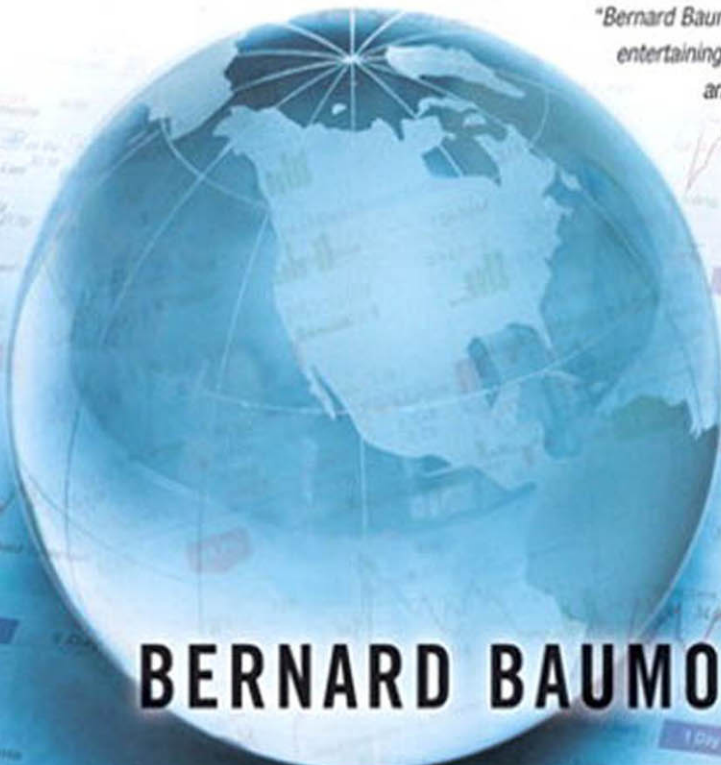


THE SECRETS OF ECONOMIC INDICATORS

Hidden Clues to Future Economic Trends and Investment Opportunities

THIRD EDITION



"Bernard Baumohl brilliantly, clearly, and yes, entertainingly, describes what every investor and business partner should know about economic indicators. This is an extraordinary and insightful work."

—**Robert Hormats**,
Former Vice-Chairman,
Goldman Sachs
(International)

BERNARD BAUMOHL

“Bernie Baumohl has written a must-read educational and reference book that every individual investor will find indispensable for watching, monitoring, and interpreting the markets. The daily flow of high-frequency economic indicators is the stuff that makes financial markets move and that can signal the big trends that make or break investor portfolios. Most important, Bernie’s long experience in reporting economics for *Time Magazine* helps make the ‘dismal science’ lively and interesting.”

—**Allen Sinai**, CEO and Chief Global Economist, Decision Economics, Inc.

“This is the most up-to-date guide to economic indicators and their importance to financial markets in print. The coverage of less-reported indicators, especially those from non-government sources, is hard to find elsewhere. The inclusion of the actual published tables helps the newer student of the markets find the data in the public release. For anyone trying to follow the economic data, this should be next to your computer so that you can understand and find the data on the Internet.”

—**David Wyss**, Former Chief Economist, Standard and Poor’s

“Bernie Baumohl has accomplished something of real value in *The Secrets of Economic Indicators*. He has successfully demystified the world of financial and economic news that bombards us in our daily lives. Both professional investors and casual observers of the world of finance and economics will be grateful for what he has done. The constant stream of heretofore bewildering news from the world of business and finance can now be easily understood. Every businessperson or investor should keep a copy of Baumohl’s book close at hand as he or she catches up on the business, stock market, and economic events of the day. It is great, at long last, to have someone who has eliminated what may have been so perplexing to so many and to have done so with such remarkable clarity.”

—**Hugh Johnson**, Chairman and Chief Investment Officer of Hugh Johnson Advisors

“Economic statistics, employment data, Federal Reserve surveys. Think they are boring? Think again! They can drive markets into a frenzy, causing billions of dollars to be made or lost in an instant. Bernie Baumohl brilliantly, clearly, and, yes, entertainingly describes what every investor and business manager should know about economic indicators: which ones move markets, how to interpret them, and how to use them to spot and capitalize on future economic trends. *The Secrets of Economic Indicators* is an extraordinary and insightful work—an enormously important contribution to the body of financial literature. Read it and then keep it on your desk. Consult it the next time you are deluged with a flurry of economic statistics. Your understanding certainly will be enhanced, and your portfolio will likely be as well.”

—**Robert Hormats**, Former Vice Chairman, Goldman Sachs (International)

“If you want to make money investing, this is an essential trend-tracking tool that will help get you to the bank. This book is the real deal. Bernard Baumohl miraculously breathes life into deadly economic indicators and boring statistics...he knows what he’s talking about, and his expertise proves it.”

—**Gerald Celente**, Founder, The Trends Research Institute

“Baumohl has a gift for taking a complicated subject and allowing it to read like a fast-moving novel. My confidence in reading and understanding economic indicators as portrayed in this book made me realize the possibilities this information holds for improving my personal net worth as well as navigating my business toward higher profits. I recommend this book if you care about your future finances.”

—**Morris E. Lasky**, CEO, Lodging Unlimited, Inc.; has managed and consulted on more than \$7 billion in problem hotel assets; Chairman, Lodging Conference; Chairman, International Hotel Conference

“I find Baumohl’s writing fascinating. In addition to the famous indicators, he includes many that I hadn’t heard of. I really appreciate that he tells you exactly where to find each indicator on the Web. Just about anyone who’s serious about understanding which way the economy is headed will want to read this book. It could be a classic.”

—**Harry Domash**, Columnist for MSN Money and Publisher, Winning Investing Newsletter

“I think this is an excellent book. It’s well written, accessible to a variety of readers, deals with an interesting and important subject, and covers the topic well. It deserves to get a lot of notice and use.”

—**D. Quinn Mills**, Alfred J. Weatherhead, Jr., Professor Emeritus, Harvard Business School

THE SECRETS OF
ECONOMIC
INDICATORS

This page intentionally left blank

THE SECRETS OF
ECONOMIC

Hidden Clues to Future Economic Trends and Investment Opportunities

INDICATORS

THIRD EDITION

BERNARD BAUMOHL

Vice President, Publisher: Tim Moore
Associate Publisher and Director of Marketing: Amy Neidlinger
Executive Editor: Jim Boyd
Editorial Assistant: Pamela Boland
Operations Manager: Jodi Kemper
Marketing Manager: Megan Graue
Cover Designer: Alan Clements
Managing Editor: Kristy Hart
Project Editor: Betsy Harris
Copy Editor: Cheri Clark
Proofreader: Kathy Ruiz
Indexer: Larry Sweazy
Compositor: Nonie Ratcliff
Manufacturing Buyer: Dan Uhrig

© 2013 by Pearson Education, Inc.
Publishing as FT Press
Upper Saddle River, New Jersey 07458

This book is sold with the understanding that neither the author nor the publisher is engaged in rendering legal, accounting, or other professional services or advice by publishing this book. Each individual situation is unique. Thus, if legal or financial advice or other expert assistance is required in a specific situation, the services of a competent professional should be sought to ensure that the situation has been evaluated carefully and appropriately. The author and the publisher disclaim any liability, loss, or risk resulting directly or indirectly, from the use or application of any of the contents of this book.

FT Press offers excellent discounts on this book when ordered in quantity for bulk purchases or special sales. For more information, please contact U.S. Corporate and Government Sales, 1-800-382-3419, corpsales@pearsontechgroup.com. For sales outside the U.S., please contact International Sales at international@pearson.com.

Company and product names mentioned herein are the trademarks or registered trademarks of their respective owners.

