

## **HIGH IMPACT REPORT ALERT:**

**Wednesday, 1/22/14**

<b>Canadian BOC Rate Statement / Overnight Rate - Trap</b>	<b>RISK: 3</b>	<b>6C 03-14</b>
<b>10:00 am Eastern / 7:00 am Pacific</b>	<b>Forecast: 1.00% (no change)</b>	
<b>Trap Trade (JOB B not recommended)</b>		
<b>Recommended offset</b>	<b>20-30</b>	<b>20 Tick Stop</b>

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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<b>CNY HSBC Flash Manufacturing PMI</b>			<b>RISK: 1</b>	<b>HG 03-14</b>
<b>8:45 pm Eastern / 5:45 pm Pacific</b>		<b>Forecast: 50.6</b>		
<b>Avg 1st Peak: 22 ticks (2-3 min after report)</b>	<b>Min: 10 ticks (FEB '13)</b>		<b>Max: 37 ticks (MAR '13)</b>	
<b>Avg 2nd Peak: 46 ticks (16-20 min after report)</b>	<b>Min: 14 ticks (FEB '13)</b>		<b>Max: 91 ticks (MAR '13)</b>	
<b>Avg Reversal: 29 ticks (26-62 min after report)</b>	<b>Min: 8 ticks (FEB '13)</b>		<b>Max: 55 ticks (APR '13)</b>	
<b>Last 6 Reports:</b>	<b>3 : SPK/REV</b>	<b>3 : 2ND PK</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Last 12 Reports</b>	<b>5 : SPK/REV</b>	<b>7 : 2ND PK</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>			<b>4</b>	<b>10 Tick Stop</b>

This is a monthly early indicator of China manufacturing activity. Trade on the HG since there is no index for CNY and the Copper market has been outperforming the 6A recently. This report has really performed well since March on the HG delivering 24-37 ticks (except for 3 occasions with 12-17 ticks) on the spike which often takes multiple bars to reach its peak. Prior to March, it had been a smaller but safe 10-20 ticks. 7 of the last 12 reports have achieved a 2nd peak of 6-20+ ticks more than the 1st peak within 20 min after the release. Look for 20-50 ticks on the reversal.

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