

HIGH IMPACT REPORT ALERT:

Tuesday, 4/22/14

AUS Quarterly CPI		RISK: 3	6A 06-14	
9:30 pm Eastern / 6:30 pm Pacific		Forecast: 0.8%		
Avg 1st Peak: 46 ticks (1-5 min after report)	Min: 12 ticks (JAN '12)	Max: 103 ticks (JUL '11)		
Avg 2nd Pk/Fan: 63 ticks (11-65 min after report)	Min: 42 ticks (APR '13)	Max: 124 ticks (JUL '11)		
Avg Reversal: 34 ticks (80-100 min after report)	Min: 17 ticks (APR '13)	Max: 83 ticks (JUL '13)		
Last 6 Reports:	4 : SPK/REV	2 : 2ND PK	0 : FAN	0 : INDECISIVE
Last 12 Reports:	6 : SPK/REV	4 : 2ND PK	1 : FAN	1 : INDECISIVE
Recommended BracketDistance setting:		7	15 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 caused an undesirable entry in OCT '12, I am recommending the stop limit orders with the settings to the left (time will vary).

The most impacting AUS report based on average tick yield. Due to the unique quarterly reporting frequency where most countries report CPI results monthly, this report has much bigger impact, similar to water building behind a dam then released. Even if the report matches the forecast, it will still deliver a reliable spike (OCT '11). The only situation that is a recipe for a bad report is a reading of 0.0% (JAN '12). This caused the indecisive reaction even with a forecast of 0.2%. 0% CPI brings out the jitters in the market as it is the borderline between deflation and inflation. With a forecast of 0.8%, the risk of a 0% reading is low, but possible. Look for at least 25-35 ticks on the spike (gross), with a potential for much more. The initial spike can take up to 4-5 minutes to hit its peak. Good chance of a second peak in the 11-21 minute area for about 15-25 more ticks. The Reversal is very long and slow developing...I would not advise trading it unless you have the patience and discipline to ride it out. Also, be careful with follow on trades as the CNY report is only 15 min later.

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CNY HSBC Flash Manufacturing PMI		RISK: 2	HG 05-14
9:45 pm Eastern / 6:45 pm Pacific		Forecast: 48.4	
Avg 1st Peak: 21 ticks (2-3 min after report)	Min: 10 ticks (FEB '13)	Max: 37 ticks (MAR '13)	
Avg 2nd Peak: 44 ticks (16-20 min after report)	Min: 14 ticks (FEB '13)	Max: 91 ticks (MAR '13)	
Avg Reversal: 24 ticks (26-62 min after report)	Min: 8 ticks (FEB '13)	Max: 55 ticks (APR '13)	
Last 6 Reports:	3 : SPK/REV	3 : 2ND PK	0 : DULL 0 : INDECISIVE
Last 12 Reports	4 : SPK/REV	8 : 2ND PK	0 : DULL 0 : INDECISIVE
Recommended BracketDistance setting:		3	10 Tick Stop

Parameters	
BracketDistance	3
Entry CancelledIfGapped	False
Entry Slippage Ticks	7
Entry StopLimit Orders	True
Entry Time	21:44:57
Mode	StrategyInternal

Based on the high slippage that often accompanies this report, I am recommending the stop limit orders with the settings to the left.

CNY HSBC Flash Manufacturing PMI		RISK: 2	6A 06-14
9:45 pm Eastern / 6:45 pm Pacific		Forecast: 48.4	
Avg 1st Peak: 28 ticks (1-3 min after report)	Min: 9 ticks (SEP '12)	Max: 64 ticks (FEB '14)	
Avg 2nd Peak: 34 ticks (16-20 min after report)	Min: 15 ticks (JUN '12)	Max: 66 ticks (JUN '13)	
Avg Reversal: 23 ticks (26-62 min after report)	Min: 9 ticks (FEB '14)	Max: 55 ticks (JUN '14)	
Last 6 Reports:	4 : SPK/REV	2 : 2ND PK	0 : DULL 0 : INDECISIVE
Last 12 Reports	7 : SPK/REV	5 : 2ND PK	0 : DULL 0 : INDECISIVE
Recommended BracketDistance setting:		4	10 Tick Stop

Parameters	
BracketDistance	4
Entry CancelledIfGapped	False
Entry Slippage Ticks	10
Entry StopLimit Orders	True
Entry Time	21:44:57
Mode	StrategyInternal

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This is a monthly early indicator of China manufacturing activity. Trade on the HG or 6A since there is no index for CNY. This report performed exceptionally between March and September 2013 on the HG delivering 24-37 ticks. Since September, it has been safe, but yielding 12-23 ticks on the spike which often takes multiple bars to reach its peak. In Feb, the HG had an abnormal 11 ticks of slippage. So we are taking another look at the 6A to see how it will perform. Last month the HG slipped 2 ticks and the 6A would have slipped about 12-13 ticks. Both would have allowed about 10 ticks to be captured. The HG still appears to be easier and safer after last month. The limit settings above are strongly advised to filter out a bad entry and get picked up on an intrabar retracement. 8 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.