

HIGH IMPACT REPORT ALERT:

Monday, 12/2/13

FED Chair Bernanke Speech		RISK: 3	CL 01-14	
8:30 am Eastern / 5:30 am Pacific		Forecast: n/a		
Avg 1st Peak: 19 ticks (1-6 min after report)	Min: 7 ticks (FEB '12)		Max: 31 ticks (NOV '11)	
Avg 2nd Peak: 68 ticks (15 - 34 min after report)	Min: 36 ticks (SEP '11)		Max: 87 ticks (MAR '13)	
Avg Reversal: 38 ticks (6-16 min after last pk)	Min: 13 ticks (AUG '12)		Max: 71 ticks (MAY '13)	
Last 6 Reports:	3 : SPK/RTC	2 : 2ND PK	0 : DULL	1 : INDECISIVE
Last 12 Reports:	5 : SPK/RTC	4 : 2ND PK	2 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:		5	10 Tick Stop	

FED Chair Bernanke is due to speak at the National College Fed Challenge, in Washington, DC. He may discuss the current health of the economy and hint at future monetary policy moves. Markets will be eyeing the speech for further insight into the FED continuation of open ended bond purchases (QE3) with the very recent economic news, discussion of sequestration, and housing markets. This will either be a dull reaction (1 of the last 6 cases) or give you about 15-30 ticks depending upon what he says and the way investors perceive it (5 of the last 6 cases). It is also prone to a delayed reaction with no statistical data present as the initial part of the speech is digested with the 1st peak taking up to 6 min to develop. Take that into consideration if a dull reaction appears to be panning out and you are debating canceling the JOBB order.

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ISM Manufacturing PMI		RISK: 2	ZB 03-14	
10:00 am Eastern / 7:00 am Pacific		Forecast: 55.2		
Avg 1st Peak: 15 ticks (1-4 min after report)	Min: 6 ticks (JUL '13)	Max: 26 ticks (SEP '13)		
Avg 2nd Peak: 24 ticks (39-60 min after report)	Min: 10 ticks (OCT '13)	Max: 37 ticks (SEP '13)		
Avg Reversal: 12 ticks (6-35 min after report)	Min: 8 ticks (OCT '13)	Max: 16 ticks (JUL '13)		
Last 5 Reports:	2 : SPK/REV	3 : 2ND PK	0 : DULL	0 : INDECISIVE
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 6 months of 6-26 ticks and can now offer tabulated statistics. There is no other reliable statistical data on the ZB, since the period of influence has been brief. Now with the discussion of tapering of QE3, the ZB should be highly sensitive to all US economic news. Unless the result deviates less than 1 point from the forecast, 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.

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Monday, 12/2/13

AUS Retail Sales			RISK: 3	6A 12-13
7:30 pm Eastern / 4:30 pm Pacific		Forecast: 0.4%		
Avg 1st Peak: 26 ticks (1-4 min after report)	Min: 8 ticks (APR '12)		Max: 53 ticks (AUG '11)	
Avg 2nd Peak: 38 ticks (12-28 min after report)	Min: 23 ticks (NOV '12)		Max: 62 ticks (AUG '11)	
Avg Reversal: 25 ticks (16-21 min after report)	Min: 13 ticks (NOV '12)		Max: 58 ticks (AUG '13)	
Last 6 Reports:	2 : SPK/REV	1 : 2ND PK	0 : DULL	3 : INDECISIVE
Last 12 Reports:	3 : SPK/REV	6 : 2ND PK	0 : DULL	3 : INDECISIVE
Recommended BracketDistance setting:			7	10 Tick Stop

Medium yield report that has been much more erratic lately, but the last 2 reports were safe. RISK rating raised to 3 after August had an indecisive report with no apparent cause. July was not traded due to concurrent release with Trade Balance, while June and September were also indecisive due to other smaller influence reports at the same time. This report will be released with Current Account, a low influence report, but no other AUS news. Bracket size raised to 7 to accommodate potential noise. Look for 10-15 ticks on the first peak which can take more than one bar to be achieved. While November 2012 through March 2013 all had 2nd Peaks for about 6-20 more ticks than the first peak around 12-28 minutes after the report release, we have not seen a 2nd Peak since then with the exception of November. The Reversal usually yields 15-25 ticks in 16-21 minutes after the release; however if there is a second peak, look for the reversal to take 35-80 minutes.

HIGH IMPACT REPORT ALERT:

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AUS Cash Rate / RBA Rate Statement		RISK: 2	6A 12-13
10:30 pm Eastern / 7:30 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://jobrocketbreakout.net/category/videos/education/trap-trade/>

One of the major AUS monthly reports. Risk has been lowered due to the Trap Trade approach. 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.