

## HIGH IMPACT REPORT ALERT:

Friday, 8/1/14

<b>GBP Manufacturing PMI</b>		<b>RISK: 2</b>	<b>6B 09-14</b>	
<b>4:30 am Eastern / 1:30 am Pacific</b>		<b>Forecast: 57.2</b>		
<b>Avg 1st Peak: 30 ticks (1-2 min after report)</b>	<b>Min: 7 ticks (NOV '13)</b>	<b>Max: 46 ticks (DEC '13)</b>		
<b>Avg 2nd Peak: 43 ticks (9-33 min after report)</b>	<b>Min: 31 ticks (APR '14)</b>	<b>Max: 64 ticks (FEB '14)</b>		
<b>Avg Reversal: 21 ticks (6-35 min after report)</b>	<b>Min: 12 ticks (NOV '13)</b>	<b>Max: 32 ticks (AUG '13)</b>		
<b>Last 6 Reports:</b>	<b>2 : SPK/REV</b>	<b>4 : 2ND Peak</b>	<b>0 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Last 11 Reports:</b>	<b>6: SPK/REV</b>	<b>4 : 2ND Peak</b>	<b>1 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>		<b>5</b>	<b>15 Tick Stop</b>	

Parameters	
BracketDistance	5
Entry CancelledIfGapped	False
Entry Slippage Ticks	12
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.

This is the first of 3 GBP PMI reports and the most impacting. Release time has been changed to 0430 vice 0428. **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.** 7 of the last 10 reports have generated 28-46 ticks, and the remaining 2 have yielded 7, 10, and 22 ticks with near matching forecasts. An offset above 0.3 should cause a reaction of at least 20 ticks. 4 of the last 6 reports have achieved a 2nd Peak, but they yielded just a few more ticks more than the initial peak 9-64 min after the report. This is a good report to trade a reversal with about 20 ticks being surrendered after the initial peak or 2nd peak by 24 min.

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Unemployment Rate/Non-Farm Emp Change - Trap Trade		RISK: 2	ES 09-14		
8:30 am Eastern / 5:30 am Pacific		Forecast: +230K jobs / 6.1%			
Avg 1st Peak: 27 ticks (0:01-0:30 sec)	Min: 9 ticks (APR '14)	Max: 50 ticks (FEB '14)			
Avg Reversal: 31 ticks (0:30-3:00 after report)	Min: 12 ticks (APR '14)	Max: 104 ticks (FEB '14)			
Last 10 Reports:	3 : Tier 1	3: Tier 2	4 : DULL (no fill)	0 : DULL (fill)	0 : STOPPED
Recommended settings:		Tier 1: ~25 ticks	Tier 2: ~40 ticks	15 Tick Stop	

Due to the declining performance of the ZB and risk with market freezes and the tight banding limit, we are shifting to a Trap Trade on the ES. The ES is the most traded index in the world so it will be a much more stable platform. The good news is that the ES tends to offer a great Trap Trade setup no matter how the results pan out. Most of the reports in the last several months have been mixed bags for the economy, with about 150-200K jobs added with the rate improving due to other circumstances or getting worse. About 125-150K jobs need to be created each month just to keep up with population growth. NOV to MAR would have each offered a great opportunity with 3 spikes of 39, 42, and 50 ticks to fill the outer tier and 2 spikes of 27 ticks each. Sometimes it has made a spike of about 18 ticks after about 7 sec, then reversed for a fill on the opposite side around 25 sec, then backed off. **So cancel the order if not filled after 30 sec.**

Any drop in the rate has been primarily due to less people in the labor force or gains in part time labor, not sizable gains in normal hiring, so the jobs #s carry much more weight as the rate is discounted. This makes traders suspect of any positive news. The ADP report on 7/30 showed a slightly worse than expected 218K jobs created earlier this week. There is little correlation between the BOLS report and the ADP report since the calculation metrics differ entirely.

## HIGH IMPACT REPORT ALERT:

Friday, 8/1/14

<b>ISM Manufacturing PMI</b>			<b>RISK: 2</b>	<b>6J 09-14</b>
<b>10:00 am Eastern / 7:00 am Pacific</b>		<b>Forecast: 56.1</b>		
<b>Avg 1st Peak: 21 ticks (1-2 min after report)</b>	<b>Min: 9 ticks (APR '14)</b>		<b>Max: 37 ticks (FEB '14)</b>	
<b>Avg 2nd Peak: 44 ticks (10-21 min after report)</b>	<b>Min: 38 ticks (NOV '13)</b>		<b>Max: 52 ticks (FEB '14)</b>	
<b>Avg Reversal: 18 ticks (6-35 min after report)</b>	<b>Min: 11 ticks (NOV '13)</b>		<b>Max: 21 ticks (FEB '14)</b>	
<b>Last 6 Reports:</b>	<b>2 : SPK/REV</b>	<b>2 : 2ND Peak</b>	<b>2 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>			<b>4</b>	<b>8 Tick Stop</b>

Good medium impact report to trade. Unless the result deviates less than 1 point from the forecast, look for 20+ gross ticks on the initial spike and about 15 on the reversal as it usually delivers close to what the spike yields. A deviation of less than 1 pt should offer about 10-15 ticks gross. A potential 2nd peak should deliver about 15 more ticks than the initial peak on a large deviation. The peak can be shortly sustained, so a profit target is strongly recommended of about 7-10 ticks.