

HIGH IMPACT REPORT ALERT:

Thursday, 9/4/14

GBP Official Bank Rate - Trap Trade				RISK: 2	6B 09-14
7:00 am Eastern / 4:00 am Pacific			Forecast: 0.50% (No change)		
Avg 1st Peak: 18 ticks (0:00-0:16 sec)		Min: 4 ticks (JUL '14)		Max: 37 ticks (FEB '14)	
Avg Reversal: 20 ticks (0:03 - 0:50 after report)		Min: 6 ticks (JUL '14)		Max: 42 ticks (FEB '14)	
Last 6 Reports:	1 : Tier 1	1: Tier 2	4 : DULL (no fill)	0 : DULL (fill)	0 : STOPPED
Last 12 Reports:	4 : Tier 1	2: Tier 2	6 : DULL (no fill)	0 : DULL (fill)	0 : STOPPED
Recommended settings:		Tier1: 16-18 ticks	Tier2: 26-28 ticks	15 Tick Stop	

This is the Bank of England Official Bank Rate and Asset Purchase Facility. As there has not been any change to these in over a year, the reaction is always a whipsaw or unsustainable spike. Out of the last 10 reports, we have seen 3 reports fill the inner tier and 2 fill the outer tier, then the reversal gives 12-18 ticks from the first tier or average entry to be captured usually in the latter part of the :01 bar (0:15 - 0:46). The remaining 5 reports were dull with no fill so we have had no poor setups to cause a loss.

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EUR ECB Minimum Bid Rate - Trap Trade			RISK: 3	6E 09-14	
7:45 am Eastern / 4:45 am Pacific		Forecast: 0.15% (no change)			
Avg 1st Peak: 28 ticks (0:01-0:06 sec)	Min: 20 ticks (APR '14)		Max: 35 ticks (MAR '14)		
Avg Reversal: 42 ticks (0:06 - 1:26 after report)	Min: 18 ticks (FEB '14)		Max: 64 ticks (MAR '14)		
Last 6 Reports:	3 : Tier 1	1: Tier 2	2 : DULL (no fill)	0 : DULL (fill)	0 : STOPPED
Recommended settings:		Tier 1: 18-20 ticks	Tier 2: 28-32 ticks	15 Tick Stop	

4 of the last 6 months have shown great Trap Trade opportunities for this trade as the ECB is desperate to devalue the EURO with limited options. The last 2 reactions were dull with no fill, but there has been chatter that the ECB is nervous to act again this time. Prior to that this was a dull mover for several months. With the forecast rate cut in June, we just used the outer tier setting of an average of 30 ticks and it yielded a max of about 40 ticks. No change is expected this time in the rate, but the other actions by the ECB will be on watch. Look for the first peak to be reached quickly within 10 sec after the release, then the reversal to materialize between 6 sec on the :31 bar up to about 90 sec. The last 4 reactions other than the dull reports have yielded 20, 21, 28, and 35 ticks initially, with reversals of 45, 18, 16 and 64 ticks. Try to optimize the location of the tier to be just outside of a Pivot, SMA, or HOD/LOD/OOD. **If you are not filled in the first 20 sec, cancel the order.**

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ADP Non-Farm Employment Change - Trap Trade		RISK: 2	6J 09-14		
8:15 am Eastern / 5:15 am Pacific		Forecast: 216K			
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:	3 : Tier 1	2: Tier 2	1 : 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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Unemployment Claims - Trap Trade				RISK: 1	6J 09-14
8:30 am Eastern / 5:30 am Pacific			Forecast: 298K		
Avg 1st Peak: 14 ticks (0:01-0:22 sec)		Min: 8 ticks (11/21/13)		Max: 21 ticks (12/5/13)	
Avg Reversal: 13 ticks (0:11 - 3:30 after report)		Min: 8 ticks (11/21/13)		Max: 26 ticks (12/12/13)	
Last 12 Reports:	5 : Tier 1	1: Tier 2	6 : DULL (no fill)	0 : DULL (fill)	0 : STOPPED
Recommended settings:		Tier 1: 8-10 ticks	Tier 2: 18-20 ticks	10 Tick Stop	

Look for the first peak to be reached in 1-22 sec after the release, then the reversal to materialize between 11 sec on the :31 bar up to about 4-5 min. Of the reactions that would have breached the Trap tiers, we have had several reports yield 8-12 ticks and a few other reports yield 19-21 ticks since inception, so use a 2 tier approach with 1 trap at about 8-10 ticks offset and the outer tier at 18-20 ticks offset. Try to optimize the location of the tier to be just outside of a Pivot, SMA, or HOD/LOD/OOD. **If you are not filled in the first 20 sec, cancel the order or if it falls short of a tier and hovers it is also safe to manually move the order closer for an entry.** Trade Balance will be released with this report. ECB Press conference will commence at the same time, but take a few min to have an effect.

