

HIGH IMPACT REPORT ALERT: Week of 6-10 August Schedule:

Moderate activity dominated by foreign reports and FED Chair speeches...

Monday: FED Chair Speech - 9:00 AM EDT

AUS Cash Rate / RBA Rate Statement - 12:30 AM EDT

Tuesday: FED Chair Speech - 2:30 PM EDT

Wednesday: Crude Oil Inventories - 10:30 AM EDT

AUS Employment Change - 9:30 PM EDT

Thursday: Natural Gas Storage - 10:30 AM EDT

AUS Monetary Policy Statement - 9:30 PM EDT

Friday: CAN Employment Change - 8:30 AM EDT

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Monday, 8/6/12

FED Chair Bernanke Speech				
9:00 am Eastern / 6:00 am Pacific			Forecast: n/a	
Avg 1st Peak: 20 ticks (1 -4 min after report)	Min: 7 ticks (FEB '12)		Max: 31 ticks (NOV '11)	
Avg 2nd Peak: 61 ticks (1 -4 min after report)	Min: 36 ticks (SEP '11)		Max: 81 ticks (NOV '11)	
Avg Reversal: 31 ticks (7-21 min after report)	Min: 18 ticks (FEB '12)		Max: 52 ticks (NOV '11)	
Last 6 Reports:	2 : SPK/RTC	3 : 2ND PK	1 : DULL	0 : INDECISIVE

FED Chair Bernanke is due to deliver a speech about the need for personal financial education in the wake of the recent financial crisis, in Washington DC. Audience questions are expected. This will either be a dull reaction (1 of the last 6 cases) or give you about 15-30 ticks depending upon what he says and the way investors perceive it (5 of the last 6 cases). We have had a lot of attention on the FED lately culminating in the FOMC meeting last week, and seen them reluctant to add any new stimulus of any kind. On the other hand it is breaking at the same time the oil pit opens, and is subject to the unpredictable Q & A...BE CAREFUL!

AUS Cash Rate / RBA Rate Statement (Use 6A 09-12)				
12:30 am Eastern / 9:30 pm Pacific			Forecast: 3.50%	
Avg 1st Peak: 43 ticks (2-6 min after report)	Min: 10 ticks (MAR '12)		Max: 107 ticks (FEB '12)	
Avg 2nd Pk/Fan: 67 ticks (8-14 min after report)	Min: 51 ticks (DEC '11)		Max: 107 ticks (MAY '12)	
Avg Reversal: 36 ticks (9-35 min after report)	Min: 20 ticks (AUG '11)		Max: 72 ticks (APR '12)	
Last 6 Reports:	4 : SPK/RTC	2 : 2ND PK	0 : DULL	0 : INDECISIVE

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One of the major AUS monthly reports. After bearish economic news hit the AUS economy in April, the RBA executed a drastic 50 BP rate cut in April. Then the European crisis and the slowdown of the Chinese economy had ripple effects on the AUS \$ in May prompting the RBA to cut rates another 25 BP in June. The RBA left rates unchanged in July. RBA Governor Stevens said further rate cuts may be an option in future months if required. With inflation low and plenty of room to cut, another rate cut is possible, but the less likely scenario. The more likely play is to leave rates unchanged and allow the 75 BP total big cut in the last 3 months to continue to play out. Still, there are 2 possible outcomes: No change, or a 25 BP rate cut. This time a cut would be a big surprise and the status quo is much more likely.

If you see a trend long or short in the 2-3 hrs before the report, the market is likely pricing in an expectation of a cut (if short move) or no change (if long move). If you see such precursors, beware of volatility right before the news release and the risks to using JOBB.

Look for 25-50 ticks on the spike, a possible slow developing 2nd peak for a few more ticks, and a longer slower reversal for 20-40 ticks.