All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

Printed in the United States of America

Second Printing June 2015

ISBN-10: 0-13-293207-5

ISBN-13: 978-0-13-293207-3

Pearson Education LTD.

Pearson Education Australia PTY, Limited

Pearson Education Singapore, Pte. Ltd.

Pearson Education Asia, Ltd.

Pearson Education Canada, Ltd.

Pearson Educación de México, S.A. de C.V.

Pearson Education—Japan

Pearson Education Malaysia, Pte. Ltd.

Library of Congress Cataloging-in-Publication Data

Baumohl, Bernard.

The secrets of economic indicators : hidden clues to future economic trends and investment opportunities / Bernard Baumohl. — 3rd ed.

p. cm.

ISBN 978-0-13-293207-3 (pbk. : alk. paper) 1. Economic forecasting. 2. Economic indicators. 3. Business forecasting. I. Title.

HB3730.B38 2012

330.01'12—dc23

2012018000

*To my mother, Eva Baumohl, a Holocaust survivor;
and in memory of my father, Naftali Baumohl*

This page intentionally left blank

Contents

	What's New in the Third Edition?	xvii
	Preface	xxi
CHAPTER 1	The Lock-Up	1
	U.S. Economic Indicators	6
	International Economic Indicators	14
CHAPTER 2	A Beginner's Guide: Understanding the Lingo	19
	Annual Rates	19
	Business Cycle	20
	Consensus Surveys	22
	Moving Average	23
	Nominal Dollars Versus Real Dollars (Also Known as Current Dollars Versus Constant Dollars)	24
	Revisions and Benchmarks	24
	Seasonal Adjustments	25
	The Great Recession of 2008–2009	27
CHAPTER 3	The Most Influential U.S. Economic Indicators	31
	<u>Employment</u>	
	Employment Situation	31
	Job Openings and Labor Turnover	49
	Weekly Claims for Unemployment Insurance	55
	Help-Wanted Online Advertising	59
	Corporate Layoff and Hiring Announcements	64
	Mass Layoff Statistics (MLS)	70
	ADP National Employment Report	75
	<u>Consumer Spending and Confidence</u>	
	Personal Income and Spending	82
	Retail Sales	93
	E-Commerce Retail Sales	99
	Weekly Chain Store Sales Reports	102
	Consumer Credit Outstanding	107
	Consumer Confidence Index	112
	Survey of Consumer Sentiment	117
	Bloomberg Consumer Comfort Index	120

Google Insights	123
Las Vegas Gaming Revenues	126
<u>National Output and Inventories</u>	
Gross Domestic Product (GDP)	130
Durable Goods Orders	148
Factory Orders	155
Business Inventories	162
Industrial Production and Capacity Utilization	170
Institute for Supply Management (ISM)	
Manufacturing Survey	181
Institute for Supply Management (ISM) Non-Manufacturing	
Business Survey	188
Chicago Purchasing Managers Index (Business Barometer) ..	191
Index of Leading Economic Indicators (LEI)	196
<u>Housing and Construction</u>	
Housing Starts and Building Permits	204
Existing Home Sales	210
New Home Sales	217
Housing Market Index: National Association of Home	
Builders (NAHB)	223
Weekly Mortgage Applications Survey and the National	
Delinquency Survey	227
Construction Spending	232
<u>The Federal Reserve</u>	
Regional Federal Reserve Bank Reports	235
Federal Reserve Bank of New York: Empire State	
Manufacturing Survey	236
Federal Reserve Bank of Philadelphia: Business	
Outlook Survey	242
Federal Reserve Bank of Kansas City: Manufacturing	
Survey of the 10th District	246
Federal Reserve Bank of Richmond: Manufacturing	
Activity in the Fifth District	249
Federal Reserve Bank of Chicago: National Activity Index	
(CFNAI)	252
The Federal Reserve Board's Beige Book	255
The Federal Open Market Committee Statement	260
<u>Foreign Trade</u>	
International Trade in Goods and Services	269
Current Account Balance (U.S. International Transactions) ..	283

Assets and Liabilities of Commercial Banks in the
 United States (Federal Reserve Board)291
 Treasury International Capital (TIC) System296

Prices, Productivity, and Wages

Consumer Price Index (CPI)305
 Producer Price Index (PPI)317
 Employment Cost Index323
 Import and Export Prices328
 Productivity and Costs335
 Employer Costs for Employee Compensation342
 Real Earnings346
 Yield Curve349

Other Noteworthy U.S. Economic Indicators

Credit Manager’s Index355
 Small Business Economic Trends356
 Cass Freight Index357
 Weekly Railroad Traffic (freight)358
 Architecture Billings Index359
 S&P/Case-Shiller U.S. National Home Price Index360

CHAPTER 4

International Economic Indicators: Why Are They So Important? **361**

German Industrial Production364
 German IFO Business Climate Index366
 German Consumer Price Index (CPI)368
 ZEW Indicator of Economic Sentiment371
 Japan Industrial Production373
 Japan’s Tankan Survey378
 Manufacturing Purchasing Managers Index (PMI)
 by Country and Region384
 OECD Composite Leading Indicators (CLI)393
 China Industrial Production396
 India: Industrial Production and Inflation403
 Brazil’s Industrial Production and the
 IBC-Br Economic Activity Index410
 Canada: International Merchandise Trade, Composite
 Leading Indicators, Ivey Purchasing Managers Index ...416
 Australia: Consumer Prices, Retail Trade,
 International Trade422

CHAPTER 5 Best Web Sites for U.S. Economic Indicators 429

- Schedule of Releases 429
- Economic News 429
- Free Mobile Phone Apps on the Economy 429
- The U.S. Economy 430
- Consumer Behavior 431
- Employment Conditions 432
- Home Sales and Construction Activity 433
- International Trade 433
- Inflation Pressures 434
- Federal Reserve Reports 434
- The Federal Budget 435
- Interest Rates 435
- Money and Credit 436
- U.S. Dollar 436
- One-Stop Shopping for Economic Statistics 436
- Other Useful Economic Sources on the Web 437
- Unconventional Economic Indicators 437

CHAPTER 6 Best Web Sites for International Economic Indicators . . . 439

- Calendar of Releases for Foreign Economic Data 439
- Sources of Global Economic News 439
- Economic Statistics from Other Countries 439
- Best Megasites for International Economic Statistics 444

Index 447

Acknowledgments

One gratification that comes with completing a book is that I now get a chance to thank those whom I relied on for advice, contacts, and support along the way. To be sure, there are many people to thank—so many, in fact, that mentioning all their names would greatly lengthen this book. Still, there are some who deserve special mention because they were so giving of their time and their counsel.

I must begin by breaking with tradition. It is customary in these pages to reserve thanking your family until the end. However, that order makes little sense to me in this case. My family deserves top billing here because I relied on their support the most these past two years. From day one I expropriated a room in our home and turned it into an impassable maze of documents, newspapers, and boxes. Indeed, we can no longer recall the color of the carpet underneath. Moreover, during the past two years, when I was writing or traveling, the burden of overseeing family and household matters fell largely on my wife, Debbie. She was the one who got our three girls off to school every morning, prepared their lunches, helped with their homework, chauffeured them to playdates, met with teachers, accompanied them to doctor checkups, got them ready for bed, paid the bills, and so much more. Without a doubt, this book would not have been possible without her support and love. Nor will I ever forget how my daughters, Ashley, Rachel, and Nicole, tried to help me in the first days by printing “Do not disturb” signs and taping them outside my door. From beginning to end, my family provided the best home environment for me to carry out this project, and for that I will always be grateful.

