

## HIGH IMPACT REPORT ALERT:

Wednesday, 7/2/14

<b>GBP Construction PMI</b>			<b>RISK: 2</b>	<b>6B 09-14</b>
<b>4:30 am Eastern / 1:30 am Pacific</b>		<b>Forecast: 59.7</b>		
<b>Avg 1st Peak: 19 ticks (1-2 min after report)</b>	<b>Min: 12 ticks (OCT '13)</b>		<b>Max: 42 ticks (FEB '14)</b>	
<b>Avg 2nd Peak: 32 ticks (13-38 min after report)</b>	<b>Min: 14 ticks (OCT '13)</b>		<b>Max: 45 ticks (FEB '14)</b>	
<b>Avg Reversal: 21 ticks (6-35 min after report)</b>	<b>Min: 15 ticks (APR '14)</b>		<b>Max: 38 ticks (OCT '13)</b>	
<b>Last 6 Reports:</b>	<b>4 : SPK/REV</b>	<b>2 : 2ND Peak</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Last 9 Reports:</b>	<b>5 : SPK/REV</b>	<b>4 : 2ND Peak</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>			<b>4</b>	<b>12 Tick Stop</b>

Parameters	
BracketDistance	4
Entry CancelledIfGapped	False
Entry Slippage Ticks	8
Entry StopLimit Orders	True
Entry Time	04:29:59
Mode	StrategyInternal

Due to the potential for high slippage, I am recommending the Limit Orders with settings to the left. The banding limit for the 6B is 20 ticks.

Newer Report for JOBB, as is all GBP news. This is the second of 3 PMI reports and less impacting than the Manufacturing report. **Due to the shifty nature of the 6B, and bid spread issues, set your activation time for xx:29:59 and ensure you have a precise clock synch.** 3 of the last 6 reports have generated 12-13 ticks, 2 yielded 20, 26 ticks, and the remaining report yielded 42. The smaller reactions typically come with an offset of 0.8 or less. 4 of the last 6 reports have achieved a 2nd Peak, yielding only a few ticks more than the 1st peak 13-38 min after the report. This is a good report to trade a reversal with about 15-20 ticks being surrendered after the 2nd peak by 20 or so min.

## HIGH IMPACT REPORT ALERT:

Wednesday, 7/2/14

<b>ADP Non-Farm Employment Change - Trap Trade</b>		<b>RISK: 2</b>	<b>6J 09-14</b>		
<b>8:15 am Eastern / 5:15 am Pacific</b>		<b>Forecast: 206K</b>			
<b>Avg 1st Peak: 16 ticks (0:03-0:18 sec)</b>	<b>Min: 9 ticks (MAR '14)</b>	<b>Max: 28 ticks (DEC '13)</b>			
<b>Avg Reversal: 14 ticks (0:30-3:00 after report)</b>	<b>Min: 6 ticks (AUG '13)</b>	<b>Max: 24 ticks (SEP '13)</b>			
<b>Last 6 Reports:</b>	<b>4 : Tier 1</b>	<b>2: Tier 2</b>	<b>0 : DULL (no fill)</b>	<b>0 : DULL (fill)</b>	<b>0 : STOPPED</b>
<b>Recommended settings:</b>		<b>Tier 1: 8-10 ticks</b>	<b>Tier 2: 18-20 ticks</b>	<b>12 Tick Stop</b>	

After the declining performance of the ZB, a fresh approach to this report will shift to a Trap Trade on the 6J. A look at the last 6 months with reactions matching, small deviation, and large deviation, show a range of 9 to 28 ticks, with a quick acting reversal or naked tail/wick common.

\*For the Trap Trade an activation time of about 1 min to 45 sec before the news release is recommended to allow time to reposition the orders to adhere to a nearby area of support/resistance. **If you are not filled in the first 30 sec, cancel the order.**

Look for the initial spike to occur normally by 5 sec, but if a small deviation, could be as late as 30 sec. The reversal usually retreats about 2/3 to 3/4 of the way back to the origin as early as 30 sec or up to 3 min after the report.

## **HIGH IMPACT REPORT ALERT:**

**Wednesday, 7/2/14**

<b>Crude Oil Inventory</b>			<b>RISK: 3</b>	<b>CL 08-14</b>
<b>10:30 am Eastern / 7:30 am Pacific</b>		<b>Forecast( C/G/D): -2.30M/ 0.78M/ 0.55M</b>		
<b>Avg 1st Peak: 35 ticks (1-3 min after report)</b>	<b>Min: 11 ticks (3/27/13)</b>		<b>Max: 93 ticks (4/4/12)</b>	
<b>Avg 2nd Peak: 80 ticks (5-40 min after report)</b>	<b>Min: 25 ticks (10/11/12)</b>		<b>Max: 191 ticks (9/18/13)</b>	
<b>Avg Reversal: 68 ticks (17-44 min after Pk)</b>	<b>Min: 17 ticks (8/21/13)</b>		<b>Max: 211 ticks (5/15/13)</b>	
<b>Last 10 Reports:</b>	<b>1 : SPK/REV</b>	<b>6 : 2ND PK</b>	<b>1 : DULL</b>	<b>2 : INDECISIVE</b>
<b>Last 25 Reports:</b>	<b>7 : SPK/REV</b>	<b>14 : 2ND PK</b>	<b>1 : DULL</b>	<b>3 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>			<b>10</b>	<b>15 Tick Stop</b>

**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. This report is 3-pronged (Crude oil, Gasoline, and Distillates - Heating Oil)**

Now as we are in the summer months, we have seen a transition where the Distillate reading will fall off the radar making the report more stable and safe. 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 10-20 ticks net on the spike, and 40-60 ticks on the reversal. If the initial spike pops for only a few ticks beyond your fill point and hovers, 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 after a reversal about 3 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. Also look for trend lines on the swings to use for favorable entries. Paper trade this if you have not traded this report before.