

HIGH IMPACT REPORT ALERT:

Friday, 12/6/13

Unemployment rate / Non-Farm Employment Change		RISK: 2	ZB 03-14	
8:30 am Eastern / 5:30 am Pacific		Forecast: +180K jobs / 7.2%		
Avg 1st Peak: 32 ticks (1-3 min after report)	Min: 9 ticks (MAR '12)	Max: 69 ticks (FEB '12)		
Avg 2nd Peak: 48 ticks (4-65 min after report)	Min: 21 ticks (NOV '11)	Max: 78 ticks (SEP '12)		
Avg Reversal: 27 ticks (110-145 min after rpt)	Min: 8 ticks (JUL '12)	Max: 56 ticks (SEP '11)		
Last 6 Reports:	1 : SPK/REV	4 : 2ND PK	0 : DULL	2 : INDECISIVE
Last 12 Reports:	2 : SPK/REV	9 : 2ND PK	0 : DULL	2 : INDECISIVE
Recommended BracketDistance setting:			3-4	5 Tick stop

Parameters	
BracketDistance	3
Entry CancelledIfGapped	False
Entry Slippage Ticks	16
Entry StopLimit Orders	True
Entry Time	09:59:57
Mode	StrategyInternal

*****Be sure to select "Strategy Internal" in the JOBB settings to ensure your stop loss is not rejected. I recommend using a breakeven setting of 15 and limit orders with a limit setting of 16 or less. The**

parameters will prevent the exchange manipulation of your orders (time will vary)

We have regrettably raised the risk rating on this report due to unsafe reports in Sep and Nov. Most of the reports in the last several months have been mixed bags for the economy, with about 150-200K jobs added with the rate improving due to other circumstances or getting worse. About 125-150K jobs need to be created each month just to keep up with population growth. SEP was the first indecisive report we have seen in about 18 months, as the jobs #s were nearly matching while the rate improved. Then Nov had a premature large long spike before the true short move came. Still, any drop in the rate has been primarily due to less people in the labor force or gains in part time labor, not sizable gains in normal hiring, so the jobs #s carry much more weight as the rate is discounted. This makes traders suspect of any positive news. The ADP report on 12/4 showed better than expected 215K jobs created last week. There is little correlation between the BOLS report and the ADP report since the calculation metrics differ

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entirely. Remember the # of jobs created carries more weight here than the U-3 % of unemployed, but if the rate change is divergent to the job #s, it can cause initial lack of conviction. Expect up to 5-8 ticks of slippage, and I recommend a profit target of about 20 ticks for a conservative exit.

This continues to be our safest and most profitable trade for the program offering an average of about 20 ticks net to be captured with ease on the initial spike. There were 4 indecisive reports between SEP '11 and MAY '12 due to inconsistent results where the BOLS was cooking the results in the election season. Now the markets are wiser and the same precursors would not cause indecision as the last 13 reports have been safe. Two months ago (SEP '13) broke the streak of safe reports with a nearly matching and divergent situation after ADP matched. Any improvement in the rate with lackluster job #s is viewed negatively as a drop in the labor force.