NFP Pre-Planned Scenarios & Trade Update [08.11.2023]

‼️1. Weak Figures‼️ (Dollar Weakness)

This would be the Main Bias & Higher probability scenario because of the following confirms,
Recent Labour Market Data's :

- JOLTs Job openings with a solid decline to 8.7M from 9.35M
- ADP showing declines below prior, seeing a steady decline right from May.
- Challenger Job Cuts seen a 24% increase from October showing more signs of cooling in the labour market.
- Jobless Claims increasing from prior figures.

(a) NFP coming out lower than prior & forecast (<150K)
At the same time we also need Unemployment Rate to be higher than prior & forecast for this to be one sided i.e > 3.9%

Impact ‼️ This would lead to aggressive DXY weakness which was our main bias & continue the continuation phase after the pullback we expected, demand on GOLD/GBPUSD & this takes off demand from USDCAD.

Trade Setups 📊

XAUUSD : Buys above 2040/2045/2050.

GBPUSD : Buys above 1.26000/1.26400.

USDCAD : Sells below 1.35600/1.35100.

‼️2. Optimistic Figures (Dollar Strength)‼️

With all the cooling we have been seeing in the labour market the first scenario has a higher probability but it is not something uncommon as we have seen rebounds in these data figures several times.

- NFP coming out well above prior & forecast i.e > 180K

At the same time we also need Unemployment Rate to be lower than prior & forecast to have a one sided major impact i.e < 3.9%

Impact ‼️ This would bring some strength in DXY leading to some deeper pullbacks.

Trade Setups 📊

XAUUSD : Sells below 2020's/2016's. Sells below 2010's with extremely surprising data.

GBPUSD : Sells below 1.25400's/1.25100's.

USDCAD : Buys back above 1.36000/1.36400.

‼️3. Mixed Figures ‼️

This would cause choppy indecisive market conditions initially, poor & messy movements with initial moves being equally corrected.

An example of mixed figures :

1. A declining NFP but uenmployment rate edging up higher would lead to choppiness & these unfavourable conditions.
2. No surprise figures & coming out between prior & forecast figures can lead to lack of volume & poor price action as well.

Impact ‼️ Liquidity grabs & continuations based on what holds weight. We can get liquidity grabs/spikes to 104.200's again before continuations of the weakness. This will be validated by the figures which come out.

Trade Setups 📊 Assess what holds weight & price points of interest exert extreme patience until the initial choppiness subsides.