

HIGH IMPACT REPORT ALERT:

Wednesday, 10/1/14

GBP Manufacturing PMI			RISK: 2	6B 12-14
4:30 am Eastern / 1:30 am Pacific		Forecast: 52.6		
Avg 1st Peak: 30 ticks (1-2 min after report)	Min: 7 ticks (NOV '13)		Max: 46 ticks (DEC '13)	
Avg 2nd Peak: 42 ticks (9-33 min after report)	Min: 31 ticks (APR '14)		Max: 64 ticks (FEB '14)	
Avg Reversal: 21 ticks (6-35 min after report)	Min: 12 ticks (NOV '13)		Max: 32 ticks (AUG '13)	
Last 6 Reports:	3 : SPK/REV	3 : 2ND Peak	0 : DULL	0 : INDECISIVE
Last 12 Reports:	6: SPK/REV	5 : 2ND Peak	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			5	15 Tick Stop

Parameters	
BracketDistance	5
Entry CancelledIfGapped	False
Entry Slippage Ticks	12
Entry StopLimit Orders	True
Entry Time	04:29:59
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.

This is the first of 3 PMI reports and the most impacting. Release time has been changed to 0430 vice 0428. **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 synch.** 9 of the last 12 reports have generated 28-46 gross ticks, and the remaining 2 have yielded 7, 10, and 22 ticks with near matching forecasts. An offset above 0.3 should cause a reaction of at least 20 ticks. 4 of the last 6 reports have achieved a 2nd Peak, but most garnered just a few ticks more while only 2 yielded about 30 ticks more than the initial peak 9-64 min after the report. This is a good report to trade a reversal with about 20 ticks being surrendered after the initial peak or 2nd peak by 24 min.

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ADP Non-Farm Employment Change - Trap Trade		RISK: 2	6J 12-14		
8:15 am Eastern / 5:15 am Pacific		Forecast: 206K			
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	1: Tier 2	2 : 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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ISM Manufacturing PMI		RISK: 2	6J 12-14	
10:00 am Eastern / 7:00 am Pacific		Forecast: 58.6		
Avg 1st Peak: 16 ticks (1-2 min after report)	Min: 9 ticks (MAY '14)	Max: 37 ticks (FEB '14)		
Avg 2nd Peak: 26 ticks (10-21 min after report)	Min: 13 ticks (AUG '13)	Max: 52 ticks (FEB '14)		
Avg Reversal: 18 ticks (6-35 min after report)	Min: 11 ticks (NOV '13)	Max: 21 ticks (FEB '14)		
Last 6 Reports:	2 : SPK/REV	2 : 2ND Peak	2 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:		4	8 Tick Stop	

Good medium impact report to trade. Unless the result deviates less than 1 point from the forecast, look for 10-20 gross ticks on the initial spike and about 15 on the reversal as it usually delivers close to what the spike yields. A deviation of less than 1 pt should offer about 8-15 ticks gross. A potential 2nd peak should deliver about 10-15 more ticks than the initial peak on a large deviation. The peak can be shortly sustained, so a profit target is strongly recommended of about 7-10 ticks.

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Crude Oil Inventory			RISK: 3	CL 11-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): 0.30M/ -0.90M/ 0.35M		
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:	2 : SPK/REV	5 : 2ND PK	2 : DULL	1 : 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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AUS Trade Balance - Trap Trade				RISK: 2	6A 12-14
9:30 pm Eastern / 6:30 pm Pacific			Forecast: -0.78B		
Avg 1st Peak: 16 ticks (0:00-0:31 sec)		Min: 8 ticks (MAY '13)		Max: 31 ticks (APR '12)	
Avg Reversal: 25 ticks (0:11 - 0:52 after report)		Min: 10 ticks (OCT '13)		Max: 53 ticks (AUG '13)	
Last 6 Reports:	3 : Tier 1	2: Tier 2	0 : DULL (no fill)	1 : DULL (fill)	0 : STOPPED
Recommended settings:		Tier 1: 14-16 ticks	Tier 2: n/a		10 Tick Stop

We traded this report by itself in May, June, and July but the previous 3 months were double booked with AUS Retail Sales. May saw a 9 tick spike followed by an immediate 9 tick reversal to allow up to 5 ticks to be captured and June saw an 11 tick spike that reversed for 5 ticks allowing 3 ticks to be captured. July had a very strong bearish reading resulting in a strong spike of 15 ticks with only a 3 tick reversal for a small 1-2 tick loss. Both December and January were indecisive with 8 and 9 tick spikes initially. Prior to that, we had reactions of 15-18 ticks in November and September that were initially stable and reversed quickly in the following few minutes. Look for the reversal to retrace to about 2/3 to all of the way back to the origin unless the deviation from the forecast is over 1.5B. **Since Building Approvals will be released at the same time, we are taking a safe approach and just using the outer tier.**

*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 20 sec, cancel the order.**