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ISM Non-Manufacturing PMI			RISK: 2	6J 09-14
10:00 am Eastern / 7:00 am Pacific		Forecast: 57.3		
Avg 1st Peak: 19 ticks (1 min after report)	Min: 10 ticks (JAN '14)		Max: 23 ticks (FEB '14)	
Avg 2nd Peak: 25 ticks (6-29 min after report)	Min: 22 ticks (AUG '13)		Max: 33 ticks (FEB '14)	
Avg Reversal: 18 ticks (23-74 min after report)	Min: 10 ticks (OCT '13)		Max: 47 ticks (FEB '14)	
Last 6 Reports:	0 : SPK/REV	3 : 2ND PK	2 : DULL	1 : INDECISIVE
Last 12 Reports:	0 : SPK/REV	9 : 2ND PK	2 : DULL	1 : INDECISIVE
Recommended BracketDistance setting:			3	8 Tick Stop

A medium mover, but influential and reliable report. This report will be released separately from Factory Orders this time. We have been trading this on the 6J since July 2013 with all reactions except April being safe. With only 0.4 pts offset, the near match caused an indecisive situation. Then May and August saw a dull reaction that would have allowed an exit at breakeven and July would have been cancelled before a fill happened. All others have been safe, profitable, and achieved a 2nd peak of a few more ticks. Look for 10-15 ticks net on the spike, and if it hovers and reverses after about 20 sec, be sure to exit at or better than break even. Look for 10-25 ticks on the reversal and a 2nd Peak for an additional 5-10 ticks normally around 5-7 min is probable.

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Natural Gas Storage (Yellow Report)		RISK: 5	NG 10-14	
10:30 am Eastern / 7:30 am Pacific		Forecast: 72B FT³		
Avg 1st Peak: 64 ticks (1-2 min after report)	Min: 13 ticks (11/7/13)	Max: 170 ticks (5/2/13)		
Avg 2nd Peak: 108 ticks (4-20 min after rpt)	Min: 23 ticks (11/7/13)	Max: 257 ticks (6/14/12)		
Avg Reversal: 63 ticks (11-40 min after Pk)	Min: 16 ticks (3/8/12)	Max: 155 ticks (8/16/12)		
Last 10 Reports:	3 : SPK/REV	4 : 2ND PK	0 : DULL	3 : INDECISIVE
Last 25 Reports:	10 : SPK/REV	7 : 2ND PK	0 : DULL	8 : INDECISIVE
Recommended BracketDistance setting:			10	20 Tick Stop

Trade with caution and ensure you understand the risk. THIS IS THE RISKIEST REPORT FOR JOBB. Occasionally prone to opposite direction spike 1-2 sec before report is released and slippage up to 30+ ticks (40-50 ticks on moves that gross over 100 ticks). USE of JOBB is highly risky due to the potential of the order filling in the wrong direction.

Set your bracket entry time only 1 second early (xx:29:59) and ensure a good clock synch. A profit target of 20 ticks or less is safer, while also using a breakeven to move the stop to a more favorable position. This report is similar to the CL inventory, but it is prone to a decisive direction after the report release and about 15-30 ticks of slippage. Look for 20-40 ticks net on the spike after slippage, and a reversal that often exceeds the spike. If the offset between the result and the forecast is less than 10, trading the reversal is a safe proposition. If the results are matching or nearly matching, buying the dips and selling the tops is a good play.

Another reliable approach is to look for a reversal entry late in the :33 bar and look for 15-20 ticks. As long as there is a stable spike on the :31 bar, this is successful about 2/3 of the time with a stop of about 10 ticks.

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Crude Oil Inventory			RISK: 3	CL 10-14
11:00 am Eastern / 8:00 am Pacific		Forecast(C/G/D): -1.02M/ -1.32M/ -0.62M		
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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