

HIGH IMPACT REPORT ALERT:

Wednesday, 12/4/13

Very Busy Day with 6 reports!

ADP Non-Farm Employment Change		RISK: 1	ZB 03-14	
8:15 am Eastern / 5:15 am Pacific		Forecast: 172K		
Avg 1st Peak: 11 ticks (1-3 min after report)	Min: 5 ticks (NOV '13)	Max: 15 ticks (AUG '13)		
Avg 2nd Peak: 19 ticks (15-25 min after report)	Min: 15 ticks (OCT '13)	Max: 22 ticks (AUG '13)		
Avg Reversal: 14 ticks (15-50 min after report)	Min: 6 ticks (AUG '13)	Max: 24 ticks (SEP '13)		
Last 4 Reports:	1 : SPK/REV	2 : 2ND PK	0 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:		3	5 Tick Stop	

<input type="checkbox"/> 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. It is also recommended to use limit orders with a slippage setting of 16 or less to bypass the CME restrictions (time will vary).

Newer Report for JOBB that we will continue to trade on the ZB instead of the 6J. Sept was indecisive due to a near exact match of the result to the forecast. Due to the legitimate cause and low probability of these conditions repeating, this remains a RISK 1 trade. The previous 3 months before AUG resulted in 21 ticks on the 1st peak, then a reversal of 13 or 17 ticks realized within a few min. I recommend using a profit target of 10-12 and exiting within 10 sec of the bar open. Look for 5-15 ticks on the spike and 10-15 ticks on the reversal.

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U.S. Trade Balance	RISK: 2	6J 12-13
8:30 am Eastern / 5:30 am Pacific	Forecast: -40.3B	
Recommended BracketDistance setting:	3	8 Tick Stop

Medium moving US report that is often paired up with Unemployment Claims and disqualified from trading. We have been trading this on the CL, but it has recently been a dull mover, so we will try out the 6J for a third time (AUG and SEP). AUG had a nice 14 tick spike, while SEP was dull with a 4 tick move initially with a matching result. Still, look for 5-10 ticks on the spike in 1-2 min and a higher reversal of 10-15 ticks that is quick to rebound. 2nd Peaks are a rarity on this report.

Canadian BOC Rate Statement / Overnight Rate	RISK: 3	6C 12-13
10:00 am Eastern / 7:00 am Pacific	Forecast: 1.00% (no change)	
Trap Trade (JOB B not recommended)		
Recommended offset	20-30	20 Tick Stop

This is the Bank Of Canada's periodic adjustment of monetary policy. As with other central bank news, we have shifted to the Trap Trade approach. This report is riskier though since it varies greatly on the size of its spikes. July fell about 50 ticks and then rebounded to recover all of it in 4 bars, but September only moved about 12 ticks on either side of the anchor point. I would still recommend a larger offset just to be safe, even though there is a good chance it will not fill. Expectations are for no change to the rate or big policy changes with easing, so as usual any move will be subject to the minutia. Look for a span of up to 50-60 ticks on the :01-04 bars from the high point to low point.

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Crude Oil Inventory			RISK: 4	CL 01-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): -0.63M/1.47M/-1.57M		
Avg 1st Peak: 35 ticks (1-3 min after report)	Min: 11 ticks (3/27/13)		Max: 93 ticks (4/4/12)	
Avg 2nd Peak: 86 ticks (5-40 min after report)	Min: 25 ticks (10/11/12)		Max: 182 ticks (4/17/13)	
Avg Reversal: 65 ticks (17-44 min after Pk)	Min: 19 ticks (3/27/13)		Max: 211 ticks (5/15/13)	
Last 10 Reports:	1 : SPK/REV	7 : 2ND PK	1 : DULL	1 : INDECISIVE
Last 25 Reports:	7 : SPK/REV	14 : 2ND PK	1 : DULL	3 : INDECISIVE
Recommended BracketDistance setting:			10	15 Tick Stop

