

## **HIGH IMPACT REPORT ALERT:**

**Monday, 11/4/13**

<b>AUS Cash Rate / RBA Rate Statement</b>		<b>RISK: 3</b>	<b>6A 12-13</b>
<b>10:30 pm Eastern / 7:30 pm Pacific</b>	<b>Forecast: 2.50% (no change)</b>		
<b>Trap Trade</b>			
<b>Recommended Offset:</b>		<b>15-25 Ticks</b>	<b>15 Tick Stop</b>

**\*\*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://jobrocketbreakout.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.