

## HIGH IMPACT REPORT ALERT:

Monday, 10/20/14

|  |                   |                               |                            |                                |                    |
|--|-------------------|-------------------------------|----------------------------|--------------------------------|--------------------|
| <b>AUS Monetary Policy Meeting Minutes - Trap Trade</b>      |                   |                               |                            | <b>RISK: 1</b>                 | <b>6A 12-14</b>    |
| <b>8:30 pm Eastern / 5:30 pm Pacific</b>                     |                   |                               | <b>Forecast: n/a</b>       |                                |                    |
| <b>Avg 1st Peak: 17 ticks<br/>(0:05-0:24 sec)</b>            |                   | <b>Min: 4 ticks (OCT '13)</b> |                            | <b>Max: 40 ticks (JUL '13)</b> |                    |
| <b>Avg Reversal: 20 ticks<br/>(0:12 - 1:30 after report)</b> |                   | <b>Min: 5 ticks (MAY '14)</b> |                            | <b>Max: 36 ticks (SEP '13)</b> |                    |
| <b>Last 6 Reports:</b>                                       | <b>3 : Tier 1</b> | <b>2: Tier 2</b>              | <b>1 : DULL (no fill)</b>  | <b>0 : DULL (fill)</b>         | <b>0 : STOPPED</b> |
| <b>Last 12 Reports:</b>                                      | <b>7 : Tier 1</b> | <b>2: Tier 2</b>              | <b>2 : DULL (no fill)</b>  | <b>0 : DULL (fill)</b>         | <b>1 : STOPPED</b> |
| <b>Recommended settings:</b>                                 |                   | <b>Tier 1: 7-8 ticks</b>      | <b>Tier 2: 15-16 ticks</b> | <b>10 Tick Stop</b>            |                    |

This is one of our safest and most profitable trap trades. I recommend using a two tier Trap Trade approach to trade the breakouts with a 10 tick stop loss. This is the detailed results that follow the RBA rate statement from 2 weeks ago. The Minutes often reflect a similar reaction to the cash rate, but are not bound by that. In this case since the Cash Rate resulted in a choppy reaction that only strayed 8 ticks away from the anchor point, look for a smaller reaction. A spike either direction should retreat back to the origin.

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|   |                                |                       |                                |                       |
|---|--------------------------------|-----------------------|--------------------------------|-----------------------|
| <b>CNY GDP</b>  |                                |                       | <b>RISK: 2</b>                 | <b>6A 12-14</b>       |
| <b>10:00 pm Eastern / 7:00 pm Pacific</b>                 |                                | <b>Forecast: 7.2%</b> |                                |                       |
| <b>Avg 1st Peak: 19 ticks<br/>(2-4 min after report)</b>  | <b>Min: 8 ticks (JUL '13)</b>  |                       | <b>Max: 41 ticks (APR '12)</b> |                       |
| <b>Avg 2nd Peak: 47 ticks<br/>(4-18 min after report)</b> | <b>Min: 29 ticks (JAN '14)</b> |                       | <b>Max: 68 ticks (APR '13)</b> |                       |
| <b>Avg Reversal: 24 ticks<br/>(10-40 min after Pk)</b>    | <b>Min: 14 ticks (APR '12)</b> |                       | <b>Max: 47 ticks (JAN '13)</b> |                       |
| <b>Last 6 Reports:</b>                                    | <b>4 : SPK/REV</b>             | <b>2 : 2ND PK</b>     | <b>0 : DULL</b>                | <b>0 : INDECISIVE</b> |
| <b>Last 11 Reports:</b>                                   | <b>7 : SPK/REV</b>             | <b>4 : 2ND PK</b>     | <b>0 : DULL</b>                | <b>0 : INDECISIVE</b> |
| <b>Recommended BracketDistance setting:</b>               |                                |                       | <b>5</b>                       | <b>5 Tick Stop</b>    |

Limited data sample due to the quarterly frequency. **This report releases about 40 sec early every time, so set your activation time to xx:59:12. The peak is normally on the :01 to :03 bar (2-4 min after release).** This is the Quarterly GDP for China. Trade on the 6A since there is no index for CNY and the AUS economy is heavily correlated. Look for 10-15 ticks net on the spike, and 15-25 on the reversal. There is a potential for a 2nd peak of about 15-20 more ticks, with 4 occurrences in the last 2+ yrs. The reaction is also prone to quick and sharp reversals, so be careful if you see a long tail/wick on the initial spike.

The HG (HG 12-14) also reacts to the news, but it a bit delayed. You could setup JOBB on that with the same settings, or manually trade it after you capture the 6A spike.