

HIGH IMPACT REPORT ALERT: Week of 3 - 7 December Schedule:

Busy week with Central Bank news and typical end of the month heavy hitters.

Monday: ISM Manufacturing PMI - 10:00 AM EST

AUS RBA Rate Statement - 10:30 PM EST

Tuesday: CAN BOC Rate Statement - 9:00 AM EST

AUS GDP - 7:30 PM EST

Wednesday: ISM Non-Manufacturing PMI - 10:00 AM EST

Crude Oil Inventories - 10:30 AM EST

AUS Employment Change - 7:30 PM EST

Thursday: EUR ECB Minimum Bid Rate - 7:45 AM EST

Unemployment Claims - 8:30 AM EST

Natural Gas Storage - 10:30 AM EST

AUS Trade Balance - 7:30 PM EST

Friday: Non-Farm Employment Change - 8:30 AM EST

Notes:

1. Factory Orders will be released at the same time as ISM Non-Manufacturing PMI on Wednesday morning. This happens about 30% of the time and does not disqualify the trade as there is significant overlap in the reports and they are usually concurrent.
2. We now include the index to trade on the upper right corner of each report.
3. For the Non-Farm Employment report on Friday, we will include data tables for the ZB and the TF as alternatives to the CL.

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Monday, 12/3/12

ISM Manufacturing PMI				CL 01-13
10:00 am Eastern / 7:00 am Pacific		Forecast: 51.5		
Avg 1st Peak: 40 ticks (1-4 min after report)	Min: 7 ticks (AUG '12)		Max: 83 ticks (OCT '11)	
Avg 2nd Peak: 103 ticks (14-35 min after report)	Min: 66 ticks (JUN '11)		Max: 201 ticks (AUG '11)	
Avg Reversal: 46 ticks (8-15 min after last peak)	Min: 22 ticks (JUL '12)		Max: 73 ticks (MAR '12)	
Last 6 Reports:	2 : SPK/RVS	2 : 2ND PK	1 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:			7-10	

A top tier report that usually delivers a large reaction. The forecast of 51.5 is in line with two months of improvement above 50 after a dismal summer with readings in the 49.5 - 50 range. If it comes in less than 50, it should bring in the bears for a good dip, but if it comes in close to the forecast, look for a small 1st peak, but likely bigger 2nd peak as the bad news is absorbed by the market. If it comes in greater than 52.5, look for a good long move. Lately the peak has been on the :01 bar and the forecast deviations have been smaller. Look for 20-50 ticks on the spike and 50-120 ticks on a potential 2nd peak. The Reversal usually yields 30-60 ticks and is finished by 15 minutes after the last peak.

AUS Cash Rate / RBA Rate Statement				6A 12-12
10:30 pm Eastern / 7:30 pm Pacific		Forecast: 3.00% (25 BP cut)		
Avg 1st Peak: 43 ticks (1-2 min after report)	Min: 10 ticks (MAR '12)		Max: 107 ticks (FEB '12)	
Avg 2nd Pk/Fan: 65 ticks (8-14 min after report)	Min: 50 ticks (SEP '12)		Max: 107 ticks (MAY '12)	
Avg Reversal: 34 ticks (9-35 min after report)	Min: 20 ticks (AUG '11)		Max: 72 ticks (APR '12)	
Last 6 Reports:	3 : SPK/REV	3 : 2ND PK	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			7-10	

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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, August, and September, then unexpectedly cut them 25 BP in October. Last month, another 25 BP cut was expected, but the RBA gave everyone a head fake and left rates unchanged. 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 good chance of happening based on the history of the RBA.

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.