

## HIGH IMPACT REPORT ALERT:

Tuesday, 9/30/14

<b>CB Consumer Confidence</b>		<b>RISK: 2</b>	<b>6J 09-14</b>	
<b>10:00 am Eastern / 7:00 am Pacific</b>		<b>Forecast: 92.2</b>		
<b>Avg 1st Peak: 10 ticks (1-2 min after report)</b>	<b>Min: 3 ticks (SEP '13)</b>	<b>Max: 25 ticks (JUN '13)</b>		
<b>Avg 2nd Peak: 18 ticks (4-10 min after rpt)</b>	<b>Min: 11 ticks (SEP '13)</b>	<b>Max: 22 ticks (NOV '13)</b>		
<b>Avg Reversal: 18 ticks (11-29 min after rpt)</b>	<b>Min: 8 ticks (NOV '13)</b>	<b>Max: 38 ticks (AUG '13)</b>		
<b>Last 6 Reports:</b>	<b>2 : SPK/REV</b>	<b>2 : 2ND PK</b>	<b>2 : DULL</b>	<b>0 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>		<b>4</b>	<b>8 Tick Stop</b>	

Good medium impact report to trade. The readings since April 2013 have continued improve and remain in the upper 70s to low 80s as they set new highs not seen for multiple years. We shifted to the 6J in July 2013. We have had a handful or reports that were all dull with no fill as the results matched the forecast, every other report in the last 15 months since the shift to the 6J has been profitable. Look for 5-8 ticks net on the initial spike and about 8-10 on the reversal. A potential 2nd peak should deliver 5-15 more ticks than the initial peak within 15 minutes.

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Grain Stocks (Corn)			RISK: 3	ZC 12-14
<b>12:00 pm Eastern / 9:00 am Pacific</b>		<b>Forecast: n/a (not on Forex Factory)</b>		
<b>Avg 1st Peak: 80 ticks</b> <b>(1-3 min after report)</b>	<b>Min: 13 ticks (JUN '13)</b>	<b>Max: 133 ticks (MAR '13)</b>		
<b>Avg 2nd Peak: 140 ticks</b> <small>(60min-just after new session opn)</small>	<b>Min: 42 ticks (SEP '13)</b>	<b>Max: 230 ticks (SEP '12)</b>		
<b>Avg Reversal: 34 ticks</b> <b>(30-60 min after report)</b>	<b>Min: 11 ticks (DEC '12)</b>	<b>Max: 54 ticks (JUN '13)</b>		
<b>Last 6 Reports:</b>	<b>0 : SPK/REV</b>	<b>5 : 2ND PK</b>	<b>0 : DULL</b>	<b>1 : INDECISIVE</b>
<b>Last 10 Reports:</b>	<b>1 : SPK/REV</b>	<b>8 : 2ND PK</b>	<b>0 : DULL</b>	<b>1 : INDECISIVE</b>
<b>Recommended BracketDistance setting:</b>			<b>6</b>	<b>15 Tick Stop</b>

Parameters	
BracketDistance	6
Entry CancelledIfGapped	False
Entry Slippage Ticks	20
Entry StopLimit Orders	True
Entry Time	11:59:57
Mode	StrategyInternal

I am recommending the Limit Order settings at the left as excessive slippage is possible on this report and this gives us the best chance to get filled on an intrabar retracement.

This report is similar to the WASDE report, but quarterly in nature. This applies to corn, wheat and soybeans, but the Corn has the safest and most consistent reaction over the past 2 yrs. Since this is a seasonal report, it is reporting on the summer harvest and production along with the harvest and production forecast for the fall. Historically, the Sept report has been a safe bracket trade, but not as large a mover as the January and March reports. We only have a small data sample with 10 former reports due to historical data unavailable after the threshold exceeds 1 year. This is not found on Forex Factory and there is no forecast / result. We have had unstable reports in June as expected in the last 3 occurrences, one a whipsaw, and the other 2 shortly sustained spikes that reversed after a few sec. We used the Trap Trade approach 3 months ago for a nice trade. All others except for June occasions have been safe for the Bracket trade. In 3 of the last 10 reports including March 2012/2013 reports and Sep 2012, it has triggered a halt in trading due to exceeding 10% change from the open. On all of those occasions, when trading resumed on the following session,

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the price opened further in the profit with the final peak happening just a few min after the open. It has the high potential to seek a 2nd peak with 5 of the last 6 events. The 1st peak may take more than 1 bar to hit its max. Reversal is usually small and if it goes for a 2nd peak may be slow in coming. Look for 70-130 ticks on the spike, 30-100 more ticks on a potential 2nd peak, and 10-40 ticks on the reversal.

Note: If you have not opened a ZC chart before, you will have to set it up correctly. Open the Data series window on your chart and change the "session template" to "Default 24/7". Then hit okay. If you do not execute this step, your chart will not display historical data and SMA /Pivot data accurately.

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1079>

## HIGH IMPACT REPORT ALERT:

Tuesday, 9/30/14

CNY Manufacturing PMI			RISK: 2	6A 12-14
9:00 pm Eastern / 6:00 pm Pacific		Forecast: 51.1		
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:	4 : SPK/REV	1 : 2ND PK	1 : DULL	0 : INDECISIVE
Last 12 Reports:	7 : SPK/REV	3 : 2ND PK	2 : 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 June 2013 and last month 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 5 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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AUS Retail Sales - Trap Trade		RISK: 2	6A 12-14
8:30 pm Eastern / 5:30 pm Pacific		Forecast: 0.4%	
Recommended settings:	Tier 1: 10-12 ticks	Tier 2: 20-22	15 Tick Stop

We are shifting this report to the Trap Trade routine after it has shown a trend of instability. It peaks quickly, then tends to reverse or leave an unsustained peak. We see consolidation with 5 of the last 12 reports yielding 11-17 ticks with another 7 yielding 21-29 ticks. Only 1 of these has gone on for a 2nd peak (Nov 2013), but the rest have all reversed even if a stable initial spike is seen. Try to optimize the location of the tier to be just outside of a Pivot, SMA, or HOD/LOD/OOD. **If you see a spike that is 1-2 ticks short of your tier and hovering, it is safe to move the tier closer. Otherwise if you are not filled in the first 20 sec, cancel the order.**