

## HIGH IMPACT REPORT ALERT: Tuesday, 10/23/12

Canadian BOC Rate Statement / Overnight Rate (Trade 6C 12-12)				
9:00 am Eastern / 6:00 am Pacific			Forecast: 1.00%	
Avg 1st Peak: 28 ticks (1 min after report)	Min: 11 ticks (JUL '12)		Max: 51 ticks (APR '12)	
Avg 2nd Pk/Fan: 75 ticks (9-67 min after report)	Min: 15 ticks (JUL '12)		Max: 181 ticks (OCT '11)	
Avg Reversal: 34 ticks (7-19 min after last Pk)	Min: 16 ticks (DEC '11)		Max: 54 ticks (OCT '11)	
Last 6 Reports:	2 : SPK/RTC	3 : 2ND PK	0 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:			7	

This is the Bank Of Canada's periodic adjustment of monetary policy. Expectations are for no change to the rate or big policy changes with easing. Look for 15-35 ticks on the spike, but if there is little change, it could be a yawner. Expect a 50% chance of a 2nd Peak with a wide range on the time frame. Reversal is normally achieved quickly after the last peak in 7-19 min for 20-50 ticks.

AUS Quarterly CPI (Use 6A 12-12)				
9:30 pm Eastern / 6:30 pm Pacific			Forecast: 0.9%	
Avg 1st Peak: 53 ticks (2-6 min after report)	Min: 12 ticks (JAN '12)		Max: 103 ticks (JUL '11)	
Avg 2nd Pk/Fan: 72 ticks (11-65 min after report)	Min: 44 ticks (JAN '12)		Max: 124 ticks (JUL '11)	
Avg Reversal: 34 ticks (80-100 min after report)	Min: 26 ticks (JUL '12)		Max: 42 ticks (APR '12)	
Last 6 Reports:	2 : SPK/RTC	2 : 2ND PK	1 : FAN	1 : INDECISIVE
Recommended BracketDistance setting:			7	

The most impacting AUS report based on average tick yield. Due to the unique quarterly reporting frequency where most countries report monthly, this report has much bigger impact, similar to water behind a dam as it is released. Even if the report matches the

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forecast, it will still deliver a reliable spike (OCT '11). The only situation that is a recipe for a bad report is a reading of 0.0% (JAN '12). This caused the indecisive reaction even with a forecast of 0.2%. 0% CPI brings out the jitters in the market as it is the borderline between deflation and inflation. With a forecast as high as 0.9%, the risk of a 0% reading is very low. Look for at least 35-50 ticks on the spike, with a potential for much more. The initial spike usually takes up to 4-5 minutes to hit its peak. Good chance of a second peak in the 11 minute area with the potential to be far later for about 15-25 more ticks. The Reversal is very long and slow developing...I would not advise trading it unless you have the patience and discipline to ride it out.