

## HIGH IMPACT REPORT ALERT:

Tuesday, 7/23/13

<b>AUS Quarterly CPI</b>		<b>RISK: 3</b>	<b>6A 09-13</b>	
<b>9:30 pm Eastern / 6:30 pm Pacific</b>		<b>Forecast: 0.5%</b>		
<b>Avg 1st Peak: 48 ticks (2-6 min after report)</b>	<b>Min: 12 ticks (JAN '12)</b>	<b>Max: 103 ticks (JUL '11)</b>		
<b>Avg 2nd Pk/Fan: 67 ticks (11-65 min after report)</b>	<b>Min: 44 ticks (JAN '12)</b>	<b>Max: 124 ticks (JUL '11)</b>		
<b>Avg Reversal: 31 ticks (80-100 min after report)</b>	<b>Min: 21 ticks (OCT '12)</b>	<b>Max: 42 ticks (APR '12)</b>		
<b>Last 6 Reports:</b>	<b>3 : SPK/REV</b>	<b>2 : 2ND PK</b>	<b>0 : FAN</b>	<b>1 : INDECISIVE</b>
<b>Last 10 Reports:</b>	<b>4 : SPK/REV</b>	<b>4 : 2ND PK</b>	<b>1 : FAN</b>	<b>1 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>		<b>7</b>	<b>15 Tick Stop</b>	

<b>Parameters</b>	
AtmStrategy	<b>stop 1</b>
BracketDistance	<b>7</b>
Entry CancelledIfGapp	<b>False</b>
Entry Slippage Ticks	<b>10</b>
Entry StopLimit Orders	<b>True</b>
Entry Time	<b>19:29:57</b>

Based on the high slippage that caused an undesirable entry in OCT '12, I am recommending the stop limit orders with the settings to the left (time will vary).

The most impacting AUS report based on average tick yield. Due to the unique quarterly reporting frequency where most countries report monthly, this report has much bigger impact, similar to water behind a dam as it is released. Even if the report matches the forecast, it will still deliver a reliable spike (OCT '11). The only situation that is a recipe for a bad report is a reading of 0.0% (JAN '12). This caused the indecisive reaction even with a forecast of 0.2%. 0% CPI brings out the jitters in the market as it is the borderline between deflation and inflation. With a forecast of 0.5%, the risk of a 0% reading is low, but possible. Look for at least 25-35 ticks on the spike, with a potential for much more. The initial spike can take up to 4-5 minutes to hit its peak. Good chance of a second peak in the 11 minute area with the potential to be far later for about 15-25 more ticks. The Reversal is very long and slow developing...I would not advise trading it unless you have the patience and discipline to ride it out.

## HIGH IMPACT REPORT ALERT:

Tuesday, 7/23/13

<b>CNY HSBC Flash Manufacturing PMI</b>			<b>RISK: 1</b>	<b>HG 09-13</b>
<b>9:45 pm Eastern / 6:45 pm Pacific</b>		<b>Forecast: 48.6</b>		
<b>Avg 1st Peak: 21 ticks (2-4 min after report)</b>	<b>Min: 10 ticks (FEB '13)</b>		<b>Max: 37 ticks (MAR '13)</b>	
<b>Avg 2nd Peak: 45 ticks (16-20 min after report)</b>	<b>Min: 14 ticks (FEB '13)</b>		<b>Max: 91 ticks (MAR '13)</b>	
<b>Avg Reversal: 29 ticks (26-62 min after report)</b>	<b>Min: 8 ticks (FEB '13)</b>		<b>Max: 55 ticks (APR '13)</b>	
<b>Last 6 Reports:</b>	<b>1 : SPK/REV</b>	<b>5 : 2ND PK</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Last 10 Reports</b>	<b>4 : SPK/REV</b>	<b>6 : 2ND PK</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>			<b>4-5</b>	<b>10 Tick Stop</b>

This is a monthly early indicator of China manufacturing activity. Trade on the HG since there is no index for CNY and the Copper market has been outperforming the 6A recently. This report has really performed since March on the HG delivering 28-37 ticks on the spike which often takes multiple bars to reach its peak. Prior to March, it has been a smaller but safe 10-20 ticks. 6 of the last 10 reports have achieved a 2nd peak of 2-6 ticks more than the 1st peak within 20 min after the release. Look for 20-50 ticks on the reversal.