks.

FED Chairman Bernanke Testifies				
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:	2 : SPK/RTC	3 : 2ND PK	0 : DULL	1 : INDECISIVE

FED Chair Bernanke is due to testify on the Semi-annual monetary policy report before the Senate Banking Committee in Washington D.C.. Has a potential to impact the markets depending on what is read. Note that the Max stats in the chart above refer to this same report last year. This is not to say that it will perform in the same way, but the potential is there. Normally has a peak in the 2–6 min range after the start, and often develops into a FAN. In this case 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.