Trade with caution and ensure you understand the risk. Use a 10 tick buffer for this trade to avoid a premature fill in the wrong direction. RISK raised to "4" due to the season shift. This report is 3-pronged (Crude oil, Gasoline, and Distillates - Heating Oil)

Now as we are in the fall and transitioning to winter, we have seen a transition where the Distillate reading gains in significance making the report less stable and safe. The reports are still profitable, but are more difficult to make a safe exit. Quick and large reversals are common, so I recommend using a breakeven and profit target. Be sure and exit if you see the price action hovering for more than 5 sec as it will likely reverse strongly. Look for 20-50 ticks on the spike, and 40-60 ticks on the reversal. If the initial spike pops for only 15-20 ticks, get out there if possible, because a reversal is likely forthcoming. Does not routinely abide by the laws of supply and demand.

It is also a safe play to wait out the initial reaction to check the results and enter a manual trade 2-5 min after the report breaks or use a Trap Trade with an offset of 20-25 ticks. Paper trade this if you have not traded this report before.

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Beige Book (ORANGE REPORT)		RISK: 3	CL 01-14	
2:00 pm Eastern / 11:00 am Pacific		Forecast: n/a		
Avg 1st Peak: 21 ticks (3-9 min after report)	Min: 6 ticks (AUG '12)	Max: 57 ticks (OCT '11)		
Avg 2nd Peak: 67 ticks (24-42 min after report)	Min: 21 ticks (JUN '13)	Max: 223 ticks (OCT '11)		
Avg Reversal: 36 ticks (6-30 min after last Pk)	Min: 13 ticks (MAR '13)	Max: 73 ticks (JUL '13)		
Last 6 Reports:	1 : SPK/REV	3 : 2ND PK	2 : DULL	0 : INDECISIVE
Last 12 Reports:	2 : SPK/REV	6 : 2ND PK	3 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:		5	10 Tick Stop	

A very influential Orange report to trade, but lately it has been more of a dull mover on the initial reaction. This is the only publicly shared economic anecdotal data that the FED uses to make policy decisions. It is usually prone to a slower and longer developing reaction since it breaks later in the day after all other news is released and takes multiple bars to peak. I recommend waiting at least 2 bars for a fill before cancelling the order. Look for 10 - 25 ticks on the initial spike in 3-9 minutes, 35-100 ticks on a likely 2nd peak in 20-40 min, and 20-45 ticks on the reversal. A 2nd peak is more than likely for several more ticks with a variable time frame. Then the reversal will come at the end for about 20 - 45 ticks. The reversal usually exceeds the spike. The entire report including the reversal can take as little as 30 min or as much as 90 min to pan out.

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AUS Trade Balance			RISK: 2	6A 12-13
7:30 pm Eastern / 4:30 pm Pacific		Forecast: -0.38B		
Avg 1st Peak: 17 ticks (1-4 min after report)	Min: 7 ticks (DEC '12)		Max: 53 ticks (AUG '11)	
Avg 2nd Peak: 29 ticks (11-27 min after report)	Min: 17 ticks (JUN '12)		Max: 62 ticks (AUG '11)	
Avg Reversal: 18 ticks (20-45 min after report)	Min: 10 ticks (JAN '12)		Max: 45 ticks (OCT '11)	
Last 6 Reports:	3 : SPK/REV	1 : 2ND PK	0 : DULL	2 : INDECISIVE
Last 12 Reports:	5 : SPK/REV	4 : 2ND PK	1 : DULL	2 : INDECISIVE
Recommended BracketDistance setting:			3	5 Tick Stop

Bottom tier report that does not have the same shock value of the employment, GDP, or RBA reports. Still good for about 8-10 ticks after minimal slippage and JOBB buffer. May and August were indecisive due to Quarterly HPI that broke at the same time with a large opposite result. This month has no other report releasing at the same time. Often peaks after the 1st bar. The 2nd peak consistently delivers about 8-12 ticks extra about 50% of the time, and the reversal will yield 10-25 ticks slowly as the volume dries up.