

## HIGH IMPACT REPORT ALERT:

Wednesday, 7/17/13

<b>Canadian BOC Rate Statement / Overnight Rate</b>	<b>RISK: 4</b>	<b>6C 09-13</b>
<b>10:00 am Eastern / 7:00 am Pacific</b>	<b>Forecast: 1.00% (no change)</b>	
<b>Trap Trade (JOBB not recommended)</b>		
<b>Recommended offset</b>	<b>20-30</b>	<b>20 Tick Stop</b>

This is the Bank Of Canada's periodic adjustment of monetary policy. RISK level raised to "4" as the last 3 reports have been indecisive with very big double wickers, but that makes it a perfect candidate for the Trap Trade. Expectations are for no change to the rate or big policy changes with easing. Look for a span of up to 50-60 ticks on the :01 bar.

<b>FED Chairman Bernanke Testifies</b>	<b>ZB 09-13</b>
<b>10:00 am Eastern / 7:00 am Pacific</b>	<b>Forecast: n/a</b>
<b>Recommended Bracket Distance</b>	<b>5-7</b>

**\*\*\*DO NOT USE JOBB FOR THIS REPORT\*\*\***

FED Chair Bernanke is due to testify on the Semi-annual monetary policy report on before the House Financial Services Committee in Washington D.C. Has a potential to impact the markets depending on what is read, but the written statement will be released 90 min earlier. There may still be some fireworks in the Q&A though. Normally has a peak in the 2-6 min range after the start, and often develops into a FAN. Look for comments on Quantitative Easing, Operation Twist, and economic projections to drive the reaction. Dovish statements will cause the ZB to rally; Hawkish statements will cause the ZB to plummet.

<b>Crude Oil Inventory</b>	<b>RISK: 3</b>	<b>CL 08-13</b>
<b>10:30 am Eastern / 7:30 am Pacific</b>	<b>Forecast: -1.9M</b>	
<b>Avg 1st Peak: 35 ticks (1-3 min after report)</b>	<b>Min: 11 ticks (3/27/13)</b>	<b>Max: 93 ticks (4/4/12)</b>
<b>Avg 2nd Peak: 86 ticks (5-40 min after report)</b>	<b>Min: 25 ticks (10/11/12)</b>	<b>Max: 182 ticks (4/17/13)</b>
<b>Avg Reversal: 65 ticks (17-44 min after Pk)</b>	<b>Min: 19 ticks (3/27/13)</b>	<b>Max: 211 ticks (5/15/13)</b>

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Last 10 Reports:	1 : SPK/REV	8 : 2ND PK	0 : DULL	1 : INDECISIVE
Last 25 Reports:	5 : SPK/REV	14 : 2ND PK	1 : DULL	5 : INDECISIVE
Recommended BracketDistance setting:			10	15 Tick Stop

**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. RISK lowered to "3" as of May due to the season shift.**

Now that we are moving into the Summer months and beyond May, we should see a transition where the Distillate reading drops in significance making the report more stable and safe. The January through April reports were volatile, but relatively safe, with small yields and only 2 indecisive reports, but then the last 2 weeks in April were also indecisive with an initial move in the wrong direction. Only 1 report of the last 10 was indecisive on 6/12. Look for 20-50 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.

<b>Beige Book (ORANGE REPORT)</b>	<b>RISK: 3</b>	<b>ZB 09-13</b>
<b>2:00 pm Eastern / 11:00 am Pacific</b>	<b>Forecast: n/a</b>	
<b>Recommended BracketDistance setting:</b>	<b>3</b>	<b>4 Tick Stop</b>

A very influential Orange report to trade, but lately it has been more of a dull mover. This is the only publicly shared economic anecdotal data that the FED uses to make policy decisions. It is usually prone to a slower and longer developing reaction since it breaks later in the day after all other news is released. We will also try this on the ZB due to current market dynamics. There is no other reliable statistical data on the ZB, since the period of influence has been brief.

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Now with the discussion of tapering of QE3, the ZB should be highly sensitive to all US economic news. Look for 4 - 10 ticks on the initial spike in 10 minutes.