

HIGH IMPACT REPORT ALERT: Friday, 8/3/12

Monthly Unemployment rate / Non-Farm Employment Change				
8:30 am Eastern / 5:30 am Pacific		Forecast: +101K jobs / 8.2%		
Avg 1st Peak: 60 ticks (1 min after report)	Min: 35 ticks (MAY '12)		Max: 277 ticks (AUG '11)	
Avg 2nd Peak: 180 ticks (8-35 min after report)	Min: 106 ticks (FEB '12)		Max: 296 ticks (MAY '12)	
Avg Reversal: 94 ticks (12-42 min after report)	Min: 58 ticks (SEP '11)		Max: 222 ticks (AUG '11)	
Last 6 Reports:	1 : SPK/RTC	3 : 2ND PK	0 : DULL	2 : INDECISIVE

The last 3 reports were strongly negative, with an uptick in the rate, a dismal increase of only ~70K jobs each month, and downward revisions of the previous reports. In June and July, the market reacted accordingly and fell precipitously. The ADP report on Wednesday showed a better than expected 163K jobs were created. While there is little correlation between the BOLS report and the ADP report, this is possibly a bullish indicator. 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. Look for 40-80 ticks on the spike, a possible 2nd peak north of 100 ticks, and a reversal of 60-120 ticks.

ISM Non-Manufacturing PMI				
10:00 am Eastern / 7:00 am Pacific		Forecast: 52.1		
Avg 1st Peak: 27 ticks (1-3 min after report)	Min: 15 ticks (DEC '11)		Max: 41 ticks (MAY '12)	
Avg 2nd Peak: 48 ticks (8-16 min after report)	Min: 34 ticks (DEC '11)		Max: 62 ticks (MAY '12)	
Avg Reversal: 37 ticks (8-31 min after report)	Min: 20 ticks (APR '12)		Max: 72 ticks (JUL '12)	
Last 6 Reports:	2 : SPK/RTC	4 : 2ND PK	0 : DULL	0 : INDECISIVE

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Another medium mover with about half the typical yield of the Manufacturing PMI. It will seek a 2nd peak about half of the time. The 1st peak often takes more than 1 candle to hit its max. Reversal usually exceeds the peak. Look for 20-40 ticks on the spike and 20-40 ticks on the reversal.