

HIGH IMPACT REPORT ALERT: Friday, 7/27/12

Advance GDP				
8:30 am Eastern / 5:30 am Pacific		Forecast: 1.5%		
Avg 1st Peak: 31 ticks (1 min after report)	Min: 11 ticks (APR '11)		Max: 51 ticks (JUL '11)	
Avg 2nd Pk/FAN: 96 tics (31-46 min after report)	Min: 27 ticks (APR '12)		Max: 178 ticks (JUL '11)	
Avg Reversal: 87 ticks (38-45 min after last Pk)	Min: 38 ticks (APR '12)		Max: 113 ticks (OCT '11)	
Last 5 Reports:	0 : SPK/RTC	1 : 2ND PK	3 : FAN	1 : INDECISIVE

A rare extremely high impact report to trade that only comes 4 times a year. Due to the infrequent reporting and the gravity of the result, the influence is absorbed by the market over a long period. This report typically delivers a moderate spike 20-50 ticks on the :31 bar, then will continue into a FAN in the same direction for about 45 min. This is safe to just ride the wave. Take a look at the previous reports to evaluate the reaction. APR, '11 was indecisive with a 0.1% miss on the :31 candle, but allowed for a secondary entry. Every other report since has delivered a big yield.

Keep an eye on the DX index along with the other indicators if you are staying in the trade for the long term. Remember the DX is inversely connected to the CL and a reversal in the DX will signal a change of direction in the CL.