

HIGH IMPACT REPORT ALERT: Friday, 10/5/12

Monthly Unemployment rate / Non-Farm Employment Change				
8:30 am Eastern / 5:30 am Pacific			Forecast: +114K jobs / 8.2%	
Avg 1st Peak: 59 ticks (1 min after report)		Min: 35 ticks (MAY '12)		Max: 277 ticks (AUG '11)
Avg 2nd Peak: 182 ticks (8-35 min after report)		Min: 106 ticks (FEB '12)		Max: 296 ticks (MAY '12)
Avg Reversal: 107 ticks (12-42 min after report)		Min: 44 ticks (AUG '12)		Max: 265 ticks (SEP '12)
Last 6 Reports:	0 : SPK/RVS	4 : 2ND PK	0 : DULL	2 : INDECISIVE
Recommended BracketDistance setting:			7-10	

We have had only 1 positive report (2 months ago) since March. May-July 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 slightly better than expected 162K 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 is divergent to the job #s, it can cause initial indecision. The investors are also suspect of the Bureau of Labor Statistics (BLS) cooking the books as the drop in the rate has been tied to people leaving the labor force. 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.