

HIGH IMPACT REPORT ALERT:

Wednesday, 8/6/14

U.S. Trade Balance		RISK: 2	6J 09-14	
8:30 am Eastern / 5:30 am Pacific		Forecast: -44.2B		
Avg 1st Peak: 8 ticks (1-2 min after report)	Min: 3 ticks (MAY '14)	Max: 16 ticks (JUN '13)		
Avg 2nd Peak: 11 ticks (12-19 min after report)	Min: 8 ticks (JUN '14)	Max: 13 ticks (JAN '14)		
Avg Reversal: 15 ticks (9-44 min after last Pk)	Min: 10 ticks (JUN '14)	Max: 25 ticks (JUN '13)		
Last 6 Reports:	2 : SPK/REV	1 : 2ND PK	3 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:		3	8 Tick Stop	

Small moving US report that is often paired up with Unemployment Claims then has the Trap Trade approach used. We continue to trade this on the 6J after 7 times (JUN, AUG, SEP, DEC, JAN, MAY, and JUN). JUN and AUG were nice for 14 and 16 tick spikes (gross), while SEP, DEC, and MAY were all dull with no fill after 10 sec. JAN and JUN allowed about 2 ticks to be captured. Look for 2-10 ticks net on the spike in 1-2 min and a higher reversal of 10-15 ticks that is quick to rebound. 2nd Peaks are common lately on this report even on the dull reactions for a few more ticks in 12-19 min after the report.

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Crude Oil Inventory			RISK: 3	CL 09-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): -0.97M/ 0.03M/ 0.75M		
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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AUS Employment Change / Unemployment Rate		RISK: 3	6A 09-14	
9:30 pm Eastern / 6:30 pm Pacific		Forecast: 13.5K / 6.0%		
Avg 1st Peak: 46 ticks (1 min after report)	Min: 13 ticks (SEP '12)	Max: 86 ticks (JUN '13)		
Avg 2nd Peak: 62 ticks (26-50 min after report)	Min: 34 ticks (DEC '12)	Max: 98 ticks (JAN '14)		
Avg Reversal: 34 ticks (15-30 min after last Pk)	Min: 11 ticks (SEP '13)	Max: 96 ticks (JUN '13)		
Last 6 Reports:	4 : SPK/REV	1 : 2ND PK	0 : DULL	1 : INDECISIVE
Last 12 Reports:	5 : SPK/REV	4 : 2ND PK	0 : DULL	3 : INDECISIVE
Recommended BracketDistance setting:		8	20 Tick Stop	

Parameters	
BracketDistance	8
Entry CancelledIfGapped	False
Entry Slippage Ticks	12
Entry StopLimit Orders	True
Entry Time	21:29:59
Mode	StrategyInternal
StrategyInternal Trading	
BreakEvenProfit Ticks	0
BreakEvenTrigger Ticks	0
Position 1 Size	1
Position 2 Size	0
ProfitTarget 1 Ticks	20
ProfitTarget 2 Ticks	0
ReverseIfStoppedOut	True
StopLoss Ticks	20

Based on the high slippage that often accompanies this report, I am recommending the stop limit orders with the settings to the left. Due to an occasional head fake, we recommend using the ReverseIfStoppedOut feature. The BreakEven and ProfitTarget are left to personal preference, but 20 ticks is a suggestion.

One of the bigger periodic AUS reports. April to June 2013 saw premature volatility and manipulation to make the report more risky while April and May were both indecisive. May and June would have seen a tripwire to cancel about 18 sec before the report and April presented an indecisive scenario with a premature spike 3 sec before just as the bracket was setting up. **Given these dynamics, set the activation time to :59 sec instead of :57 sec.** This approach has made the report safer to profit since June 2013. October 2013 was indecisive due to mixed results. In February 2014 we saw another head fake long before the true short move. Check the archive screen shot and caption to see what

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happened if you are unfamiliar. Due to the high slippage, we are looking for a better position fill after the initial move and retracement with the limit order settings. Very consistent spike of 25-60 gross ticks on the 1st bar except for June which garnered 86 ticks, then surrendered it fairly quickly. Lately, about half of the reports have seen a 2nd Peak reaction, but on every occasion except for a few, the 2nd peak has only garnered another 4-15 ticks. Since that is the case, be careful trading the reversal. It is better to wait for a trade against the grain and miss it, then go in too early and find yourself eating a loss. The 25-30 min area after the report is a good area to evaluate an entry for the reversal. Look for 20-40 ticks on the reversal.