

## **Week of 05 - 09 November Schedule:**

### **Busy week with many different reports on all fronts.**

Monday: ISM Non-Manufacturing PMI - 10:00 AM EST  
AUS Cash Rate / RBA Rate Statement - 10:30 PM EST

Tuesday: Nothing

Wednesday: Crude Oil Inventories - 10:30 AM EST  
10-y Bond Auction - 1:00 PM EST  
AUS Employment Change - 7:30 PM EST

Thursday: EUR Minimum Bid Rate - 7:45 AM EST  
Natural Gas Storage - 10:30 AM EST  
30-y Bond Auction - 1:00 PM EST  
AUS RBA Monetary Policy Statement - 7:30 PM EST

Friday: Nothing

### Notes:

1. Daylight Savings time shift occurs over the weekend. This will not affect release times of the US reports, but will make the AUS reports break 1 hr earlier.
2. AUS Retail Sales and Trade Balance will release on Sunday, 04 NOV and are discouraged from trading.
3. Be careful trading on Tuesday as any preliminary report on the election will cause volatility.
4. We will not trade the Unemployment claims this week as Trade Balance, and the ECB Press Conference will be released at the same time.

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ISM Non-Manufacturing PMI				
<b>10:00 am Eastern / 7:00 am Pacific</b>			<b>Forecast: 54.6</b>	
<b>Avg 1st Peak: 28 ticks (1-3 min after report)</b>	<b>Min: 12 ticks (SEP '12)</b>		<b>Max: 67 ticks (AUG '12)</b>	
<b>Avg 2nd Peak: 48 ticks (8-16 min after report)</b>	<b>Min: 25 ticks (SEP '12)</b>		<b>Max: 72 ticks (AUG '12)</b>	
<b>Avg Reversal: 41 ticks (8-31 min after report)</b>	<b>Min: 20 ticks (APR '12)</b>		<b>Max: 103 ticks (OCT '12)</b>	
<b>Last 6 Reports:</b>	<b>1 : SPK/REV</b>	<b>5 : 2ND PK</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>			<b>5-7</b>	

Another medium mover with about half the typical yield of the Manufacturing PMI that is very safe, having never had a dull or indecisive occurrence in the last year. It will seek a 2nd peak more often than not. 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, 30-50 ticks on the 2nd peak, and 20-40 ticks on the reversal.

AUS Cash Rate / RBA Rate Statement (Use 6A 12-12)				
<b>10:30 pm Eastern / 7:30 pm Pacific</b>			<b>Forecast: 3.00% (25 BP cut)</b>	
<b>Avg 1st Peak: 41 ticks (1-2 min after report)</b>	<b>Min: 10 ticks (MAR '12)</b>		<b>Max: 107 ticks (FEB '12)</b>	
<b>Avg 2nd Pk/Fan: 65 ticks (8-14 min after report)</b>	<b>Min: 50 ticks (SEP '12)</b>		<b>Max: 107 ticks (MAY '12)</b>	
<b>Avg Reversal: 33 ticks (9-35 min after report)</b>	<b>Min: 20 ticks (AUG '11)</b>		<b>Max: 72 ticks (APR '12)</b>	
<b>Last 6 Reports:</b>	<b>2 : SPK/REV</b>	<b>4 : 2ND PK</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>			<b>7-10</b>	

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

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to cut rates another 25 BP in June. The RBA left rates unchanged in July, August, and September, then unexpectedly cut them 25 BP in October. 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 25 BP rate cut is expected this time.** This is the most likely outcome. Still, as history has shown there are 2 possible other outcomes: No change, or a 50 BP rate cut. The 50 BP rate cut is highly unlikely, but the no change scenario does have a small chance of happening.

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.