

## **HIGH IMPACT REPORT ALERT:**

**Tuesday, 10/15/13**

<b>EUR German ZEW Economic Sentiment</b>	<b>RISK: 3</b>	<b>6E 12-13</b>
<b>5:00 am Eastern / 2:00 am Pacific</b>	<b>Forecast: 49.2</b>	
<b>Trap Trade (JOBBER not recommended)</b>		
<b>Recommended Offset:</b>	<b>8-10 and 15-20</b>	<b>10 Tick Stop</b>

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. Sept had about a 20 tick spike that gave back 16 ticks by the :34 bar, for example. 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!