

HIGH IMPACT REPORT ALERT:

Tuesday, 9/17/13

EUR German ZEW Economic Sentiment	RISK: 3	6E 12-13
5:00 am Eastern / 2:00 am Pacific	Forecast: 40.3	
Trap Trade (JOBBER not recommended)		
Recommended Offset:	8-10 and 15-20	10 Tick Stop

With 4 of the last 8 months being indecisive and the tendency on safe reports to leave an unsustainable peak, we will continue to recommend the Trap Trade approach on this report. It is now a solid RISK:3. This is a small moving report and often peaks after the first bar. It has an average 1st peak of 16 ticks, but several months have been 11-13 ticks, with a few others in the vicinity of 19-23 ticks so I am recommending a staggered Trap Trade with a group of limit orders about 8-10 ticks away and another group at about 15-20 ticks. This way if it is a smaller mover you get filled on the inner order, and if it is a larger move, you get filled on both and it averages the order to the middle. Be sure to use a higher stop loss on the tighter group. Even with a healthy delta between the forecast and the result, we often see a move the wrong way first for about 7-10 ticks, then a rapid reversal. This breaks 2 hours into the European trading session, so the volume on the 6E will be fairly high. There is a potential for a 2nd peak, but only 3 occurrences in the last 12, taking over an hour to be realized. Sim Trade to practice the Trap Trade if you are new to this approach!