



1 on 1:

The New York Session

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You have to work hard, study a lot, and dedicate yourself mentally. Don't ever give up



The New York Session

Most movement between 8:15 and 10:00am EST

Qamar's Pastries may contain nuts and/or beef

Like activity? Trade on days with big news.



“Hi, my name is Don Henley, formerly of the Eagles, and then formerly of bad easy listening songs. I endorse trading the New York session.”

How I plan for the week/month of New York trading:

1. Check econ calendar.

<http://biz.yahoo.com/c/e.html>

<http://www.forexfactory.com/>

<http://www.forbes.com/finance/eventcalendar/FullEconomicEvents.jhtml>

2. Plan to be available to trade news on days with these events/reports:

Fed Chairman Speaking on Policy/Econ Strength

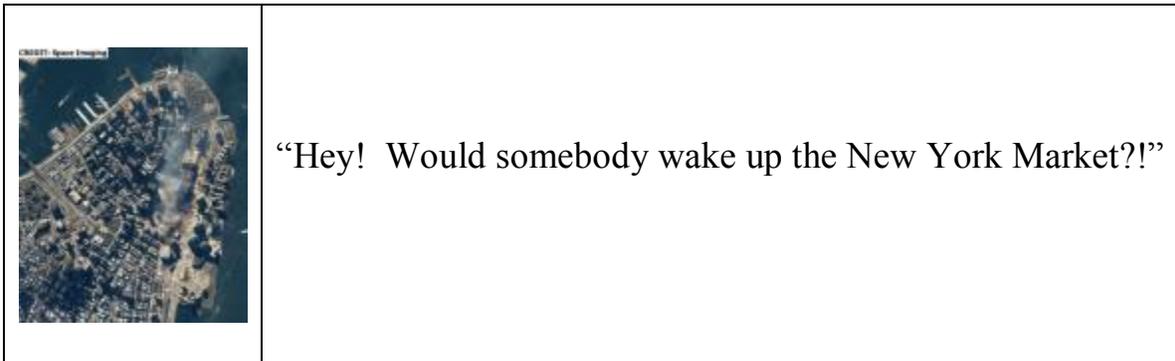
Retail Sales

Consumer Price Index (ex Food & Energy)



GDP-Advance
Housing Data
Trade Balance
Non Farm Payroll
TICs Data (Treasury International Capital)

3. Remember that just because a report is “positive for the USD,” it does not mean that the USD will strengthen.



4. I use pivot points (GMT -5) to help me find stopping points in fast moving markets. Jean plots a monkey and organ grinder instead.
5. Trade when actual econ numbers are different from consensus numbers, or when the charts tell you that there is significant activity after a report (25-30 pips in 15 min is good). If the report is a dud, don't forget



that you have planned trades for a cross (CADJPY) pair that can move regardless of NY session econ reports.

- a) **Fed Chairman Speaking on Policy/Econ Strength:** If Ben's beard is slightly disheveled or unevenly combed, expect the USD to move 100 pips downward. Or, watch CNBC and see what Steve Leisman has to say about his comments. Or, watch the charts for a reaction to his comments and follow the market.
- b) **Retail Sales:** If the actual number released is more than .5% different than the consensus, expect a 50-75 pip move.
- c) **Consumer Price Index (ex-Food & Energy):** If the actual number is different by 1% than the consensus number, expect a move of 50-100 pips.
- d) **GDP-Advance:** If the number is more than 1.5% different than the expected number you can expect a move of 75-100 pips. This is for the ADVANCE report only!
- e) **Housing Data:** Existing home sales (difference of 2M) and new home sales (I don't know the difference) are really influential right now. For the New Home Sales, I watch to see what Rick Santelli on CNBC says.
- f) **Trade Balance:** If the actual number is different by 7B or more, that's enough to move the market 50-150 pips. If the number dips below 50B, or goes above 70B, it's generally going to move the market no matter what.



g) Non Farm Payroll: This is one of the biggest reports out at all. Look for the difference to be 100,000 jobs. It will create a move of 100-150 pips. Biggest NFP moves are 250-300 pips and are not necessarily tied to the how different the actual number was from the consensus.

h) TICs Data (Treasury International Capital): This is likely to become the most influential report over the next 12 months. There is no “consensus number,” only a comparison with last month’s number AND a comparison with the trade balance number from the same ‘reporting’ month. TICs numbers that are far off last month’s number, or below 50B, or above 100B, are blockbusters. Watch for the market to move 50-200 pips on any TICs day. This report takes a while to sink into the market.

6. How to watch the charts after a report:
Wait 15 minutes. In the example below, the pair makes a post-report high. It had already made a pre-report (overnight) low. If the price then moves beyond either number (the high or the low) then you know the market has picked an initial direction.



7. If you are not getting a lot of activity in the market, then get up and fix yourself breakfast. The market will move.
8. Move your stop to break even at 20-30 pips. Remember that any currency pair can move 50 pips in 1 direction and then reverse and go a long, long way in the opposite direction.
9. Expect that there will be a lull in activity between 11am and 12:30pm.



10. On a day with a big move after the news, watch for a move between 12:30pm and 3:00pm EST. This move will continue the dominant trend that was chosen earlier in the day.