

**Wednesday, 8/1/12**

ISM Manufacturing PMI				
<b>10:00 am Eastern / 7:00 am Pacific</b>			<b>Forecast: 50.3</b>	
<b>Avg 1st Peak: 47 ticks (1-4 min after report)</b>	<b>Min: 9 ticks (APR '11)</b>		<b>Max: 83 ticks (OCT '11)</b>	
<b>Avg 2nd Peak: 131 ticks (14-35 min after report)</b>	<b>Min: 66 ticks (JUN '11)</b>		<b>Max: 201 ticks (AUG '11)</b>	
<b>Avg Reversal: 46 ticks (8-11 min after report)</b>	<b>Min: 22 ticks (JUL '12)</b>		<b>Max: 73 ticks (MAR '12)</b>	
<b>Last 6 Reports:</b>	<b>4 : SPK/RVS</b>	<b>0 : 2ND PK</b>	<b>1 : DULL</b>	<b>1 : INDECISIVE</b>

A top tier report that almost always delivers a large reaction. The forecast of 50.3 marks the second month of the lowest forecasts since last Fall, and a reading of less than 50 signals contraction. The last months reading came in at 49.7, but did not cause the expected shock factor. If it comes in less than 49, it should bring in the bears for a good dip. Lately the peak has been on the :01 bar 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.

Crude Oil Inventory				
<b>11:00 am Eastern / 8:00 am Pacific</b>			<b>Forecast: -1.6M</b>	
<b>Avg 1st Peak: 38 ticks (1-3 min after report)</b>	<b>Min: 13 ticks (3/28/12)</b>		<b>Max: 93 ticks (4/4/12)</b>	
<b>Avg 2nd Peak: 79 ticks (5-23 min after report)</b>	<b>Min: 26 ticks (5/2/12)</b>		<b>Max: 172 ticks (4/4/12)</b>	
<b>Avg Reversal: 61 ticks (17-44 min after Pk)</b>	<b>Min: 25 ticks (2/23/12)</b>		<b>Max: 181 ticks (7/12/12)</b>	
<b>Last 10 Reports:</b>	<b>2 : SPK/RVS</b>	<b>5 : 2ND PK</b>	<b>0 : DULL</b>	<b>3 : INDECISIVE</b>

**Trade with caution and ensure you understand the risk. Use a 10 tick buffer for this trade to avoid a premature fill in the wrong direction.**

## Wednesday, 8/1/12

After a safe April - June timeframe for this report with only one indecisive report, 3 out of the last 5 reports have been losers. That is the nature of this report, though. Look for 30-50 ticks on the spike, and 40-60 ticks on the reversal. If the initial spike pops for only 15-20 ticks, get out there if possible, because a reversal is likely forthcoming. Does not routinely abide by the laws of supply and demand.

It is also a safe play to wait out the initial reaction to check the results and enter a manual trade 2-5 min after the report breaks. Paper trade this if you have not traded this report before.

FOMC Statement				
<b>12:30 pm Eastern / 9:30 am Pacific</b>		<b>Forecast: n/a</b>		
<b>Avg 1st Peak: 79 ticks (4-10 min after report)</b>	<b>Min: 14 ticks (MAR '12)</b>		<b>Max: 247 ticks (AUG '11)</b>	
<b>Avg 2nd Peak: 137 ticks (14-53 min after report)</b>	<b>Min: 24 ticks (MAR '12)</b>		<b>Max: 310 ticks (AUG '11)</b>	
<b>Avg Reversal: 98 ticks (44-72 min after report)</b>	<b>Min: 34 ticks (APR '12)</b>		<b>Max: 180 ticks (AUG '11)</b>	
<b>Last 6 Reports:</b>	<b>2 : FAN</b>	<b>2 : 2ND PK</b>	<b>0 : DULL</b>	<b>2 : INDECISIVE</b>

### **\*\*DO NOT USE JOBB TO TRADE THIS REPORT\*\***

2 of the last 3 meetings have been indecisive as traders and economists are eager for intervention and hanging on every word when nothing actionable comes out. The expectation for this meeting is a small easing step in the form of an expansion of Operation Twist, or small amount of Quantitative Easing (QE). This report often breaks early or late but hardly ever on time. Keep an eye on the news, Bloomberg.com or the Marketwatch.com Breaking News ticker and watch for the announcement of the result as this is the reaction to the written statement and will likely be the catalyst of a FAN long or short driven by the Dollar index (DX). If you get in on the FAN, stay in for at least about 30 min and then keep an eye on the MACD and 13/20 SMAs for indications of the termination of the FAN usually by 60 min at the latest. If you see a large candle or series of 3-5 candles that yield 40 or more ticks, that is also a good

## Wednesday, 8/1/12

spot to get out in the 30-60 min area. If you trade the reversal, wait to get in until the MACD crosses with angle, then go for about half as many ticks as the FAN maximum (if there is a pivot point or major SMA in the vicinity that is also a good place to exit).

<b>AUS Retail Sales (Use 6A 09-12)</b>				
<b>9:30 pm Eastern / 6:30 pm Pacific</b>		<b>Forecast: 0.6%</b>		
<b>Avg 1st Peak: 27 ticks (1-4 min after report)</b>	<b>Min: 8 ticks (APR '12)</b>		<b>Max: 53 ticks (AUG '11)</b>	
<b>Avg 2nd Peak: 47 ticks (12-26 min after report)</b>	<b>Min: 35 ticks (DEC '11)</b>		<b>Max: 62 ticks (AUG '11)</b>	
<b>Avg Reversal: 25 ticks (16-21 min after report)</b>	<b>Min: 13 ticks (APR '12)</b>		<b>Max: 53 ticks (OCT '11)</b>	
<b>Last 6 Reports:</b>	<b>4 : SPK/RVS</b>	<b>0 : 2ND PK</b>	<b>2 : DULL</b>	<b>0 : INDECISIVE</b>

Medium Mover report that is consistent. Look for 20-35 ticks on the first peak which can happen after the :01 candle. Occasionally (3 out of last 12 reports) has a second peak for only about 10-20% more ticks than the first peak around 12-26 minutes after the report release. Reversal usually yields 15-30 ticks in 16-21 minutes after the release; however if there is a second peak, look for the reversal to take 35-55 minutes.

\* AUS Trade Balance will break at the same time. This is less influential, but it can cause indecision and volatility if it caused the opposite reaction as the retail sales. For this reason, I would close out faster if you have a profit, and move your stop loss up to break even after the initial move just to be safe.