

HIGH IMPACT REPORT ALERT:

Friday, 8/2/13

Unemployment rate / Non-Farm Employment Change		RISK: 1	ZB 09-13	
8:30 am Eastern / 5:30 am Pacific		Forecast: +180K jobs / 7.5%		
Avg 1st Peak: 32 ticks (1-3 min after report)	Min: 9 ticks (MAR '12)	Max: 69 ticks (FEB '12)		
Avg 2nd Peak: 48 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:	2 : SPK/REV	4 : 2ND PK	0 : DULL	0 : INDECISIVE
Last 12 Reports:	2 : SPK/REV	10 : 2ND PK	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			3-4	5 Tick stop

Parameters	
BracketDistance	3
Entry CancelledIfGapped	False
Entry Slippage Ticks	16
Entry StopLimit Orders	True
Entry Time	09:59:57
Mode	StrategyInternal

*****We now only recommend trading the ZB for the NFP report as it has outperformed all other indexes. 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 select "Strategy Internal" in the JOBB settings to ensure your stop loss is not rejected. I recommend using a breakeven setting of 15. The parameters above will prevent the exchange manipulation of your orders (time will vary)

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 70-165K increase (barely keeping up with population growth) with variable changes in the rate until March came in at 236K. Then May was mildly positive, June was a mixed bag, and July was fairly positive. Still, any drop in the rate has been primarily due to less people in the labor force or gains in part time labor, not sizable gains in normal hiring, so the jobs #s carry much more weight as the rate is

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discounted. This makes traders suspect of any positive news. The ADP report on Wednesday showed a moderately better than expected 200K jobs were created. While there is little correlation between the BOLS report and the ADP report, this is possibly a bullish 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.

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 13 reports have been safe. Any improvement in the rate with lackluster job #s is viewed negatively as a drop in the labor force.

Factory Orders (ORANGE REPORT)	RISK: 2	6J 09-13
10:00 am Eastern / 7:00 am Pacific	Forecast: 2.3%	
Recommended BracketDistance setting:	4	5 Tick Stop

A medium mover, but influential and reliable orange report. This report is probably not influential enough to move the ZB, so we will try this on the 6J. Look for 4-10 ticks, and if it hovers and reverses after about 20 sec, be sure to exit near break even.