

HIGH IMPACT REPORT ALERT:

Friday, 5/3/13

Unemployment rate / Non-Farm Employment Change		RISK: 2	ZB 06-13	
8:30 am Eastern / 5:30 am Pacific		Forecast: +146K jobs / 7.6%		
Avg 1st Peak: 31 ticks (1-3 min after report)	Min: 9 ticks (MAR '12)	Max: 69 ticks (FEB '12)		
Avg 2nd Peak: 46 ticks (4-65 min after report)	Min: 21 ticks (NOV '11)	Max: 78 ticks (SEP '12)		
Avg Reversal: 27 ticks (110-145 min after rpt)	Min: 8 ticks (JUL '12)	Max: 56 ticks (SEP '11)		
Last 6 Reports:	1 : SPK/REV	5 : 2ND PK	0 : DULL	0 : INDECISIVE
Last 12 Reports:	1 : SPK/REV	10 : 2ND PK	0 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:			3-4	5 Tick stop

*****We now only recommend trading the ZB for the NFP report as it has outperformed the CL and TF. The ZB has proven to be the best performer, giving a safe entry with minimal slippage, low margin, high value per tick, more stability, and remains at the peak of the spike longer making it easier to capture and achieve more profit. Keep in mind 1 tick on the ZB is \$31.25.**

Be sure to go into chart trader properties and change "Use stop market for stop loss orders" to "TRUE". This will alleviate the error we saw on Advance GDP.

Most of the reports in the last several months have been mixed bags for the economy, but March was unexpectedly strong. We saw a moderate 70-157K increase (barely keeping up with population growth) with variable changes in the rate until March came in at 236K. Still, any drop in the rate has been primarily due to less people in the labor force, not sizable gains in hiring, so the jobs #s carry much more weight as the rate is discounted. This makes traders suspect of any positive news. The ADP report on Wednesday showed a worse than expected 119K jobs were created. While there is little correlation between the BOLS report and the ADP report, this is possibly a bearish indicator. Remember the # of jobs created carries more weight here than the U-3 % of unemployed, but if the rate change is divergent to the job #s, it can cause initial lack of conviction.

HIGH IMPACT REPORT ALERT:

Friday, 5/3/13

This continues to be our safest and most profitable trade for the program offering an average of about 20 ticks net to be captured with ease on the initial spike. There were 4 indecisive reports between SEP '11 and MAY '12 due to inconsistent results where the BOLS was cooking the results in the election season. Now the markets are wiser and the same precursors would not cause indecision as the last 11 reports have been safe. Any improvement in the rate with lackluster job #s is viewed negatively as a drop in the labor force.

ISM Non-Manufacturing PMI			RISK: 1	CL 06-13
10:00 am Eastern / 7:00 am Pacific		Forecast: 54.1		
Avg 1st Peak: 25 ticks (1-3 min after report)	Min: 7 ticks (NOV '12)		Max: 67 ticks (AUG '12)	
Avg 2nd Peak: 49 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
Last 12 Reports:	2 : SPK/REV	9 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			4	10 Tick Stop

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 18 months and none indecisive. 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.