

HIGH IMPACT REPORT ALERT:

Wednesday, 3/5/14

ADP Non-Farm Employment Change		RISK: 2	ZB 06-14	
8:15 am Eastern / 5:15 am Pacific		Forecast: 159K		
Avg 1st Peak: 11 ticks (1-3 min after report)	Min: 4 ticks (FEB '14)	Max: 16 ticks (DEC '13)		
Avg 2nd Peak: 19 ticks (6-20 min after report)	Min: 15 ticks (OCT '13)	Max: 25 ticks (DEC '13)		
Avg Reversal: 13 ticks (45-60 min after last pk)	Min: 6 ticks (AUG '13)	Max: 24 ticks (SEP '13)		
Last 6 Reports:	1 : SPK/REV	3 : 2ND PK	0 : DULL	2 : INDECISIVE
Last 8 Reports:	2 : SPK/REV	4 : 2ND PK	0 : DULL	2 : 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. 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. Sept 2013 and Jan were indecisive due to near matching results to the forecast, but the remaining reports have been very safe. After last month, we are raising the risk to "2". The reactions have resulted in 10-16 ticks on the 1st peak, then a reversal of 10 - 15 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 5-12 ticks net on the spike and 10-12 ticks on the reversal. A 2nd peak is very likely to happen for about 6-9 ticks more than the original peak within 20 min after the report.

HIGH IMPACT REPORT ALERT:

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ISM Non-Manufacturing PMI			RISK: 1	6J 03-14
10:00 am Eastern / 7:00 am Pacific		Forecast: 53.8		
Avg 1st Peak: 19 ticks (1 min after report)	Min: 13 ticks (NOV '13)		Max: 23 ticks (FEB '14)	
Avg 2nd Peak: 25 ticks (6-29 min after report)	Min: 22 ticks (AUG '13)		Max: 28 ticks (SEP '13)	
Avg Reversal: 18 ticks (23-74 min after report)	Min: 10 ticks (OCT '13)		Max: 24 ticks (SEP '13)	
Last 6 Reports:	0 : SPK/REV	6 : 2ND PK	0 : DULL	0 : INDECISIVE
Last 8 Reports:	0 : SPK/REV	8 : 2ND PK	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			3	8 Tick Stop

A medium mover, but influential and reliable report. This report will be released separately from Factory Orders this time , but that is a common protocol as both reports have significant overlap. We have been trading this on the 6J since July 2013 with the above results showing 8 total safe and very consistent reports. All have achieved a 2nd peak of a few more ticks. Look for 10-15 ticks on the spike, and if it hovers and reverses after about 20 sec, be sure to exit at or better than break even. Look for 10-25 ticks on the reversal and a 2nd Peak for an additional 5-10 ticks normally around 5-7 min is probable.

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Canadian BOC Rate Statement / Overnight Rate - Trap		RISK: 3	6C 03-14	
10:00 am Eastern / 7:00 am Pacific		Forecast: 1.00% (no change)		
Avg 1st Peak: 28 ticks (0:00-0:59 sec)	Min: 12 ticks (DEC '13)	Max: 49 ticks (JUL '13)		
Avg Reversal: 32 ticks (0:03 - 2:40 after report)	Min: 10 ticks (SEP '13)	Max: 51 ticks (SEP '13)		
Last 5 Reports:	3 : SPK/REV	2 : DULL (no fill)	0 : DULL (fill)	0 : STOPPED
Recommended settings:	Tier 1: 20-30 ticks	Tier 2: n/a	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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Wednesday, 3/5/14

Crude Oil Inventory			RISK: 4	CL 04-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): 1.00M/-1.03M/-1.10M		
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	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 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 04-14	
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 Retail Sales / Trade Balance - Trap Trade		RISK: 2	6A 03-14
7:30 pm Eastern / 4:30 pm Pacific		Forecast: 0.5% RTL / 0.11B Trade	
Recommended settings:	Tier 1: 13-17 ticks	Tier 2: 23-27 ticks	15 Tick Stop

Due to the double booking and a successful attempt last month, we will continue to recommend the Trap Trade for this report as opposed to disqualifying it. The largest spike on Retail sales has been 33 ticks in the last 18 months, and there is a cluster in the 17-20 range, then mid to upper 20s. This should either be a whipsaw, or have a sharp pullback in the intrabar. Last month yielded a 16 tick spike, followed by a 50 tick reversal in 60 seconds as Retail matched and Trade Balance came in strongly bullish (look at the report archives to investigate further). If you want to play it safer, just use the outer tier at 23-27 ticks and cancel if not filled.