

Wednesday, 3/27/13

HIGH IMPACT REPORT ALERT:

CAN (Core) CPI			RISK: 2	6C 06-13
8:30 am Eastern / 5:30 am Pacific		Forecast: 0.3% (Core) / 0.6% (Reg)		
Avg 1st Peak: 15 ticks (1-2 min after report)	Min: 5 ticks (SEP '12)		Max: 26 ticks (JAN '13)	
Avg 2nd Peak: 30 ticks (27-34 min after report)	Min: 18 ticks (JUL '12)		Max: 50 ticks (OCT '11)	
Avg Reversal: 21 ticks (14-44 min after report)	Min: 11 ticks (APR '12)		Max: 37 ticks (NOV '11)	
Last 6 Reports:	4 : SPK/REV	1 : 2ND PK	1 : DULL	0 : INDECISIVE
Recommended BracketDistance setting:			4	5 Tick Stop

Smaller moving Canadian report. Good for 10-25 ticks on an average break with a small chance of a bigger 2nd peak of 20-40 ticks as the reaction pans out slowly and deliberately. Even when the reading matches the forecast, it will normally give a small bounce. We had one dull report in Sep when the reading came in at 0%, the razor line between deflation and inflation.

Crude Oil Inventory			RISK: 4	CL 05-13
10:30 am Eastern / 7:30 am Pacific		Forecast: 1.5M		
Avg 1st Peak: 36 ticks (1-3 min after report)	Min: 13 ticks (3/28/12)		Max: 93 ticks (4/4/12)	
Avg 2nd Peak: 83 ticks (5-23 min after report)	Min: 25 ticks (10/11/12)		Max: 172 ticks (4/4/12)	
Avg Reversal: 64 ticks (17-44 min after Pk)	Min: 25 ticks (2/23/12)		Max: 181 ticks (7/12/12)	

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Last 10 Reports:	4 : SPK/REV	3 : 2ND PK	0 : 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.

After a safe April – June timeframe for this report with only one indecisive report, 3 reports in late June and early July were losers, then the last 7 reports were safe and delivered a big yield. Then the last 3 weeks were indecisive again before we took a break for December. The January and February reports were volatile, but relatively safe, with small yields. **As we are in the colder months, the distillate reading of the report holds more sway and presents a riskier trade for JOBB.** That is the nature of this report, though. Look for 30–50 ticks on the spike, and 40–60 ticks on the reversal. If the initial spike pops for only 15–20 ticks, 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 2–5 min after the report breaks. Paper trade this if you have not traded this report before.