

HIGH IMPACT REPORT ALERT:

Sunday, 8/31/14

CNY Manufacturing PMI			RISK: 2	6A 09-14
9:00 pm Eastern / 6:00 pm Pacific		Forecast: 51.2		
Avg 1st Peak: 17 ticks (1-3 min after report)	Min: 7 ticks (APR '13)		Max: 43 ticks (JUL '13)	
Avg 2nd Peak: 29 ticks (13-30 min after report)	Min: 13 ticks (APR '12)		Max: 50 ticks (MAY '12)	
Avg Reversal: 22 ticks (50-100 min after report)	Min: 8 ticks (SEP '12)		Max: 46 ticks (MAY '12)	
Last 6 Reports:	5 : SPK/REV	1 : 2ND PK	0 : DULL	0 : INDECISIVE
Last 12 Reports:	8 : SPK/REV	3 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			5	10 Tick Stop

This is a monthly early indicator of China manufacturing activity. Trade on the 6A since there is no index for CNY and the AUS economy is heavily correlated. RISK 2 due to potential for early release along with April and June 2013 being dull with results matching the forecast, but no indecisive reactions yet. **Due to 7 of 12 occurrences in the past where a source has released data up to 2:20 min early, set your bracket time for xx:57:30.** The last 4 reports have released about 40 sec early. This report is always reported on the last day of the month even if on a weekend, so several months do not offer an opportunity to trade. 6 of the last 8 reports have delivered 13-26 ticks on the first peak. 4 of the last 12 reports have achieved a 2nd peak of 5-17 ticks more than the 1st peak. Look for 10-30 ticks on the reversal borne out over at least 50 min.

The HG (HG 09-14) index will also move for this report, but is not as safe on the initial spike. It tends to spike consistently with the 6A, then retreat and make another big move on the :02 bar (short if disappointing / long if impressive). I recommend placing a follow on manual trade on the HG after the results are known and the offset from the forecast is greater than 0.5. Look for an entry as the :01 bar is expiring and set a target for 20-30 ticks by the :10 bar, but move your stop up to +10 to capture that profit just in case.

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HIGH IMPACT REPORT ALERT:

Sunday, 8/31/14

CNY HSBC Final Manufacturing PMI			RISK: 2	HG 12-14
9:45 pm Eastern / 6:45 pm Pacific		Forecast: 50.3		
Avg 1st Peak: 12 ticks (1-3 min after report)	Min: 3 ticks (FEB '14)		Max: 34 ticks (MAR '14)	
Avg 2nd Peak: 26 ticks (20-35 min after report)	Min: 20 ticks (FEB '14)		Max: 39 ticks (MAR '14)	
Avg Reversal: 16 ticks (30-55 min after report)	Min: 6 ticks (SEP '13)		Max: 29 ticks (OCT '13)	
Last 6 Reports:	2 : SPK/REV	2 : 2ND PK	2 : DULL	0 : INDECISIVE
Last 11 Reports:	3 : SPK/REV	3 : 2ND PK	5 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			3	8 Tick Stop

*****SHIFT TO NEW FRONT MONTH CONTRACT 12-14*****

This is the monthly final indicator of China manufacturing activity that follows the flash reading from a week ago. Trade on the HG since there is no index for CNY. This report has grown in influence in the past several months and is now reliable to trade. Even when offering a dull reaction, it allows for an easy exit near breakeven or slight profit. In addition on 2 of the dull initial reactions, it followed with a substantial 2nd peak about 20 min later. This will not normally cause a huge reaction, but is reliable to capture 3-10 ticks in most cases. The offset from the forecast is normally within 0.3 pts. 5 of the last 11 reactions have yielded 2nd Peaks with as many as 15 more ticks than the original peak. The reversals are not as routine, with varying time frames and tick yields.