

HIGH IMPACT REPORT ALERT:

Wednesday, 7/30/14

ADP Non-Farm Employment Change - Trap Trade		RISK: 2	6J 09-14		
8:15 am Eastern / 5:15 am Pacific		Forecast: 234K			
Avg 1st Peak: 16 ticks (0:03-0:18 sec)	Min: 9 ticks (MAR '14)	Max: 28 ticks (DEC '13)			
Avg Reversal: 14 ticks (0:30-3:00 after report)	Min: 6 ticks (AUG '13)	Max: 24 ticks (SEP '13)			
Last 6 Reports:	4 : Tier 1	2: Tier 2	0 : DULL (no fill)	0 : DULL (fill)	0 : STOPPED
Recommended settings:		Tier 1: 8-10 ticks	Tier 2: 18-20 ticks	12 Tick Stop	

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.

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Advance GDP - Trap Trade				RISK: 2	ZB 09-14
8:30 am Eastern / 5:30 am Pacific			Forecast: 3.1%		
Avg 1st Peak: 11 ticks (0:05-0:30 sec)		Min: 5 ticks (JAN '14)		Max: 20 ticks (JUL '13)	
Avg Reversal: 10 ticks (0:30-3:00 after report)		Min: 5 ticks (JAN '14)		Max: 19 ticks (JUL '13)	
Last 5 Reports:	2 : Tier 1	1: Tier 2	1 : DULL (no fill)	1 : DULL (fill)	0 : STOPPED
Recommended settings:		Tier 1: 8-10 ticks	Tier 2: 16-18 ticks	10 Tick Stop	

*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 20 sec, cancel the order.**

We shifted this report to the Trap Trade for the last 2 occurrences. With a nearly matching report in January, we saw a reaction of only 5 ticks that reversed in 12 sec then in April, the reaction was strong with 13 ticks allowing an exit near breakeven. Analysis of the last handful of reactions shows this report is a good candidate for the trap trade. Before January, the last 3 reactions resulted in spikes of 8,20, and 11 ticks on the :31 bar, with naked tails/wicks and a complete reversal to the origin within 5-15 min.

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Crude Oil Inventory			RISK: 3	CL 09-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): -1.00M/ 1.00M/ 1.55M		
Avg 1st Peak: 35 ticks (1-3 min after report)	Min: 11 ticks (3/27/13)		Max: 93 ticks (4/4/12)	
Avg 2nd Peak: 80 ticks (5-40 min after report)	Min: 25 ticks (10/11/12)		Max: 191 ticks (9/18/13)	
Avg Reversal: 68 ticks (17-44 min after Pk)	Min: 17 ticks (8/21/13)		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. 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.

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Wednesday, 7/30/14

7-y Bond Auction		RISK: 2	ZB 09-14	
1:01 pm Eastern / 10:01 am Pacific		Forecast: n/a		
Avg 1st Peak: 5 ticks (1-5 min after report)	Min: 2 ticks (JUL '13)	Max: 13 ticks (JUN '13)		
Avg 2nd Peak: 10 ticks (35-50 min after report)	Min: 5 ticks (JUL '13)	Max: 17 ticks (AUG '13)		
Avg Reversal: 9 ticks (14-120 min after report)	Min: 4 ticks (OCT '13)	Max: 19 ticks (MAR '14)		
Last 6 Reports:	0 : SPK/REV	6 : 2ND PK	0 : DULL	0 : INDECISIVE
Last 10 Reports:	2 : SPK/REV	7 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:		2	3 Tick Stop	

Be sure to select "Strategy Internal" mode in the JOBB settings to ensure your stop loss is not rejected on the ZB. This will be close to contract rollover time, so switch to the 09-14 contract if volume is about 2x or more.

Set your activation time for xx:01:30 as the spike will happen a little over 1 min late. Use a 3 tick stop loss. Expect to be filled with 0-2 ticks of slippage, then look for 2-4 ticks on the spike and a point of support or resistance in that area. Though this is the 7-y Auction, it has consistently caused a reaction on the ZB. This has been a trickier report to trade lately. It can take several min to reach its peak and often is dull. If you are not filled before the :02 bar expires, cancel the order. If you see it hover around your fill point for more than 2 min, exit near breakeven as it is likely a dull reaction. While the 10-y and 30-y auctions are on Forex Factory, the 7-y auction is not. The reversal has been nearly double the spike and takes much longer to pan out.

***A trap trade approach with 4-5 tick tier and 3 tick stop is also a good idea.**

If you are new to JOBB in the last month, please click on the following link to watch a 15 min video discussing the unique nature of the Bond Auctions:

<https://jobbracketbreakout.net/new-report-to-trade-bond-auction>

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FOMC Statement / Federal Funds Rate - Trap Trade		RISK: 3	ZB 09-14
2:00 pm Eastern / 11:00 am Pacific		Forecast: n/a (<0.25%)	
Recommended settings:	Tier 1: 7-8 ticks	Tier 2: 15-16 ticks	8 Tick Stop

*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 20 sec, cancel the order.**

There are 7 reports that help us model the expected reaction to this report: 1/29, 3/19, 4/30 FOMC Statements and 1/8, 2/19, 4/9, 5/21 FED Meeting Minutes. All 7 were great Trap Trade setups causing a spike one way followed by a reversal within about 1-2 min. The 1/29 and 4/30 reports fell 8 ticks, then rallied 9 ticks in 1:12. The 3/19 report fell 17 ticks with some surprise and rallied 14 ticks in 1:30. The minutes each moved 5-8 ticks, then reversed for 5 - 9 ticks in :48 to 1:00. **Look to exit on the first reversal and do not hold the trade long term as the longterm reaction is unpredictable.**

When the FED finally commenced tapering QE3 from \$85B/month at the December 2013 meeting, we saw a decisive short move. Now that the mystery and surprise is gone, every FOMC event since (minutes or statement) has been a great trap trade setup as they continue on the steady pace of \$10B/month reduction to \$25B/month with no additional action. Given the lack of drama, all eyes will be on any hint on longer term projections.

Keep an eye on the news, Bloomberg.com, or Talking-Forex and watch/listen for the announcement of the result as this is the reaction to the written statement.