

HIGH IMPACT REPORT ALERT:

Wednesday, 8/13/14

GBP BOE Inflation Report			RISK: 3	6B 09-14
5:30 am Eastern / 2:30 pm Pacific		Forecast: n/a		
Avg 1st Peak: 51 ticks (:07-:29 sec after report)	Min: 24 ticks (MAY '14)	Max: 90 ticks (AUG '13)		
Avg Reversal: 115 ticks (15-30 min after last Pk)	Min: 29 ticks (MAY '14)	Max: 287 ticks (AUG '13)		
Last 6 Reports:	5 : SPK/REV	1 : 2ND PK	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			6	20 Tick Stop

Parameters	
BracketDistance	6
Entry CancelledIfGapped	False
Entry Slippage Ticks	10
Entry StopLimit Orders	True
Entry Time	05:29:59
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. This is the quarterly BOE Inflation report which does not have a forecast or statistical result. While the main consistent thread with this report is a strong reversal, it is not a good candidate for the Trap Trade approach due to the wide span of 1st peak results. We have seen 3 reports yield 30, 34, and 45 ticks in a cluster, then the remaining 2 yielded 83 and 90 ticks. Since the spikes tend to ratchet or step to the peak and reach the nadir within 10 sec, we can trade the spike and the reversal. **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 synchron.** Look to exit from the initial trade or enter a reversal 6-8 sec near a support/resistance barrier after the spike moves (FEB 14 started at 8 sec and reached a peak at 15 sec. Look for at least 15 ticks net on the spike and a potential for up to 70 ticks. The reversal has exceeded the peak by 2x in 4 of 6 cases. if trading the reversal, use a 20 tick stop and trail it below / above the 20 SMA. Look to exit when the MACD crosses or the first bar settles on the other side of the 20 SMA. If the first peak is large, look for the first settling when it encounters the 50 SMA. The reversals have peaked in 5 min in 2 cases, 34-35 min in 2 cases, and 86 min in the other case (that achieved 287 ticks).

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(Core) Retail Sales			RISK: 2	ZB 09-14
8:30 am Eastern / 5:30 am Pacific		Forecast: 0.4% (Core)/ 0.2% (Reg)		
Avg 1st Peak: 9 ticks (1 min after report)	Min: 3 ticks (OCT '13)	Max: 22 ticks (JUL '13)		
Avg 2nd Peak: 20 ticks (4-40 min after report)	Min: 10 ticks (NOV '13)	Max: 44 ticks (JUL '13)		
Avg Reversal: 13 ticks (20-40 min after last pk)	Min: 9 ticks (JUL '13)	Max: 22 ticks (NOV '13)		
Last 6 Reports:	2 : SPK/REV	2 : 2ND PK	1 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:			3	4 Tick Stop

Parameters	
BracketDistance	3
Entry CancelledIfGap	False
Entry Slippage Ticks	16
Entry StopLimit Orders	True
Entry Time	09:59:57
Mode	StrategyInternal

Be sure to select "Strategy Internal" mode in the JOBB settings to ensure your stop loss is not rejected on the ZB. It is also recommended to use limit orders with a slippage setting of 16 or less to bypass the CME restrictions (time will vary in the example).

A medium mover, but influential and reliable report that we continue to trade on the ZB due to current market dynamics. If the offset from the forecast is only 0.1% then it will likely be dull, but anything larger should allow at least 5 ticks or so net to be captured. A 2nd peak is highly likely for about 1.5-2x the 1st peak in a variable timeframe. We only have about 6 months of reliable statistical data on the ZB, since the period of influence has been brief. Last month was indecisive due to another conflicting report release at the same time. This report has no other news accompanying it.

The ZN can also be traded for this report as it will have a similar reaction while allowing less risk with half of the tick value.

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Crude Oil Inventory			RISK: 3	CL 09-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): -2.15M/ -1.13M/ 0.23M		
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.

HIGH IMPACT REPORT ALERT:

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10-y Bond Auction - Trap Trade		RISK: 2	ZB 09-14
1:01 pm Eastern / 10:01 am Pacific		Forecast: n/a	
Recommended settings:	Tier 1: 4-5 ticks	Tier 2: 7-8 ticks	5 Tick Stop

Set your activation time for xx:01:00 as the spike will happen around xx:01:30 on the :02 bar. We shifted this report to a Trap Trade due to the trending dull pattern with only one reaction in the last year over 8 ticks. We have had 7 reactions of 4-5 ticks and 4 reaction of 7-8 ticks with 1 no fill and one outlier at 14 ticks. Look for about 3-4 ticks for a safe and conservative exit, but take what the market gives you. In April, we filled and then it hovered around +1 tick for a few min before moving against the fill. Though this is the 10-y Auction, it has caused a reaction on the ZB for the last 2+ years consistently and little reaction on the ZN. **If you do not get filled by xx:02:00, cancel the order.** It may go for a 2nd peak about 15 min to 1 hr after the report for 4-10 ticks more than the spike. The reversal usually matches the original spike and takes 10-40 min to pan out.

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://jobrocketbreakout.net/new-report-to-trade-bond-auction>