

HIGH IMPACT REPORT ALERT: Wednesday, 8/29/12

Prelim GDP				
8:30 am Eastern / 5:30 am Pacific			Forecast: 1.7%	
Avg 1st Peak: 24 ticks (1-2 min after report)	Min: 10 ticks (MAY '12)		Max: 35 ticks (MAY '11)	
Avg 2nd Peak: 52.5 ticks (12-17 min after report)	Min: 50 ticks (MAY '12)		Max: 55 ticks (NOV '11)	
Avg Reversal: 43 ticks (30-46 min after report)	Min: 30 ticks (NOV '11)		Max: 70 ticks (MAY '11)	
Last 5 Reports:	2 : SPK/RTC	2 : 2ND PK	0 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:			5-7	

A medium impact quarterly report that serves as the 2nd reading of GDP 1 month after the Advance reading. The Advance reading has more impact, but the Prelim reading still offers a sizeable punch due to the addition of data used to refine the GDP reading, and the broad measure of the GDP. Since it is a quarterly report, I only have 5 archived reports to analyze. We had one indecisive report 12 months ago, but the other 4 reports were safe. I would give it a 50% chance of seeking a 2nd peak. Look for 20-35 ticks on the 1st peak, 50 ticks on a potential 2nd peak, and 30-40 ticks on the reversal.

Crude Oil Inventory				
10:30 am Eastern / 7:30 am Pacific			Forecast: 0.1M	
Avg 1st Peak: 41 ticks (1-3 min after report)	Min: 13 ticks (3/28/12)		Max: 93 ticks (4/4/12)	
Avg 2nd Peak: 86 ticks (5-23 min after report)	Min: 26 ticks (5/2/12)		Max: 172 ticks (4/4/12)	
Avg Reversal: 62 ticks (17-44 min after Pk)	Min: 25 ticks (2/23/12)		Max: 181 ticks (7/12/12)	
Last 10 Reports:	3 : SPK/RVS	4 : 2ND PK	0 : DULL	3 : INDECISIVE
Recommended BracketDistance setting:			10	

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.

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After a safe April - June timeframe for this report with only one indecisive report, 3 reports in late June and July were losers, then the last 5 reports were safe and delivered a big yield. 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.

Beige Book (ORANGE REPORT)				
2:00 pm Eastern / 11:00 am Pacific			Forecast: n/a	
Avg 1st Peak: 31 ticks (2-9 min after report)		Min: 11 ticks (JAN '12)		Max: 57 ticks (OCT '11)
Avg 2nd Peak: 89 ticks (24-42 min after report)		Min: 32 ticks (APR '12)		Max: 223 ticks (OCT '11)
Avg Reversal: 36 ticks (6-30 min after last Pk)		Min: 23 ticks (JAN '12)		Max: 48 ticks (SEP '11)
Last 6 Reports:	2 : SPK/RTC	3 : 2ND PK	0 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:			5-7	

A very influential Orange report to trade. This is the only publicly shared economic anecdotal data that the FED uses to make policy decisions. It is usually prone to a slower and longer developing reaction since it breaks later in the day after all other news is released. Look for 20 - 45 ticks on the initial spike in 2-9 minutes, 30-100 ticks on a likely 2nd peak, and 20-45 ticks on the reversal. A 2nd peak is more than likely for several more ticks with a variable time frame. Then the reversal will come at the end for about 30 - 40 ticks. The entire report including the reversal can take as little as 30 min or as much as 90 min to pan out.