

HIGH IMPACT REPORT ALERT:

Tuesday, 10/21/14

AUS CPI / Trimmed Mean CPI		RISK: 3	6A 12-14	
8:30 pm Eastern / 5:30 pm Pacific		Forecast: 0.4% / 0.6%		
Avg 1st Peak: 48 ticks (1-5 min after report)	Min: 12 ticks (JAN '12)	Max: 103 ticks (JUL '11)		
Avg 2nd Pk/Fan: 65 ticks (11-65 min after report)	Min: 42 ticks (APR '13)	Max: 124 ticks (JUL '11)		
Avg Reversal: 30 ticks (80-100 min after report)	Min: 9 ticks (JUL '14)	Max: 83 ticks (JUL '13)		
Last 6 Reports:	2 : SPK/REV	4 : 2ND PK	0 : FAN	0 : INDECISIVE
Last 12 Reports:	5 : SPK/REV	5 : 2ND PK	1 : FAN	1 : INDECISIVE
Recommended BracketDistance setting:		7	15 Tick Stop	

Parameters	
AtmStrategy	stop 1
BracketDistance	7
Entry CancelledIfGapp	False
Entry Slippage Ticks	10
Entry StopLimit Orders	True
Entry Time	19:29:57

Based on the high slippage that caused an undesirable entry in OCT '12, I am recommending the stop limit orders with the settings to the left (time will vary).

The most impacting AUS report based on average tick yield. Due to the unique quarterly reporting frequency where most countries report CPI results monthly, this report has much bigger impact, similar to water building up behind a dam then released. Even if the report matches the forecast, it will still deliver a reliable spike (OCT '11 and JUL '14). The only situation that is a recipe for a bad report is a reading of 0.0% (JAN '12). This caused the indecisive reaction even with a forecast of 0.2%. 0% CPI brings out the jitters in the market as it is the borderline between deflation and inflation. With a forecast of 0.4%, the risk of a 0% reading is low, but possible. Look for at least 25-35 ticks on the spike (gross), with a potential for much more. The initial spike can take up to more than one bat to hit its peak. Good chance of a second peak in the 11-25 minute area for about 15-25 more ticks. The Reversal is very long and slow developing...I would not advise trading it unless you have the patience and discipline to ride it out.

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