

HIGH IMPACT REPORT ALERT: Wednesday, 12/5/12

| ISM Non-Manufacturing PMI | | | | CL 01-13 | |
|---|--------------------|--------------------------------|-----------------------|---------------------------------|--|
| 10:00 am Eastern / 7:00 am Pacific | | | Forecast: 53.6 | | |
| Avg 1st Peak: 26 ticks (1-3 min after report) | | Min: 12 ticks (SEP '12) | | Max: 67 ticks (AUG '12) | |
| Avg 2nd Peak: 48 ticks (8-16 min after report) | | Min: 25 ticks (SEP '12) | | Max: 72 ticks (AUG '12) | |
| Avg Reversal: 40 ticks (8-31 min after report) | | Min: 20 ticks (APR '12) | | Max: 103 ticks (OCT '12) | |
| Last 6 Reports: | 1 : SPK/REV | 4 : 2ND PK | 1 : DULL | 0 : INDECISIVE | |
| Recommended BracketDistance setting: | | | 5-7 | | |

Another medium mover with about half the typical yield of the Manufacturing PMI that is very safe, having only had 1 dull occurrence in the last year. Factory Orders will be released at the same time, but there is much overlap in the two reports anyway so they should be concurrent. 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.

| Crude Oil Inventory | | | | CL 01-13 | |
|---|--------------------|---------------------------------|------------------------|---------------------------------|--|
| 10:30 am Eastern / 7:30 am Pacific | | | Forecast: -0.4M | | |
| 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: 25 ticks (10/11/12) | | Max: 172 ticks (4/4/12) | |
| Avg Reversal: 67 ticks (17-44 min after Pk) | | Min: 25 ticks (2/23/12) | | Max: 181 ticks (7/12/12) | |
| Last 10 Reports: | 4 : SPK/REV | 3 : 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 early July were losers, then the last 7 reports were safe and delivered a big yield. Then the last 3 weeks were indecisive again. **As we shift into the colder months, the distillate reading of the report holds more sway and presents a riskier trade for JOBB.** 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.

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|---|--------------------|--------------------------------|------------------------------|--------------------------------|--|
| AUS Employment Change / Unemployment Rate | | | | 6A 12-12 | |
| 7:30 pm Eastern / 4:30 pm Pacific | | | Forecast: 0.2K / 5.5% | | |
| Avg 1st Peak: 45 ticks (1 min after report) | | Min: 13 ticks (SEP '12) | | Max: 84 ticks (OCT '11) | |
| Avg 2nd Peak: 51 ticks (26-50 min after report) | | Min: 36 ticks (AUG '12) | | Max: 73 ticks (JUN '12) | |
| Avg Reversal: 33 ticks (15-30 min after last Pk) | | Min: 20 ticks (SEP '11) | | Max: 49 ticks (SEP '12) | |
| Last 6 Reports: | 0 : SPK/RTC | 5 : 2ND PK | 0 : DULL | 1 : INDECISIVE | |
| Recommended BracketDistance setting: | | | 7-10 | | |

Very consistent spike of 25-50 ticks on the 1st bar, then typical 30 tick reversal over 15-30 min in most cases in the last year. This report used to be a solid spike/reverse mold, but 5 of the last 6 reports have yielded 2nd peaks of 35-60 ticks. Since that is the case, be careful trading the reversal. It is better to wait for a trade against the grain and miss it, then go in too early and find yourself eating a loss. The 25-30 min area after the report is a good area to evaluate an entry for the reversal. This is the biggest monthly mover of the AUS reports.