

HIGH IMPACT REPORT ALERT:

Wednesday, 2/12/14

Crude Oil Inventory			RISK: 4	CL 03-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): 3.00M/1.55M/-2.33M		
Avg 1st Peak: 36 ticks (1-3 min after report)	Min: 11 ticks (3/27/13)		Max: 93 ticks (4/4/12)	
Avg 2nd Peak: 82 ticks (5-40 min after report)	Min: 25 ticks (10/11/12)		Max: 191 ticks (9/18/13)	
Avg Reversal: 71 ticks (17-44 min after Pk)	Min: 19 ticks (3/27/13)		Max: 211 ticks (5/15/13)	
Last 10 Reports:	1 : SPK/REV	6 : 2ND PK	1 : DULL	2 : 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 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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10-y Bond Auction			RISK: 2	ZB 03-14
1:00 pm Eastern / 10:00 am Pacific		Forecast: n/a		
Avg 1st Peak: 9 ticks (1-3 min after report)	Min: 4 ticks (APR '13)		Max: 21 ticks (JUL '12)	
Avg 2nd Peak: 18 ticks (6-30 min after report)	Min: 5 ticks (NOV '13)		Max: 53 ticks (DEC '11)	
Avg Reversal: 12 ticks (10-40 min after last Pk)	Min: 5 ticks (DEC '12)		Max: 56 ticks (AUG '11)	
Last 6 Reports:	2 : SPK/REV	2 : 2ND PK	2 : DULL	0 : INDECISIVE
Last 12 Reports:	3 : SPK/REV	6 : 2ND PK	3 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			2	3 Tick Stop

Be sure to select "Strategy Internal" mode in the JOBB settings to ensure your stop loss is not rejected on the ZB.

Set your activation time for xx:01:20 as the spike will happen around 90 sec late. Use a 3 tick stop loss. Expect to be filled with 0-2 ticks of slippage, then look for 4-8 ticks on the spike at a point of support or resistance in that area. Though this is the 10-y Auction, it has caused a reaction on the ZB for the last 2+ years consistently (5 dull reactions but no indecisive), and little reaction on the ZN. We have only seen 1 spike of more than 9 ticks since January 2013, and it has just barely been over the dull threshold lately, so if you have an opportunity to exit with 1-3 ticks, take it. If you see it hover around your fill point for more than 2 min, exit near breakeven or reverse it as it is likely a dull reaction. **If you do not get filled by xx:02:00, cancel the order.** It may go for a 2nd peak about 15 min to 1 hr after the report for 4-10 ticks more than the spike. The reversal usually matches the original spike and takes 10-40 min to pan out.

If you are new to JOBB in the last month, please click on the following link to watch a 15 min video discussing the unique nature of the Bond Auctions:

<https://jobbracketbreakout.net/new-report-to-trade-bond-auction>

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AUS Employment Change / Unemployment Rate		RISK: 3	6A 03-14	
7:30 pm Eastern / 4:30 pm Pacific		Forecast: 15.3K / 5.9%		
Avg 1st Peak: 46 ticks (1 min after report)	Min: 13 ticks (SEP '12)	Max: 86 ticks (JUN '13)		
Avg 2nd Peak: 61 ticks (26-50 min after report)	Min: 34 ticks (DEC '12)	Max: 98 ticks (JAN '14)		
Avg Reversal: 36 ticks (15-30 min after last Pk)	Min: 11 ticks (SEP '13)	Max: 96 ticks (JUN '13)		
Last 6 Reports:	2 : SPK/REV	3 : 2ND PK	0 : DULL	1 : INDECISIVE
Last 12 Reports:	5 : SPK/REV	4 : 2ND PK	0 : DULL	3 : INDECISIVE
Recommended BracketDistance setting:		8	20 Tick Stop	

Parameters	
AtmStrategy	stop 1
BracketDistance	7
Entry CancelledIfGapp	False
Entry Slippage Ticks	10
Entry StopLimit Orders	True
Entry Time	19:29:57

Based on the high slippage that is becoming typical with this report, I am recommending the stop limit orders with the settings to the left (time will vary).

One of the bigger periodic AUS reports. April to June 2013 saw premature volatility and manipulation to make the report more risky while April and May were both indecisive. May and June would have seen a tripwire to cancel about 18 sec before the report and April presented an odd and devastating indecisive scenario with a premature spike 3 sec before just as the bracket was setting up. **Given these dynamics, set the activation time to :59 sec instead of :57 sec.** This approach has made the report safer to profit since June. October was the only indecisive report since May due to mixed results. Last month some of us were just nicked on the stop loss during the intrabar retracement by 1-2 ticks, so we have raised the stop to 20 ticks and recommend the limit order settings above. Check the archive screen shot and caption to see what happened if you are unfamiliar. Very consistent spike of 25-50 ticks on the 1st bar except for June which garnered 86 ticks, then surrendered it fairly quickly. Lately, more reports have seen a 2nd Peak reaction, but on every occasion except for a few, the 2nd

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peak has only garnered another 4-15 ticks. Since that is the case, be careful trading the reversal. It is better to wait for a trade against the grain and miss it, then go in too early and find yourself eating a loss. The 25-30 min area after the report is a good area to evaluate an entry for the reversal. Look for 20-40 ticks on the reversal.