

HIGH IMPACT REPORT ALERT: Tuesday, 7/24/12

***I decided to remove FED Chairman Bernanke Speech at 8:45 AM EDT from the alert when the impact was downgraded on Forex Factory from "RED" to "ORANGE", and due to the benign topic "early childhood education".**

AUS Quarterly CPI (Use 6A 09-12)				
9:30 pm Eastern / 6:30 pm Pacific		Forecast: 0.6%		
Avg 1st Peak: 58 ticks (2-6 min after report)	Min: 12 ticks (JAN '12)		Max: 103 ticks (JUL '11)	
Avg 2nd Pk/Fan: 72 ticks (11-65 min after report)	Min: 44 ticks (JAN '12)		Max: 124 ticks (JUL '11)	
Avg Reversal: 35 ticks (80-100 min after report)	Min: 29 ticks (OCT '11)		Max: 42 ticks (APR '12)	
Last 6 Reports:	2 : SPK/RTC	2 : 2ND PK	1 : FAN	1 : INDECISIVE

The most impacting AUS report based on average tick yield. Due to the unique quarterly reporting frequency where most countries report monthly, this report has much bigger impact, similar to water behind a dam as it is released. Even if the report matches the forecast, it will still deliver a reliable spike (OCT '11). The only situation that is a recipe for a bad report is a reading of 0.0% (JAN '12). This caused the indecisive reaction even with a forecast of 0.2%. 0% CPI brings out the jitters in the market as it is the borderline between deflation and inflation. With a forecast as high as 0.6%, the risk of a 0% reading is very low. With PPI coming in above expectations on Sunday at 0.5%, I would expect a positive reading. Look for at least 35-50 ticks, with a potential for much more. The initial spike usually takes up to 4-5 minutes to hit its peak. Good chance of a second peak in the 11 minute area with the potential to be far later for about 15-25 more ticks. The Reversal is very long and slow developing...I would not advise trading it unless you have the patience and discipline to ride it out.