I am also indebted to Carolina Buia (writer and television journalist) and Marc Lieberman (NYU economics professor). Both listened to my concept for this book and read its initial treatment, and opened some very important doors to the publishing world. I also benefited greatly from the experience and wisdom of others, including Adam Cohen (the *New York Times*), Jordan Goodman (personal finance author), Dan Kadlec (*TIME*), Jeffrey Liebenson (KMZ Rosenman), Larry Moran (Bureau of Economic Analysis, Commerce Department), Michael Panzner (HSBC Securities), David Skidmore (Federal Reserve Board), Sue Hensley and Gary Steinberg (Department of Labor), Sam Slater (Fidelity International), Chris Williamson (Markit), Joel Prakken and Ben Herzon (Macroeconomic Advisers, LLC), Douglas Offer (ADP, Inc.), James Pedderson (Challenger, Gray & Christmas), Frank Streshley (Nevada Gaming Control Board) Caroline Zimmerman (National Association of Credit Management), Nell Callahan (Association of American Railroads), and Frank Cirimele (Cass Information Systems).

There are two people I'd like to name who were not involved in the preparation of this book, but were nevertheless enormously important to me because I learned so much from them about economic journalism. They are Bill Saporito, *TIME*'s exceptionally gifted business editor, and the late George Church (*TIME* and the *Wall Street Journal*), who was a brilliant writer on

all topics, but none more so than on economics. I view the work of both of them as the benchmark in excellent writing and editing.

Finally, one of the luckiest things to have happened to me was to work with Jim Boyd, my editor at Pearson Education. As with the first and second editions, Jim made the process of orchestrating this third edition so much easier with his intelligent guidance and sense of humor. It has always been a privilege working with him. I am also deeply indebted to Betsy Harris, the project editor at Pearson Education, who supervised the production of this rather complicated third edition with great skill and prodigious patience.

Let me make one last note. Though I made every effort to make sure this book is accurate, I alone am responsible for any follies that might have slipped through.

About the Author

Bernard Baumohl, Chief Global Economist at The Economic Outlook Group, oversees its forecasts of economic trends and geopolitical risks. He also conducts seminars on how corporate leaders and investors can use forward-looking economic indicators to stay ahead of the business cycle. He has lectured on economics at New York University, Duke University, and the New York Institute of Finance.

Baumohl was also an award-winning *TIME* magazine economics reporter who covered Wall Street, the Federal Reserve, and the White House. As an economist for European American Bank, he conducted research on the global economy. He also served as an analyst with the Council on Foreign Relations. Baumohl has a Master's degree in international affairs and economics from Columbia University.

This page intentionally left blank

What's New in the Third Edition?

When it comes to spicing up a subject like economic indicators, no one described it more colorfully than the late Business Professor Aaron Levenstein: “Statistics are like a bikini. What they reveal is suggestive, but what they conceal is vital.”

That intriguing analogy sums up fairly well the challenge of this book. From the beginning, I had two goals in mind. The first is to make readers more comfortable working with economic indicators. Why are they important to follow? Where can they be found on the Internet? And how can these barometers on the economy improve the decision-making process for investors and business leaders? The second objective is to find out what they conceal about the future. How does one uncover the hidden clues in these weekly and monthly reports that give us fresh insights on the outlook for consumer and business spending, jobs, inflation, and interest rates?

Both goals have been the primary mission of this book. While this mission has always been clear, the task of keeping a book on economic indicators properly updated and useful has proven to be a daunting task. Just look at what has transpired in just the past few years. The U.S. economy suffered the most devastating recession since the Great Depression. Overseas, the spotlight has shifted to Europe, where a sovereign debt crisis has gripped the region and even threatens to affect many other economies outside that continent. Then there is China, the second-largest economy, which is having growing pains of its own, worrying many nations that depend on the Chinese market. Equally stunning is that many long-held beliefs by economists and investors either have been ditched or are being viewed with fresh skepticism. For instance, many people now question the safety of holding foreign government bonds, the wisdom of owning a home as a secure investment, and even the effectiveness of monetary policy by the Federal Reserve. It is absolutely remarkable how much has changed since the second edition of this book.

Adding yet another layer of complexity has been the cascade of geopolitical shocks that have lately erupted across North Africa, the Middle East, and parts of Asia. Worries about disruptions in oil supplies, U.S. military engagements in the Persian Gulf, and terrorists acquiring weapons of mass destruction seem to play a larger role in the dialogue about the economic outlook.

All this upheaval has immensely complicated both forecasting and policymaking. American business leaders, for example, are moving much more cautiously when it comes to hiring workers or giving the green light to major capital spending projects. Investors, faced with an unstable global financial and political environment, continue to toil over how to protect their money, or the funds of their clients—yet still earn a reasonable return. Policymakers in Washington are struggling more than ever to come up with new strategies that would promote faster growth without planting the seeds of a new crisis down the road, like inflation or another crippling debt mess.

The one constant throughout this turmoil has been the role of economic indicators. These metrics continue to serve as critical optics that tell us how the economy is performing and even where it is likely heading. But to keep those optics polished and precise demands constant fine-tuning too. Some of the metrics noted in earlier editions no longer exist. Others have undergone changes in methodology that should improve their predictive value. Finally, several promising new economic indicators have been introduced in this edition that I believe warrant the attention of readers. The criteria they all must meet is simple: Do these indicators help business managers, investors, and policymakers better understand the economic outlook?

In addition, some key changes were made in Chapter 2 on the nature of the business cycle itself and how it can affect the price of commodities, stocks, and bonds during an upswing and downswing. Though much has been said on the events that led up to the 2008–09 Great Recession, I added my own brief history of how that calamity unfolded.

Several new indicators were introduced in Chapter 3. We start with the hot topic of the U.S. job market by adding releases such as the Job Openings and Labor Turnover (JOLT) report, a revamped Help-Wanted Online Advertising publication by the Conference Board, and weekly reports from the Federal Reserve of bank loans to consumers and businesses, and even introduced some novel ways to gauge consumer confidence like tracking Las Vegas Gaming Revenues. Other new indicators focus on how busy trucks and railroads are carrying goods around the country. I have also highlighted a promising metric from the folks at Google, called Google Insights.

Chapter 4 deals with the international economy, and it has been expanded. A number of indicators underwent revisions, and I have also highlighted several new foreign economic measures. Both Chapters 5 and 6 were totally revisited to make sure that all Web sites are valid and to also insert new ones—including a list of free cellphone apps now available that help you monitor the latest economic news and indicators wherever you are.

As for the charts displayed in this edition, you will see they refer to different years. That's because I chose not to redo those charts that appear essentially the same. Only those charts that were substantially reconfigured, by either the government or trade groups, were replaced for this edition. So at times you will see tables with years that appear current next to others that are several years old. Remember, the point of these charts is to familiarize readers with how the data is presented in these economic reports. That familiarity will come in handy when readers go online to examine the very latest release.

Finally, I have to end by sharing a deep concern with readers. As pressure builds on Washington to cut government spending, there is a growing danger that the agencies who produce so many vital economic indicators (such as Bureau of Labor Statistics, Bureau of Economic Analysis, and the Census department) will be in the cross hairs of budget cutters. Any action that deprives these agencies of the resources they need to properly collect information on the economy is foolhardy and will ultimately backfire. When CEOs and investors have a better grasp of the economic outlook, the decision-making process

becomes more productive and there are typically fewer miscalculations. That, in turn, paves the way for a stronger, more sustainable period of economic growth. However, any attempt to slash the budgets of the statistical agencies risks undermining the integrity of economic indicators, and that will weaken their value. In that case everyone loses—consumers, investors, business managers, and ultimately policymakers in Washington, too. The benefit of having access to the best set of economic statistics in the world easily outweighs the cost savings the government may achieve. One can only hope that wisdom prevails where all agree that detailed and accurate federal economic statistics are absolutely indispensable to the proper function and growth of the U.S. economy.

