

HIGH IMPACT REPORT ALERT:

Monday, 6/30/14

***Thank you for your patience as I had to deal with a computer crash today and fought to get this out. The rest of the alerts this week will be released on time.**

-Jay

Grain Stocks (Corn) – Trap Trade		RISK: 3	ZC 12-14
12:00 pm Eastern / 9:00 am Pacific		Forecast: n/a (not on Forex Factory)	
Recommended settings:	Tier 1: ~50 ticks	Tier 2: ~65 ticks	20 Tick Stop

The Sep contract (09-14) is the front month, but the Dec contract (12-14) has more volume and is recommended to trade.

This report is similar to the WASDE report, but quarterly in nature and seasonal. This applies to corn, wheat and soybeans, but the Corn has the safest and most consistent reaction over the past 2+ yrs. Since this is a seasonal report, it is reporting on the planting results in the Spring months along with the consumption of feed stocks, and harvest yield forecast for later in the year. Historically, the June report has been the most volatile resulting in whipsaws and unsustainable spikes. We only have a small data sample with 9 total former reports and 2 June reports due to historical data unavailable after the threshold exceeds 1 year. This is not found on Forex Factory and there is no forecast / result. As this is a trap trade, we are expecting a spike followed by a quick reversal. June 2012 saw a 71 tick spike followed by a 130 tick reversal then June 2013 saw a 51 tick spike followed by a 120 tick reversal. A safer approach would just use the outer tier. Please take a look at the archived reports on the website.

Note: If you have not opened a ZC chart before, you will have to set it up correctly. Open the Data series window on your chart and change the "session template" to "Default 24/7". Then hit okay. If you do not execute this step, your chart will not display historical data and SMA /Pivot data accurately.

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1079>

© 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:

Monday, 6/30/14

CNY Manufacturing PMI			RISK: 2	6A 09-14
9:00 pm Eastern / 6:00 pm Pacific		Forecast: 51.0		
Avg 1st Peak: 18 ticks (1-3 min after report)	Min: 7 ticks (APR '13)		Max: 43 ticks (JUL '13)	
Avg 2nd Peak: 29 ticks (13-30 min after report)	Min: 13 ticks (APR '12)		Max: 50 ticks (MAY '12)	
Avg Reversal: 23 ticks (50-100 min after report)	Min: 8 ticks (SEP '12)		Max: 46 ticks (MAY '12)	
Last 6 Reports:	3 : SPK/REV	2 : 2ND PK	1 : DULL	0 : INDECISIVE
Last 12 Reports:	4 : SPK/REV	7 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			5	10 Tick Stop

This is a monthly early indicator of China manufacturing activity. Trade on the 6A since there is no index for CNY and the AUS economy is heavily correlated. RISK 2 due to potential for early release along with April and June 2013 being dull with results matching the forecast, but no indecisive reactions yet. **Due to 6 of 12 occurrences in the past where a source has released data up to 2:20 min early, set your bracket time for xx:57:30.** This report is always reported on the last day of the month even if on a weekend, so several months do not offer an opportunity to trade. 6 of the last 8 reports have delivered 13-26 ticks on the first peak. 7 of the last 12 reports have achieved a 2nd peak of 5-17 ticks more than the 1st peak. Look for 10-30 ticks on the reversal borne out over at least 50 min.

The HG (HG 09-14) index will also move for this report, but is not as safe on the initial spike. It tends to spike consistently with the 6A, then retreat and make another big move on the :02 bar (short if disappointing / long if impressive). I recommend placing a follow on manual trade on the HG after the results are known and the offset from the forecast is greater than 0.5. Look for an entry as the :01 bar is expiring and set a target for 20-30 ticks by the :10 bar, but move your stop up to +10 to capture that profit just in case.

© 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:

Monday, 6/30/14

CNY HSBC Final Manufacturing PMI		RISK: 2	HG 09-14	
9:45 pm Eastern / 6:45 pm Pacific		Forecast: 50.8		
Avg 1st Peak: 14 ticks (1-3 min after report)	Min: 3 ticks (FEB '14)	Max: 34 ticks (MAR '14)		
Avg 2nd Peak: 26 ticks (20-35 min after report)	Min: 20 ticks (FEB '14)	Max: 39 ticks (MAR '14)		
Avg Reversal: 16 ticks (30-55 min after report)	Min: 6 ticks (SEP '13)	Max: 29 ticks (OCT '13)		
Last 6 Reports:	2 : SPK/REV	1 : 2ND PK	3 : DULL	0 : INDECISIVE
Last 9 Reports:	3 : SPK/REV	2 : 2ND PK	4 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:		3	8 Tick Stop	

This is the monthly final indicator of China manufacturing activity that follows the flash reading from a week ago. Trade on the HG since there is no index for CNY. This report has grown in influence in the past several months and is now reliable to trade. Even when offering a dull reaction, it allows for an easy exit near breakeven or slight profit. In addition on 2 of the dull initial reactions, it followed with a substantial 2nd peak about 20 min later. This will not normally cause a huge reaction, but is reliable to capture 3-10 ticks in most cases. The offset from the forecast is normally within 0.3 pts. 4 of the last 6 reactions have yielded 2nd Peaks with as many as 15 more ticks than the original peak. The reversals are not as routine, with varying time frames and tick yields.