

HIGH IMPACT REPORT ALERT:

Tuesday, 10/1/13

AUS Cash Rate / RBA Rate Statement		RISK: 3	6A 12-13
12:30 am Eastern / 9:30 pm Pacific	Forecast: 2.50% (no change)		
Trap Trade			
Recommended Offset:		15-25 Ticks	15 Tick Stop

****DO NOT USE JOBB for this report. Lately the trend has been for all central bank news to be volatile and indecisive. We have seen premature spikes, double wickers, and unsustainable moves with the RBA, ECB, and BOC.****

I recommend using a Trap Trade approach to trade the breakouts with a pivot or SMA that is about 15-25 ticks from the origin using an ATM strategy with a 15 tick stop loss. Please see the video below if you are not familiar with this method:

<https://jobbracketbreakout.net/category/videos/education/trap-trade/>

One of the major AUS monthly reports that is also riskier. Since April last year, the RBA has executed 6 rate cuts for a total of 175 BP. This includes the surprise cut in May down to 2.75% and the expected cut to 2.50% last month. The RBA is common to act in an unexpected manner, so the moves are rarely priced in. With a forecast rate cut, there will be more volatility and swings are expected.

ISM Manufacturing PMI		RISK: 2	ZB 12-13
10:00 am Eastern / 7:00 am Pacific	Forecast: 55.3		
Recommended BracketDistance setting:		3	5 Tick Stop

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

Be sure to select "Strategy Internal" mode in the JOBB settings to ensure your stop loss is not rejected on the ZB. It is also recommended to use limit orders with a slippage setting of 16 or less to bypass the CME restrictions.

Good medium impact report to trade. We continue to trade this on the ZB after a healthy yield in the last 4 months of 15 or more ticks (7, 13, 6 ticks in the previous 3 months). There is no other reliable statistical data on the ZB, since the period of

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influence has been brief. Now with the discussion of tapering of QE3, the ZB should be highly sensitive to all US economic news. Look for 10+ ticks on the initial spike and about 10 on the reversal as it usually delivers about the same as the spike. A potential 2nd peak should deliver 5-15 more ticks than the initial peak. A weak reading will cause the ZB to rally and strong reading will cause the ZB to fall.