Bernard Baumohl

May 2012

Princeton, New Jersey

This page intentionally left blank

Preface

“You want to write a book about *what? Economic indicators?* How did you come up with this death wish?”

That was the first response I got after telling a colleague at *TIME* what I was up to. She, too, was a financial journalist, so I expected some sage advice and support. We continued our conversation over lunch. “Did I hear you correctly?” she asked, still incredulous. “We *are* talking about your writing a book on economic statistics, right?” Yes, I nodded, and then went on to explain why this idea had been percolating in my mind for months. I knew it was a tough topic to write about, but I was ready to take it on. She listened patiently to my reasoning and then let loose a barrage of suggestions.

“First, let’s get real here. To make this work, a book on economic indicators has to be sexy. Edgy. Really funny. Get in some lurid details about consumer prices. Tell some lascivious tales about industrial production and capacity utilization. Toss in lots of jokes on durable goods orders. Then there’s the humor that just springs at you when writing about foreign trade and non-farm productivity. And...hey, shouldn’t you be taking notes on all this?”

The appetite I came to the restaurant with was suddenly gone. Not because she was poking fun at the idea. Just the opposite. Beneath all that sarcasm was a genuine message that I knew had to be taken seriously. The subject of economic indicators can be lethally boring because of its impenetrable jargon and reliance on tedious statistics. I realized from that brutal lunch encounter that my biggest challenge in writing this book was not simply to identify and describe the world’s most influential economic indicators, but to make the whole subject approachable and even—dare I say it—interesting. My purpose from the start was to reach out to those who had little or no experience navigating the maze of key economic statistics and to dispel the notion that you need an economics degree, an MBA, or a CPA to understand what these indicators tell us about the economy and how we can use them to make better investment and business decisions.

The broader question, of course, is why do this book at all? Why should anyone outside the economics profession even care about economic indicators? Why is it important for the ordinary person to know how many new homes are under construction, whether factories produced more or fewer goods in the latest month, or whether executives charged with buying raw material for their companies are increasing their orders or cutting back? Why bother with any of this stuff? Why not let the experts sort out the mish-mash of economic numbers and tell us what it means?

Indeed, most Americans have little desire to follow such esoteric measures. They are content to rely on the insights of their investment advisers or hear television pundits muse endlessly about the economy and the financial markets. Other than that, few show interest

in probing any further. However, that attitude changed abruptly after Americans confronted two bone-chilling shocks in the first years of the new century. The first was the collapse of the dot.com bubble in 2000, which happened after individual investors and professional money managers made a mad rush to acquire Internet-related stocks—even though most of these companies never earned a single penny. That lemming-like stampede into technology and software equities catapulted prices to unsupportable levels, which eventually set the stage for a severe implosion in stock market values that resulted in \$2 trillion in losses.

But it was the second shock that became truly historic in the devastation it wrought worldwide. The 2008–09 recession brought the U.S. and international economy to its knees. It was triggered by a voracious addiction to leverage and aggravated by the flawed notion that real estate values will always move in one direction: up. The reckless use of debt and blind worship of real estate eventually so mutilated the workings of the economy that they produced a horrific crash that rivaled the Great Depression. (A brief outline on the events that led to the “Great Recession of 2008–09” can be found at the end of Chapter 2, “A Beginner’s Guide: Understanding the Lingo.”)

The two shocks traumatized many Americans. Investors were sickened and angered by the resulting loss of tens of trillions of dollars in personal wealth. It made no difference whether the money was in one’s personal savings, a 401(k), a pension, or real estate, like a home. No investment escaped unscathed. The decimation was universal, and for Americans it became a painful and sobering reminder of just how much one’s financial well-being is staked to the risky business of stocks, bonds, and property.

Perhaps the most troubling revelation to come out of this awful experience was how utterly dependent ordinary investors had allowed themselves to become on so-called “experts” for virtually all investment advice. It turned out that these very “experts”—portfolio managers and longtime professional market watchers—failed miserably in their responsibility to help protect the assets and curb the losses of their investing clients. Worse still, investors became justifiably furious when they realized they were also being lied to by some of the companies they had invested in and even by the brokerage firms with whom they had entrusted their hard-earned money.

The result was predictable. Disillusioned by the ineffectual advice of their brokers, the seemingly endless revelations of corporate fraud, Ponzi schemes, and the biased research reports put out by some well-known Wall Street firms, a growing number of Americans have since decided to venture into the investment world by themselves, trusting their own instincts rather than someone else’s. These investors are emboldened by the fact that they can now instantaneously access a mind-boggling assortment of information resources from home and work, day or night. The profusion of laptops, tablets, smartphones, and Wi-Fi pockets means they can even access financial and economic news while sunning on a remote island beach. In addition, Americans now have more investment vehicles to choose from. They can buy individual stocks or purchase an Exchange

Traded Fund (ETF), which allows anyone to buy a basket of U.S. or international stocks, much like a mutual fund, except that they have the right to sell them anytime, which cannot be done easily with a mutual fund. The popularity of ETFs has exploded in recent years because they give investors extraordinary flexibility (with access to stocks, bonds, currencies, futures, and commodities) and come with lower fees. How do the economic indicators fit into all this? Why should investors—or business executives, entrepreneurs, and ordinary workers—pay particular attention to these reports? Because they are the vital barometers that tell us what the economy is up to and, more important, in what direction it is likely to go in the future. These indicators describe the economic backdrop that will ultimately affect corporate earnings, interest rates, and inflation. They can also influence the future cost of financing a car or house, the security of our jobs, and our overall standard of living. Even business leaders are under pressure to monitor economic indicators more closely. Knowledge of economic conditions in the U.S. enables CEOs to make decisions with greater confidence about whether to buy more equipment, increase inventories, hire workers, or raise fresh capital. In addition, for firms competing in the global marketplace, international economic indicators are of particular importance, because they allow executives to assess business opportunities abroad.

But how do you begin to evaluate these economic reports? There is such a bewildering variety of economic statistics in the public domain that following them all can be harmful to your health. New sets of economic numbers come out every day, week, month, and quarter, and they often tell conflicting stories about what's going on in the U.S. In addition, stocks, bonds, and currencies react differently to economic indicators. Some economic news can cause tremors in the financial markets, while other news produces no reaction at all. Many indicators have no forecasting value whatsoever, yet others have established an impressive track record of being able to predict how the economy will behave during the next 12 months.

Moreover, different indicators originate from different sources. The U.S. government pumps out loads of economic data through agencies such as the Commerce Department's Bureau of Economic Analysis and the Federal Reserve Board. However, numerous private groups also release market-moving indicators. One of the best known is the Conference Board, known for its Consumer Confidence and Leading Economic Indicators series. In addition, the National Association of Realtors reports monthly data on existing home sales, and Challenger, Gray & Christmas, the outplacement firm, tallies the number of announced corporate layoffs and hiring plans each month. Note that these sources gauge just U.S. economic activity. When you look at the assortment of economic indicators released by other countries, the quantity of information available becomes mind-numbing.

Clearly there is too much economic information out there, and not all of it is useful. So what do you focus on? How does an investor, a CEO, or even an economist decide which of the many gauges of business activity are worth tracking? Which indicators pack the greatest wallop in the financial markets? Which ones are known for doing the best job

of predicting where the economy is heading? These are the key questions I try to answer in this book.

The book is organized in a way that I believe makes the most sense for you. Chapter 1, “The Lock-Up,” begins with the drama that typically surrounds the release of a sensitive economic indicator. After the embargo is lifted and the economic report flashes across computer screens around the world, reaction to the latest news by global money markets can affect the financial well-being of every American.

One cannot successfully write a book on economic indicators without at least gently introducing a few basic economic terms. In Chapter 2, “A Beginner’s Guide: Understanding the Lingo,” I try to define as painlessly as possible those key phrases and concepts that are essential to know when reading about economic indicators. The chapter ends with a brief account of what led to the calamitous 2008–2009 recession.

