

HIGH IMPACT REPORT ALERT:

Wednesday, 10/8/14

Crude Oil Inventory			RISK: 3	CL 11-14
10:30 am Eastern / 7:30 am Pacific		Forecast(C/G/D): 1.35M/ -1.13M/ -1.33M		
Avg 1st Peak: 34 ticks (1-3 min after report)	Min: 11 ticks (3/27/13)		Max: 93 ticks (4/4/12)	
Avg 2nd Peak: 75 ticks (5-40 min after report)	Min: 25 ticks (10/11/12)		Max: 191 ticks (9/18/13)	
Avg Reversal: 65 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 still in the summer months (before the weather changes), 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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10-y Bond Auction - Trap Trade		RISK: 2	ZB 12-14
1:01 pm Eastern / 10:01 am Pacific		Forecast: n/a	
Recommended settings:	Tier 1: 4-5 ticks	Tier 2: 7-8 ticks	5 Tick Stop

Set your activation time for xx:01:00 as the spike will happen around xx:01:30 on the :02 bar. We shifted this report to a Trap Trade due to the trending dull pattern with only one reaction in the last year over 8 ticks. We have had 8 reactions of 4-5 ticks and 4 reaction of 7-8 ticks with 1 no fill and one outlier at 14 ticks. Look for about 3-4 ticks for a safe and conservative exit, but take what the market gives you. In April, we filled and then it hovered around +1 tick for a few min before moving against the fill. Though this is the 10-y Auction, it has caused a reaction on the ZB for the last 2+ years consistently and little reaction on the ZN. **If you do not get filled by xx:02:00, cancel the order.** It may go for a 2nd peak about 15 min to 1 hr after the report for 4-10 ticks more than the spike. The reversal usually matches the original spike and takes 10-40 min to pan out.

If you are new to JOBB in the last month, please click on the following link to watch a 15 min video discussing the unique nature of the Bond Auctions:

<https://jobrocketbreakout.net/new-report-to-trade-bond-auction>

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FOMC Meeting Minutes - Trap Trade				RISK: 2	ZB 12-14	
2:00 pm Eastern / 11:00 am Pacific			Forecast: n/a			
Avg 1st Peak: 6 ticks (0:04-0:27 sec)		Min: 3 ticks (JUL '14)		Max: 8 ticks (AUG '14)		
Avg Reversal: 8 ticks (0:55 - 3:30 after report)		Min: 5 ticks (APR '14)		Max: 22 ticks (JAN '14)		
Last 6 Reports:	4 : Tier 1	1: Tier 2	1 : DULL (no fill)	0 : DULL (fill)	0 : STOPPED	
Recommended settings:		Tier 1: 5 ticks		Tier 2: 8-9 ticks		5 Tick Stop

*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.**

All of the FOMC Statements and FED Meeting minutes since January have shown great Trap Trade setups causing a spike one way followed by a reversal within about 2-3 min. The July fell short of the tier by 2 ticks, but it still reversed strongly as expected. **Look to exit on the first reversal NLT 4 min and do not hold the trade longterm as the longterm reaction is unpredictable and driven by commentary / Q&A. A target of about 5 ticks is safe.**

When the FED finally commenced tapering QE3 from \$85B/month at the December 2013 meeting, we saw a decisive short move. Now that the mystery and surprise is gone, every FOMC event since (minutes or statement) has been a great trap trade setup as they continue on the steady pace of \$10B/month reduction. The Minutes are a detailed report of the FED decision from 3 weeks ago, so there is less surprise and the move is smaller.

Keep an eye on the news, Bloomberg.com, or Talking-Forex and watch/listen for the announcement of the result as this is the reaction to the written statement.

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AUS Employment Change / Unemployment Rate		RISK: 3	6A 12-14	
8:30 pm Eastern / 5:30 pm Pacific		Forecast: -29.6K / 6.2%		
Avg 1st Peak: 46 ticks (1 min after report)	Min: 13 ticks (SEP '12)	Max: 86 ticks (JUN '13)		
Avg 2nd Peak: 62 ticks (26-50 min after report)	Min: 34 ticks (DEC '12)	Max: 98 ticks (JAN '14)		
Avg Reversal: 34 ticks (15-30 min after last Pk)	Min: 11 ticks (SEP '13)	Max: 96 ticks (JUN '13)		
Last 6 Reports:	4 : SPK/REV	1 : 2ND PK	0 : DULL	1 : INDECISIVE
Last 12 Reports:	5 : SPK/REV	4 : 2ND PK	0 : DULL	3 : INDECISIVE
Recommended BracketDistance setting:		8	20 Tick Stop	

Parameters	
BracketDistance	8
Entry CancelledIfGapped	False
Entry Slippage Ticks	12
Entry StopLimit Orders	True
Entry Time	21:29:59
Mode	StrategyInternal
StrategyInternal Trading	
BreakEvenProfit Ticks	0
BreakEvenTrigger Ticks	0
Position 1 Size	1
Position 2 Size	0
ProfitTarget 1 Ticks	20
ProfitTarget 2 Ticks	0
ReverseIfStoppedOut	True
StopLoss Ticks	20

Based on the high slippage that often accompanies this report, I am recommending the stop limit orders with the settings to the left. Due to an occasional head fake, we recommend using the ReverseIfStoppedOut feature. The BreakEven and ProfitTarget are left to personal preference, but 20 ticks is a suggestion.

One of the bigger periodic AUS reports. April to June 2013 saw premature volatility and manipulation to make the report more risky while April and May were both indecisive. May and June would have seen a tripwire to cancel about 18 sec before the report and April presented an indecisive scenario with a premature spike 3 sec before just as the bracket was setting up. **Given these dynamics, set the activation time to :59 sec instead of :57 sec.** This approach has made the report safer to profit since June 2013. October 2013 was indecisive due to mixed results. In February 2014 we saw another head fake long before the true short move. Check the archive screen shot and caption to see what

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happened if you are unfamiliar. Due to the high slippage, we are looking for a better position fill after the initial move and retracement with the limit order settings. Very consistent spike of 25-60 gross ticks on the 1st bar except for June which garnered 86 ticks, then surrendered it fairly quickly. Lately, about half of the reports have seen a 2nd Peak reaction, but on every occasion except for a few, the 2nd peak has only garnered another 4-15 ticks. Since that is the case, be careful trading the reversal. It is better to wait for a trade against the grain and miss it, then go in too early and find yourself eating a loss. The 25-30 min area after the report is a good area to evaluate an entry for the reversal. Look for 20-40 ticks on the reversal.