

HIGH IMPACT REPORT ALERT:

Monday, 1/5/15

GBP Construction PMI			RISK: 2	6B 03-15
4:30 am Eastern / 1:30 am Pacific		Forecast: 59.2		
Avg 1st Peak: 19 ticks (1-2 min after report)	Min: 11 ticks (AUG '14)		Max: 42 ticks (FEB '14)	
Avg 2nd Peak: 28 ticks (13-38 min after report)	Min: 12 ticks (AUG '14)		Max: 45 ticks (FEB '14)	
Avg Reversal: 24 ticks (6-35 min after report)	Min: 15 ticks (APR '14)		Max: 64 ticks (SEP '14)	
Last 6 Reports:	5 : SPK/REV	1 : 2ND Peak	0 : DULL	0 : INDECISIVE
Last 12 Reports:	9 : SPK/REV	3 : 2ND Peak	0 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			4	12 Tick Stop

Parameters	
BracketDistance	4
Entry CancelledIfGapped	False
Entry Slippage Ticks	8
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 second of 3 PMI reports and less impacting than the Manufacturing report. **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.** 7 of the last 12 reports have generated 12-14 ticks, 4 yielded 18-29 ticks, and the remaining report yielded 42 ticks. The smaller reactions typically come with an offset of 0.8 or less. 3 of the last 12 reports have achieved a 2nd Peak, yielding only a few ticks more than the 1st peak 13-38 min after the report. This is a good report to trade a reversal with about 15-20 ticks being surrendered after the 2nd peak by 20 or so min.

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AUS Trade Balance - Trap Trade				RISK: 2	6A 03-15
7:30 pm Eastern / 4:30 pm Pacific			Forecast: -1.59B		
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: 7-8 ticks	Tier 2: 14-16 ticks	10 Tick Stop	

We traded this report by itself in May, June, and July - Sept but the remaining reports in recent 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. Aug was dull with no fill and Sept had a 20 tick spike with a 13 tick reversal. 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.

*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.**