The essence of the book begins with Chapter 3, “The Most Influential U.S. Economic Indicators.” Here, all the major U.S. economic indicators are evaluated, and each one is discussed in a format designed to answer these vital questions:

- Why is this indicator important to know?
- How is it computed? (Sure, not everyone will want to get into the nitty-gritty details of how economic indicators are put together. Nevertheless, by understanding the underlying methodology of how they are calculated, one is better able to appreciate the usefulness of these indicators, as well as their shortcomings.)
- What does the economic indicator have to say about the future? The purpose of this question is twofold. First, you are shown how to interpret the official report and its accompanying tables. Particular emphasis is placed on the most interesting and useful data points in the economic release. Second, guidance is given on how to locate valuable clues in the tables that might offer you a heads up on how the economy might perform in the months ahead. To make this task easier, copies of actual releases are included with most indicators covered in this book. Virtually all the economic releases mentioned are available on the Internet free. You can read them on their respective Web sites or download the releases as PDF files. (Note that Internet addresses for the economic indicators are included in this book.)
- How might bonds, stocks, and the dollar react to the latest economic reports? The financial markets often respond differently to economic data. Much depends on the specific indicator released, how timely it is, whether investors are surprised by the news, and what else is going on in the economy at the time.

Chapter 4, “International Economic Indicators: Why Are They So Important?” examines the most influential foreign economic indicators. Because the U.S. economy and its financial markets are closely integrated with the rest of the world, one can no longer afford to ignore measures of economic activity in other countries. If the economies of other nations are growing, they’ll buy more from U.S. producers. On the other hand, poor

growth abroad bodes ill for many large U.S. companies and their employees. In addition, American investors interested in buying foreign stocks and bonds for their own portfolios should track foreign economic indicators to identify those countries and regions in the world that might offer the most attractive returns.

Chapter 5, “Best Web Sites for U.S. Economic Indicators,” is evidence of how much times have changed. Not too long ago, anyone interested in obtaining a set of current and historical economic statistics had to purchase them from a private number-crunching firm. The more stats you wanted, the more costly it was. Today, nearly all this data can be accessed instantly on the Internet, free! The democratization of economic statistics gives everyone, from the experienced professional to the weekend investor, the opportunity to download, read, and analyze economic information. In this chapter, I’ve assembled what I think are among the best and most authoritative Web sites for economic data. You will also find a list of cellphone apps that can keep you informed of the latest economic reports no matter where you are. Again, all are free, though some might ask users to register.

Chapter 6, “Best Web Sites for International Economic Indicators,” is a compilation of Web sites that enables you to quickly locate foreign economic data that might otherwise be tough to find. However, there’s one important caveat to keep in mind: No country collects and disseminates as much high-quality economic information as the U.S. Its breadth and integrity make it the gold standard in the world. Although there is a vast amount of international economic data on the Web, one has to approach such sources with caution. There are issues concerning language (many are not in English), comprehensiveness, accuracy, and timeliness. In this chapter, I’ve listed sites on the Internet that in my judgment are the most comprehensive international economic databases—and that are available in English! Once again, every site listed is free (at least at the time of this writing).

Finally, let me close by saying that this book is not meant to be a textbook or some intellectual treatise on the economy. My purpose throughout is to help give you a better understanding of how to look at economic indicators, why they can be so influential, what they might tell us about the future, and how people can best utilize all that information. If I have accomplished this in some way, then it was worth all the swearing and temper tantrums I went through every time my computer crashed in the course of this endeavor.

This page intentionally left blank

CHAPTER 1

The Lock-Up

Shortly after dawn on most weekday mornings, a strange ritual takes place in Washington, D.C. Two dozen select men and women leave their homes, grab their newspapers, and rush off to spend part of the day under virtual house arrest. Yes, house arrest—as in incarceration. Precisely where they go to be confined can vary from day to day. It could be in a dilapidated government building one morning and a high-tech office complex the next. Regardless of the location, what occurs in all these places is always the same. They enter a strict, prison-like setting where contact with the outside world is cut off.

One Friday morning, this same group climbs a long set of steps to the side entrance of a sleek, white-stone building on 3rd Avenue and C Street in the heart of the nation's capital. Armed guards greet them at the entrance for a security check; from this point on, everyone has to wear their ID tags at all times. The visitors proceed across a lobby and down a quiet, narrow corridor, eventually stopping in front of a locked, heavy wooden door. A government official awaits them and quickly opens the door to reveal a drab, windowless, L-shaped room 40 feet long and some 10 feet across. It is empty except for two dozen plain-looking orange-and-chrome chairs, each resting alongside a row of narrow cubicle-like desks. A digital clock high on the wall breaks time down to seconds. It is 7:30:15 a.m., and already 12 people have found their way into the “lock-up” room. More are expected within the next 15 minutes. All who enter dutifully sign their names on a special sheet.

Despite the room's austere appearance, there is an atmosphere of calm in the room, at least for now. Some visitors talk excitedly about the previous night's televised basketball game. Others are either chatting on cellphones or checking for messages. A few keep to themselves by catching up on the morning paper or downing a quick muffin and coffee. Everyone in the room, however, makes a point of always knowing the time, with some people eyeing the digital clock so frequently that their actions might be mistaken for nervous tics.

As the time approaches 8 a.m., there is a palpable change in mood. Gone now are the sounds of light conversation; these sounds are replaced by the din of laptops firing up. Everyone appears to be focused on what is about to occur.

At 7:55 a.m. sharp, a government official walks in and picks up a wall phone to call the Naval Observatory, home to the Vice President of the United States. It is also the location of the ultra-accurate atomic clock. She listens intently for a few seconds and then abruptly hangs up without saying a word. The individual then inserts a key into a lock on the wall, which allows her to adjust the digital clock to the precise second. With the correct time now set, the official then turns around to make a terse announcement.

“Please turn off all cellphones and other communication devices, and disconnect laptops from your telephone lines.”

To make sure everyone complies, the official walks across the room and eyes each desk. Meanwhile, a second federal employee arrives, carrying copies of a highly sensitive government report. Each one is placed facedown on an empty desk.

Then it begins.

At precisely 8 a.m., the door to the lock-up room clicks shut. From this point on, all those inside are out of touch with the rest of the world. No one is permitted to leave. No calls or messages can come into or go out of the room. Security is tight. A guard stands by outside, ready to use force if anyone attempts to sneak out.

What secret is the government protecting? Is the CIA about to begin a classified briefing on intelligence activities? Are Congressional investigators huddling to hear the newest terrorist threat? No. All these precautions are taken for one reason: The government is about to release numbers. Statistics. More precisely, economic statistics. The visitors in the room are business reporters representing news organizations from around the world, and this morning they’re working out of the Department of Labor’s secure press-room.

Why such tight secrecy? Because in the next few seconds, these journalists will be the first to lay their eyes on one of the country’s most sensitive economic measures—the monthly report on employment conditions. It can shed fresh light on whether the U.S. economy is growing or facing a slowdown. Did the number of Americans who have jobs rise or fall in the latest month? Have hourly wages gone up, or did they drop? Did people work more hours or fewer? These statistics might not seem particularly earthshaking to most Americans, but they can and do whip the global stock, bond, and currency markets into a frenzy. For individual investors and professional money managers, the information in the jobs report can mean the difference between a winning and a losing portfolio. It also explains the need for the security measures. Individuals getting such hot figures ahead of time can make a quick bundle of money, because they know something about which no one else in the financial markets is yet aware. To prevent such abuses, the government guards these and dozens of other key economic indicators as tightly as a military base. It also implements a carefully controlled procedure to disseminate sensitive economic news.

