

HIGH IMPACT REPORT ALERT:

Wednesday, 4/16/14

Building Permits / Housing Starts		RISK: 2	6J 06-14	
8:30 am Eastern / 5:30 am Pacific		Forecast: 1.00M / 0.97M		
Avg 1st Peak: 12 ticks (1-2 min after report)	Min: 4 ticks (JAN '14)	Max: 42 ticks (JUL '13)		
Avg 2nd Peak: 28 ticks (17-26 min after report)	Min: 11 ticks (NOV'13)	Max: 28 ticks (JUL '13)		
Avg Reversal: 16 ticks (7-80 min after report)	Min: 10 ticks (AUG '13)	Max: 21 ticks (DEC '13)		
Last 5 Reports:	2 : SPK/REV	2 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			3	8 Tick Stop

This is a small moving pair of reports that usually release concurrently with results in alignment. We sat this out in Feb and March as it was released with CPI and PPI. Before that a dull reaction of 4 ticks in January allowed an exit with 1 tick loss. Look for 5-10 ticks net on the spike. A 2nd Peak has about a 50% probability of occurrence with about double the yield of the 1st Peak around 17-26 min. Look for 10-20 ticks on the reversal around 10-30 min after the last peak.

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Canadian BOC Rate Statement / Overnight Rate - Trap		RISK: 3	6C 06-14	
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 6 Reports:	4 : 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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Crude Oil Inventory			RISK: 4	CL 05-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): 1.75M/-1.25M/-0.25M		
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 "4" due to the winter season. This report is 3-pronged (Crude oil, Gasoline, and Distillates - Heating Oil)

Now as we are in the still emerging from 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.

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Beige Book (ORANGE REPORT)		RISK: 3	CL 05-14	
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: 63 ticks (15-42 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	2 : 2ND PK	3 : DULL	0 : INDECISIVE
Last 12 Reports:	1 : SPK/REV	6 : 2ND PK	5 : DULL	0 : 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, 20-50 ticks on a likely 2nd peak in 15-40 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.