

HIGH IMPACT REPORT ALERT:

Tuesday, 11/19/13

EUR German ZEW Economic Sentiment	RISK: 3	6E 12-13
5:00 am Eastern / 2:00 am Pacific	Forecast: 54.6	
Trap Trade (JOBBER not recommended)		
Recommended Offset:	8-10 and 15-20	10 Tick Stop

With most reports being indecisive or having 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!