8:00:00 The instant the door is shut, reporters dive in to grab the latest release on employment conditions, which up to now has been facedown. They have just 30 minutes

to read, digest, and write their stories on how the job market changed during the previous month. Most of the journalists arrived that morning with the expectation that the employment release would carry dismal economic news, with the number of people without jobs rising—a troubling sign that the economy was weakening. At least that was the opinion of most professional forecasters whom these reporters had consulted just days earlier.

But on this particular morning, the employment report stuns everyone. Those in the lock-up room read with amazement that companies actually hired workers in far greater numbers than anyone expected. Moreover, other figures in the report appear to corroborate signs that the economy is doing quite well. Wages are rising, and factory overtime is increasing. Far from slowing, the latest evidence indicates that the economy is actually picking up steam. It is astounding news of which the rest of the world is yet unaware.

As the digital clock continues its silent countdown, reporters working on the story suddenly face some urgent questions. What's really happening in the economy? Why were so many "experts" caught off guard? What does this mean for future inflation and interest rates? How might the stock, bond, and currency markets react to the news?

Though the latest jobs report was unexpected, these journalists are not completely unprepared. As is their routine, a day or two earlier they showered private economists with questions that covered various hypothetical employment scenarios: What does it mean if the job market worsens? What if it actually improves? Now the reporters are frantically searching through their interview notes to help them file their stories.

8:28:00 A Labor Department worker in the lock-up room notifies television reporters that they can now leave under escort to prepare for their live 8:30 broadcast of the jobs report.

For the remaining journalists in the room, there is just a brief warning: "Two minutes left!" By now, most have pieced together their initial versions of the story—the headline, the opening sentences, key numbers, and the implications for the economy. All that's left are some last-minute fact-checking and a word tweak here and there.

8:29:00 "One minute. You can open your telephone lines—*BUT DO NOT TRANSMIT!*"

The level of tension is not just high in the lock-up room. At that moment, money managers and traders in New York, Chicago, Tokyo, Hong Kong, London, Paris, and Frankfurt are riveted to their computer screens, anxiously waiting for the release of the crucial jobs report. It's a stomach-churning time for them because investment decisions that involve hundreds of billions of dollars will be made the instant the latest employment news flashes across their monitors. Why such worldwide interest in how jobs fare in America? For one thing, many foreign investors own U.S. stocks and bonds, and their values can rise or fall based on what the job report says. Second, the international economy is now so tightly interconnected that a weak or strong jobs report in the U.S. can directly impact business activity in other countries. If joblessness in America climbs, consumers will likely purchase fewer cars from Germany, wine from France, and clothing

from Indonesia. In contrast, a jump in employment means households will have more income to spend on imports, and this can stimulate foreign economies.

8:29:30 “Thirty seconds!” The fingers of reporters hover over their computers’ Send button, ready to dispatch the latest employment news to the world. On-air reporters are also prepared to deliver the news live.

8:29:50 An official counts the final seconds out loud:

“Ten...nine...eight...seven...six...five...four...three...two...one!”

8:30:00 “Transmit!” Reporters simultaneously hit the Send button on their keyboards. In seconds, electronic news carriers, including Bloomberg, AP, Reuters, and Japan’s Kyodo News, release their stories. Television and cable news stations, such as CNBC, Bloomberg TV, CNN, and MSNBC, broadcast the report live. A second or two later, computer screens around the globe carry the first surprising words: “Jobs unexpectedly rose the previous month, with the unemployment rate falling instead of rising!”

For journalists in the lock-up room, the stress-filled half-hour grind is over, and they are now free to leave. But the work has just begun for those in the investment community.

At the Chicago Board of Trade (CBOT), where U.S. Treasury bonds and notes are traded, news of the strong job growth sparks pandemonium. Bond traders were so sure they would see a deterioration in the job market that many had bet millions on such an outcome. These traders bought bonds for clients prior to the government’s release on unemployment and expected to earn a quick bundle of money based on the following strategy: If the number of people employed fell, it would drag down consumer spending. That, in turn, would slow the economy, reduce inflation pressures, and cause bond prices to turn up and interest rates to fall, thereby guaranteeing traders an easy profit.

The strategy was sound, but they bet on the wrong horse. Instead of laying off workers, companies were substantially adding to their workforce. The economy was not slowing, but demonstrating remarkable strength, and those bond traders who had hoped to make a fast buck for their customers now face losing lots of money. With more people getting jobs, household income increases, and that leads to greater spending and borrowing. The presence of a more robust economy heightens concerns about future inflation and rising interest rates. The result: Bond prices begin tumbling and interest rates start climbing. To cut their losses, hundreds of floor traders at the CBOT are now screaming, jumping up and down, flailing hand signals in a desperate attempt to rid themselves of bonds whose values are fast eroding.

Stock investors are also dazed by the news and jump into action. A drop in unemployment is bullish for the economy. More consumer spending translates into higher business sales and fatter corporate profits, which can lift share prices. However, since the New York Stock Exchange, the world’s largest marketplace for equities, doesn’t start trading on the floor for another hour (9:30 a.m.), money managers rush to buy the popular E-Mini S&P 500 stock index futures contracts, which are traded electronically virtually 24 hours a day, five days a week on the Chicago Mercantile Exchange (CME). Action here occurs at lightning speed, with orders being executed in just two-tenths of a

second—faster than the blink of an eye. In the first five minutes after the release of the jobs report, about \$3 billion worth of E-Mini contracts are traded—about ten times the average pace seen in a five-minute interval in the past decade. The enthusiasm of traders in the premarket hours is a harbinger of things to come. By noon that day, stocks across the board reach their highest prices in months.

At the same time, the New York Mercantile Exchange explodes into action. Commodity specialists in the cavernous trading room are also caught off guard by the jobs report and are now gesturing wildly and barking out orders to buy oil and gasoline contracts on the expectation that a resilient economy will drive up demand for fuel in the future. After all, as business activity accelerates, factories operate longer hours and use more electricity. Business and leisure travel should pick up as well. Airlines will use greater amounts of fuel. The positive jobs report will encourage more shopping and weekend getaway trips, resulting in greater gasoline consumption. Thus, moments after the Labor Department releases the news on jobs, the futures prices of gasoline, heating oil, and other types of fuel shoot up.

Meanwhile, in currency markets across Asia and Europe, news of the rebound in U.S. jobs makes the dollar a more attractive currency to own. Foreign investors are always keen on placing their money wherever they can earn a better payoff in the global marketplace. This morning, with U.S. interest rates and stocks both heading higher, owning American securities makes the most sense. Foreigners proceed to load up on U.S. equities and bonds, causing the dollar to climb in value against other currencies.

Back in Washington, hours earlier an emissary from the Labor Department delivered an advance copy of the employment release in a sealed package to the president's top economic adviser. White House officials now huddle to discuss ways to spin the positive jobs report for political gain. How should the president comment on it? Does the employment news require a change in public policy? How can it be used to support the administration's economic plan? What impact might it have on the federal budget?

Unquestionably, the single most important institution to evaluate the crucial employment report is the Federal Reserve. Economists there also see the release before it goes public. They begin to scrutinize the data to detect any stress or imbalance in the labor market that could destabilize the economy. Fed experts ponder whether the unemployment rate is falling so fast that it will drive wages higher and fire up inflation pressures. As they pore over the jobs statistics, a secret but informal discussion commences inside the Fed on whether a change in interest-rate policy is needed.

