

HIGH IMPACT REPORT ALERT:

Friday, 7/18/14

Canadian (Core) CPI - Trap Trade				RISK: 2	6C 09-14
8:30 am Eastern / 5:30 am Pacific		Forecast: -0.1% (Core) / 0.1% (Reg)			
Avg 1st Peak: 16 ticks (0:01-0:08 sec)	Min: 5 ticks (OCT '13)		Max: 41 ticks (MAR '14)		
Avg Reversal: 20 ticks (0:02 - 2:05 after report)	Min: 9 ticks (OCT '13)		Max: 41 ticks (FEB '14)		
Last 6 Reports:	1: Tier 1	2: Tier 2	1: DULL (no fill)	1 : DULL (fill)	1 : STOPPED
Recommended settings:		Tier 1: 18-20 ticks	Tier 2: n/a		15 Tick Stop

This report is a good Trap Trade candidate as it often sees matching results, a reading of 0.0%, or conflicting results on the core and regular readings that causes a whipsaw or a sharp pullback. The only time we were stopped was March when double booked with retail sales having strong consistent results. This report will also be released with wholesale sales, so we are only using the outer tier as the reaction should be larger, but also more volatile to shift direction. This report is a smaller mover with the typical range of the initial spike being 8-15 ticks. In the last 2 yrs it has had 5 reactions of 20 - 26 ticks and 1 reaction of 41 ticks (March 14 stop out).

HIGH IMPACT REPORT ALERT:

Friday, 7/18/14

Prelim UoM Consumer Sentiment - Trap Trade		RISK: 2	6J 09-14
9:55 am Eastern / 6:55 am Pacific		Forecast: 83.5	
Recommended settings:	Tier 1: ~8 ticks	Tier 2: ~15 ticks	10 Tick Stop

Newer report for JOBB for the Trap Trade approach. Please take note of the bizarre release time. Look for the first peak to be reached by 8 sec after the release, then the reversal to materialize within 4 min. We have had 5 reports yield 8-12 ticks and 2 reports yield 16 and 23 ticks since last year, so use a 2 tier approach with 1 trap at about 8 ticks offset and the outer tier at 15 ticks offset. Try to optimize the location of the tier to be just outside of a Pivot, SMA, or HOD/LOD/OOD. **If you see a spike that is 1-2 ticks short of your tier and hovering, it is safe to move the tier closer. Otherwise if you are not filled in the first 20 sec, cancel the order.**