

HIGH IMPACT REPORT ALERT:

Monday, 4/1/13

ISM Manufacturing PMI		RISK: 2	CL 05-13	
10:00 am Eastern / 7:00 am Pacific		Forecast: 54.2		
Avg 1st Peak: 38 ticks (1-4 min after report)	Min: 7 ticks (AUG '12)	Max: 83 ticks (OCT '11)		
Avg 2nd Peak: 101 ticks (14-70 min after report)	Min: 33 ticks (NOV '12)	Max: 201 ticks (AUG '11)		
Avg Reversal: 48 ticks (8-15 min after last peak)	Min: 22 ticks (JUL '12)	Max: 84 ticks (FEB '13)		
Last 6 Reports:	1 : SPK/REV	5 : 2ND PK	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:		5	10 Tick Stop	

Volume and price action will be lower due to European markets on holiday, so consider the risk of extra slippage and manipulation. A top tier report that usually delivers a large reaction, but lately is more drawn out. The forecast of 54.2 is an improvement consistent with last month and significantly better than the tight range it has held between 49.5 and 51.7 for the last 7 months. If it comes in less than 52, 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 news is absorbed by the market. If it comes in greater than 55.0, look for a good long move. Lately the peak has been after 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.

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AUS Cash Rate / RBA Rate Statement		RISK: 4	6A 06-13	
11:30 pm Eastern / 8:30 pm Pacific		Forecast: 3.00% (no change)		
Avg 1st Peak: 41 ticks (1-2 min after report)	Min: 10 ticks (MAR '12)	Max: 107 ticks (FEB '12)		
Avg 2nd Pk/Fan: 61 ticks (8-14 min after report)	Min: 50 ticks (SEP '12)	Max: 107 ticks (MAY '12)		
Avg Reversal: 36 ticks (9-35 min after report)	Min: 20 ticks (AUG '11)	Max: 75 ticks (FEB '13)		
Last 6 Reports:	3 : SPK/REV	2 : 2ND PK	0 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:		7	15 Tick Stop	

Parameters	
AtmStrategy	stop 1
BracketDistance	7
Entry CancelledIfGapp	False
Entry Slippage Ticks	5
Entry StopLimit Orders	True
Entry Time	22:29:57

Based on the potential for high slippage, I am recommending the stop limit orders with the settings to the left with software V.4.

One of the major AUS monthly reports that is also riskier. After bearish economic news hit the AUS economy in April last year, the RBA executed a drastic 50 BP rate cut. 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. In December, another 25 BP cut was instituted making the total rate cut 125 BP in 2012. There is no expectation of a rate cut this month as the consensus is seeing constant, but slow improvement in financial markets and consumer spending, but RBA Governor Stevens said further rate cuts may be an option in future months if required. With the huge improvement in the employment #s from last month, the RBA is likely to be more hawkish.

This report is one of the riskier ones to trade. December saw an indecisive reaction prior to the OCO function logic and ATM strategy could place a stop loss on the chart. This resulted in a successful first test of the "Knife switch"

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built into to v.3 of the software preventing additional undesired stop orders from executing.

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.