It has been a hectic morning for investors, policymakers, and reporters. But what about the vast majority of Americans? How did they respond to the turn of events in the employment report? Did they drop everything at 8:30 a.m. and rush off with paper and pen to the nearest television or radio to take notes on how the economy changed the month before? Not likely. In sharp contrast to all the frenetic activity in world financial markets, most households were preoccupied with carrying out the routines of daily life—getting ready for work, sending kids off to school, or doing some early shopping before

the crowds show up at the supermarkets. Let's face it—the data released on jobs is just too remote and abstract to be of much interest to them. However, that doesn't mean the employment news will not affect them; everyone in the country will in some manner be touched by what transpired in the financial markets after the jobs report went public. It makes no difference whether one is a business owner, a retiree, a housewife, an employee, a homeowner, or a renter. All will eventually feel the fallout from the news that came from the Labor Department's pressroom that morning. That fallout will produce a mixture of both favorable and unfavorable developments.

What might the benefits be? Clearly, rising employment is positive for the economy. The more American workers earn, the more they have to spend on goods and services. As long as there's no danger of the economy expanding so fast that it threatens higher inflation, everyone gains from rising employment. Furthermore, the government spends less on unemployment benefits, which eases the strain on the federal budget. Now for the bad news. You'll recall that when the government released its surprisingly strong jobs report, it spooked bond traders into selling Treasury securities, which quickly drove up interest rates. With the cost of credit going up, banks and other lenders have little choice but to raise their rates on home mortgages and car loans. Even homeowners holding variable-rate mortgages now have to dig deeper into their pockets to make higher monthly payments. There's more bad news. Remember how commodity investors at the New York Mercantile Exchange reacted by bidding up the price of oil and other kinds of fuel? That will shortly spill into the retail sector, which means drivers will end up paying extra for gas, and homeowners will shell out more for heating oil. Plane travel becomes more expensive too as airlines boost fares to offset the higher cost of aviation fuel.

Now let's return to positive consequences. In foreign exchange markets, the dollar's value jumped in response to the jobs news. A stronger U.S. currency is good for American consumers because it lowers the price of imports such as foreign-made cars, home electronics, and perfumes. That, in turn, puts pressure on U.S. firms to keep their own prices down, all of which helps contain U.S. inflation. Americans traveling overseas also can purchase more with each dollar. However, here's the flip side to a muscular greenback: If your job depends on selling products in foreign markets, you could be in trouble. A strong dollar makes U.S.-made goods more expensive in other countries, and foreign buyers might want to look elsewhere for better deals.

U.S. ECONOMIC INDICATORS

It might be hard to believe that all this action and reaction can be triggered by just a single statistic. If you multiply that by more than 50 economic indicators that are released every week, month, or quarter, you begin to understand why the stock, bond, and currency

markets are in a perpetual state of motion. Among the other influential economic indicators that can rattle financial markets are consumer prices, industrial production, retail sales, and new-home construction. It is precisely because these indicators can so easily sway the value of investments that the government takes extraordinary steps to control the flow of sensitive economic information.

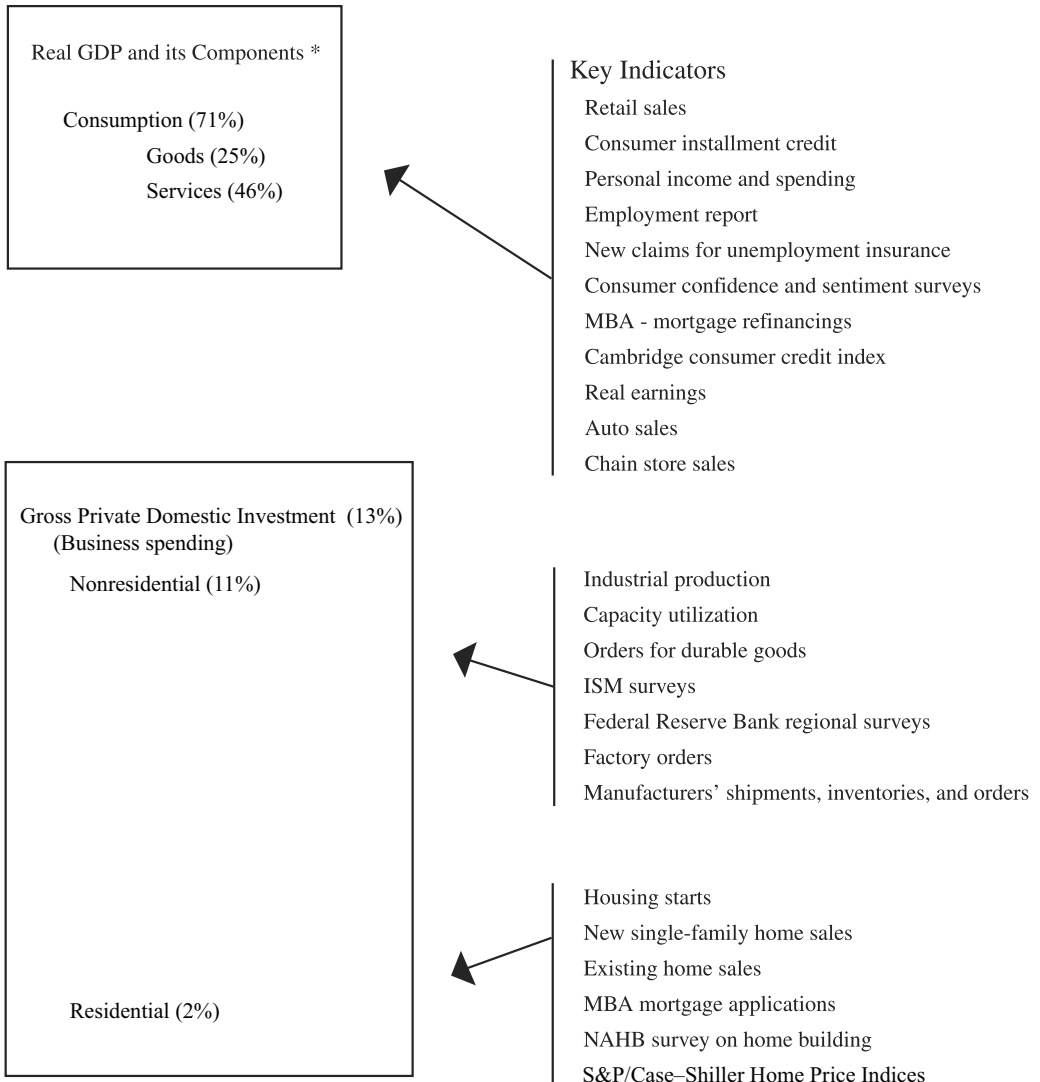
That wasn't always the case. Thirty years ago, barely any guidelines applied to the release of economic reports. A lock-up room was a term reserved for prisons, not press-rooms. The lack of strict ground rules on the publication of these influential statistics created the perfect climate for abuse. Politicians tried to control the release of economic news to score points with voters. When President Nixon heard that the Commerce Department was about to go public with an upbeat figure on housing starts, he pressed the agency to time the release for maximum political effect. On those occasions when economic figures turned out to be a liability, Nixon sought to hold up the report until he believed its release would get little notice.

Even Wall Street firms realized that big money could be made off the economic numbers given the lax supervision of their release. Some brokerages went so far as to dish out large amounts of money to reporters who were willing to leak economic news to the firm's traders before writing about it. Anyone who got an advance peek at the economic statistics stood to gain millions in a matter of minutes by knowing which stocks and bonds to trade. Eventually, this blatant manipulation of the economic indicators led a furious Senator William Proxmire to schedule Congressional hearings in the 1970s on how these reports are released. Later that decade, the government set up a strict calendar that included rigid rules on how economic data would be distributed. Today, nearly every major economic indicator is released under tight lock-up conditions, which has enhanced the integrity of how the public gets such sensitive information. Trading based on inside information of economic indicators is now virtually unheard of.

