

HIGH IMPACT REPORT ALERT:

Monday, 9/22/14

CNY HSBC Flash Manufacturing PMI		RISK: 2	HG 12-14	
9:45 pm Eastern / 6:45 pm Pacific		Forecast: 50.0		
Avg 1st Peak: 21 ticks (2-3 min after report)	Min: 10 ticks (FEB '13)	Max: 37 ticks (MAR '13)		
Avg 2nd Peak: 40 ticks (16-20 min after report)	Min: 14 ticks (FEB '13)	Max: 91 ticks (MAR '13)		
Avg Reversal: 23 ticks (26-62 min after report)	Min: 8 ticks (FEB '13)	Max: 55 ticks (APR '13)		
Last 6 Reports:	1 : SPK/REV	5 : 2ND PK	0 : DULL	0 : INDECISIVE
Last 12 Reports	4 : SPK/REV	8 : 2ND PK	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:		3	10 Tick Stop	

Parameters	
BracketDistance	3
Entry CancelledIfGapped	False
Entry Slippage Ticks	7
Entry StopLimit Orders	True
Entry Time	21:44:57
Mode	StrategyInternal

Based on the high slippage that often accompanies this report, I am recommending the stop limit orders with the settings to the left.

CNY HSBC Flash Manufacturing PMI		RISK: 2	6A 12-14	
9:45 pm Eastern / 6:45 pm Pacific		Forecast: 50.0		
Avg 1st Peak: 29 ticks (1-3 min after report)	Min: 9 ticks (SEP '12)	Max: 64 ticks (FEB '14)		
Avg 2nd Peak: 34 ticks (16-20 min after report)	Min: 15 ticks (JUN '12)	Max: 66 ticks (JUL '13)		
Avg Reversal: 22 ticks (26-62 min after report)	Min: 9 ticks (FEB '14)	Max: 46 ticks (JUN '13)		
Last 6 Reports:	6 : SPK/REV	0 : 2ND PK	0 : DULL	0 : INDECISIVE
Last 12 Reports	9 : SPK/REV	3 : 2ND PK	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:		4	10 Tick Stop	

Parameters	
BracketDistance	4
Entry CancelledIfGapped	False
Entry Slippage Ticks	10
Entry StopLimit Orders	True
Entry Time	21:44:57
Mode	StrategyInternal

Based on the high slippage that often accompanies this report, I am recommending the stop limit orders with the settings to the left.

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This is a monthly early indicator of China manufacturing activity. Trade on the HG or 6A since there is no index for CNY. This report performed exceptionally between March and September 2013 on the HG delivering 24-37 ticks. Since September, it has been safe, but yielding 12-23 gross ticks on the spike which often takes multiple bars to reach its peak. In Feb, the HG had an abnormal 11 ticks of slippage. So we are taking another look at the 6A to see how it will perform. In March and May, the HG slipped 2 and 7 ticks and the 6A would have slipped about 12-13 ticks, disallowing a fill. The HG would have allowed about 8-10 net ticks to be captured. April was a near matching report for no movement on the HG on the first bar with a delayed move following, but a small move of 11 ticks on the 6A. The HG still appears to be easier and safer after the last 3 months for the initial spike. The limit settings above are strongly advised to filter out a bad entry and get picked up on an intrabar retracement. On the HG, 8 of the last 12 reports have achieved a 2nd peak of 6-20+ ticks more than the 1st peak within 20 min after the release. Look for 20-50 ticks on the reversal. A reversal trade on the 6A after the initial spike is safe, while the HG usually goes for a 2nd peak.