

HIGH IMPACT REPORT ALERT:

Wednesday, 3/19/14

2 Great Trap Trades to start the week, we have #3 later today.

Crude Oil Inventory			RISK: 4	CL 05-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): 2.80M/-1.32M/-0.32M		
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 and look for a quick exit with around 5-10 ticks. Paper trade this if you have not traded this report before.

© 2014 JOBracketBreakout.net

Risk Disclosure: Derivative transactions, including futures, are complex and carry a high degree of risk. They are intended for sophisticated investors and are not suitable for everyone. We at JOBracketBreakout.net (JOB) provide this material for informational and educational purposes only and should in no way be construed as investment recommendations. JOB does not make recommendations in any securities, and does not provide financial, tax, or legal advice. Risk of loss in electronic trading can be substantial. Therefore, you should carefully consider whether such trading is suitable for you in light of circumstances and financial resources. Past performance is not indicative of future results. There is a risk of loss in futures trading.

HIGH IMPACT REPORT ALERT:

Wednesday, 3/19/14

FOMC Statement / Federal Funds Rate - Trap Trade	RISK: 2	ZB 06-14
2:00 pm Eastern / 11:00 am Pacific	Forecast: n/a (<0.25%)	
Recommended settings:	Tier 1: 7-8 ticks	Tier 2: n/a
		5 Tick Stop

Set your activation time to xx:59:15, then look to optimize your orders with key areas of support/resistance. If your order is not filled in the first 20 sec, cancel it.

There are three reports that help us model the expected reaction to this report: 1/29 FOMC Statement and 1/8, 2/19 FED Meeting Minutes. All three were great Trap Trade setups causing a spike one way followed by a reversal within about 1 min. The 1/29 report fell 8 ticks, then rallied 9 ticks in 1:12. The minutes each moved 6 ticks, then reversed for 5 and 9 ticks in :48 to 1:00. **Look to exit on the first reversal and do not hold the trade long term as the longterm reaction is unpredictable.**

When the FED finally commenced tapering QE3 from \$85B/month at the December 2013 meeting, we saw a decisive short move. Now that the mystery and surprise is gone, every FOMC event since (minutes or statement) has been a great trap trade setup as they continue on the steady pace of \$10B/month reduction. With the current state of the economy and the recent better Non Farm Payrolls, the odds of doing anything other than "stay the course" are very slim. The other aspects of the report that are secondary are the conditions the FED is looking for to raise rates again (such as unemployment rate falling to a level, GDP, CPI, etc) and the economic projections which will probably temper the past results due to winter weather and have a solid outlook for the Spring.

Keep an eye on the news, Bloomberg.com, or Talking-Forex and watch/listen for the announcement of the result as this is the reaction to the written statement.

© 2014 JOBracketBreakout.net

Risk Disclosure: Derivative transactions, including futures, are complex and carry a high degree of risk. They are intended for sophisticated investors and are not suitable for everyone. We at JOBracketBreakout.net (JOB) provide this material for informational and educational purposes only and should in no way be construed as investment recommendations. JOB does not make recommendations in any securities, and does not provide financial, tax, or legal advice. Risk of loss in electronic trading can be substantial. Therefore, you should carefully consider whether such trading is suitable for you in light of circumstances and financial resources. Past performance is not indicative of future results. There is a risk of loss in futures trading.