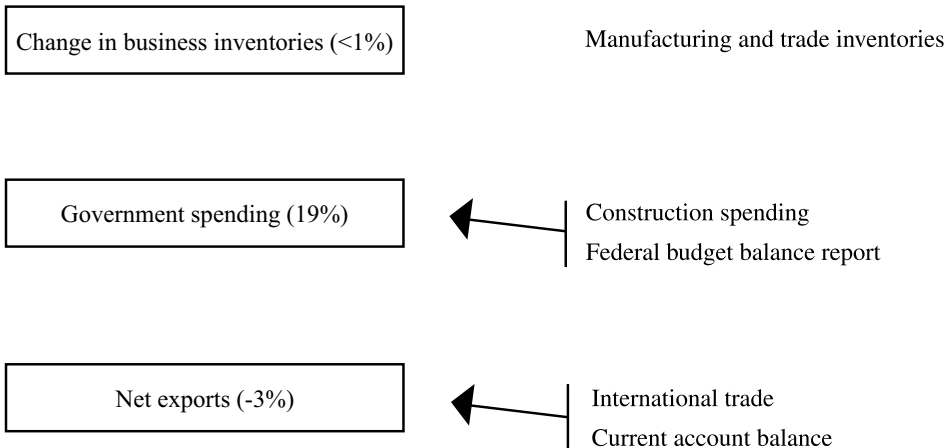
This still leaves us with the most important task of all, though. How do you decipher what all these indicators actually tell us about the economy? After all, at least six key economic indicators are released on a weekly basis, more than 40 every month, and a dozen each quarter. Do we really need so many measures? Absolutely. The U.S. is the largest and most complex economy in the world. No single indicator can provide a complete picture of what the economy is up to. Nor is there a simple combination of measures that provides a connect-the-dots path to the future. At best, each indicator can give you a snapshot of what conditions are like within a specific sector of the economy at a particular point in time (see Table 1A). Ideally, when you piece together all these snapshots, they should provide a clearer picture of how the economy is faring and offer clues on where it is heading.

Table 1A: How Economic Indicators Track the U.S. Economy

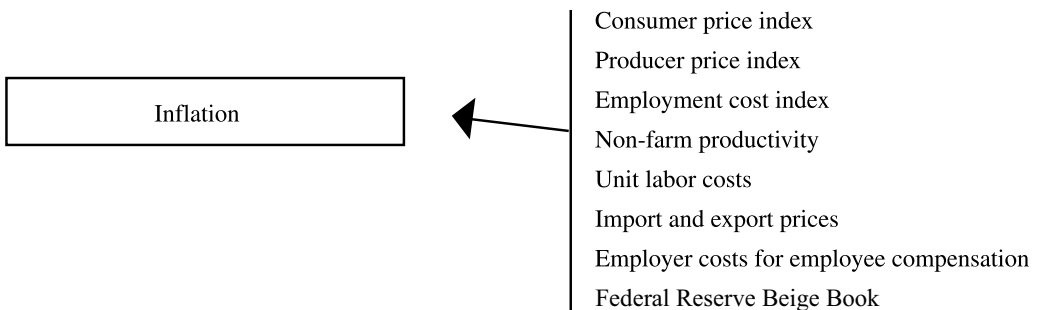
The federal government and private groups release dozens of economic reports on a weekly, monthly, or quarterly basis. Each is a barometer that measures activity in a particular segment of the U.S. economy. By following these indicators, one can get the latest reading on the economy's health and valuable clues on where it is heading.



* Percentages are based on how the economy performed in 2011



Signs of Price Pressures



Yet even if you took the time to absorb every bit of economic information and monitored each squiggle in the indicators, don't expect to uncover a crystal-ball formula that can single-handedly forecast what consumer spending, inflation, and interest rates will do in the months ahead. That's because there are some important caveats when dealing with economic indicators. First, they often fail to paint a consistent picture of the economy. Different indicators can simultaneously flash conflicting signals on business conditions. One can show the economy improving, while another might point to a clear deterioration. For example, the government might report a drop in the unemployment rate, normally a bullish sign for the economy. However, a different employment survey might show a day or two later that companies are laying off workers in record numbers. You're now presented with two contradictory portraits of labor market conditions, both covering the same time period. Which should you believe?

The confusion doesn't stop there. Another complication, one especially maddening to investors and economists, is that people can behave counterintuitively. Just look at two ostensibly related reports: consumer confidence and consumer spending. The first measures the general mood of potential shoppers: If they are upbeat about the economy, it stands to reason they will spend more. If there is widespread gloom and uncertainty about the future, logic would lead you to believe people will curb their spending and save money instead. However, that's not the way it plays out in the real world. There appears to be little relationship between these two measures on a month-to-month basis. During the mild 2001 recession, consumer confidence kept plummeting throughout the year, reaching levels not seen in decades. Yet these same consumers not only refused to cut back on spending that year, but bought homes and cars at a record pace. Just the opposite happened in 2005. Consumer confidence was on the rise, but that did not lead to more shopping. Obviously, one cannot determine the outlook for consumer spending just by monitoring the psychological state of American households. The inclination to spend is influenced by many factors, including personal income growth, job security, interest rates, and the buildup in wealth from the value of one's home and the ownership of stocks and bonds.

There is also the quandary that comes with abundance. Everyone—from the professional money manager down to the mom dabbling part time in the financial markets—can be overwhelmed by the statistical minutia out there. How do you discern which indicators are worth watching and which ones to view with skepticism or even ignore? How does an investor employ economic indicators to help choose which stocks and bonds to buy and sell, and when? Which measures should a business forecaster follow to spot coming economic trends? What key indicators should corporate chiefs rely on to help them decide whether to hire new workers or invest in new equipment?

You can find the answers to these questions in subsequent chapters, but clearly some economic indicators are far more telling than others. Generally, the most influential statistics—those most likely to shake up the stock, bond, and currency markets—possess some of the following attributes:

- **Accuracy:** Certain economic measures are known to be more reliable than others in assessing the economy's health. What determines their accuracy is linked to how the data is compiled. Most economic indicators are based on results of public surveys. Getting a large and representative sample is thus a prerequisite for accuracy. For instance, to measure the change in consumer price inflation (CPI), the government's Bureau of Labor Statistics sends out agents and conducts telephone interviews every month to find out how much prices have changed on 80,000 items and services at 26,000 retail outlets around the country. To calculate shifts in consumer confidence, the Conference Board, a business research organization, polls 5,000 households each month.

Another variable is the proportion of those queried who actually came back with answers. How quickly did they respond? The bigger and faster the response, the better the quality of the data and the smaller the subsequent revisions. If an indicator has a history of suffering large revisions, it generally carries less weight in the financial markets. After all, why should an investor buy stocks or a company hire additional workers when the underlying economic statistic is suspect to begin with? The monthly report on construction spending by the Commerce Department is one that gets substantially revised and is thus often ignored by the investment community. In contrast, consumer price inflation figures are rarely revised, which is why this indicator is taken far more seriously.

- **Timeliness of the indicator:** Investors want the most immediate news of the economy that they can get their hands on. The older the data, the more yawns it evokes. The more current it is, the greater the wallop it packs on the markets. Case in point: Investors pay close attention to the employment situation report because it comes out barely a week after the month ends. In contrast, there's far less interest in the Federal Reserve's consumer installment credit report, whose information is two months old by the time it's released.
- **The business cycle stage:** There are moments when the release of certain economic indicators is awaited with great anticipation. Yet those same indicators barely get noticed at other times. Why do these economic measures jump in and out of the limelight? The answer is that much depends on where the U.S. economy stands in the business cycle. (The business cycle is a recurring pattern in the economy consisting first of growth, followed by weakness and recession, and finally by a resumption of growth. We'll take a closer look at the business cycle in the next chapter.) During a recession, when there are lots of unemployed workers and idle manufacturing capacity, inflation is less of a concern. Thus, measures such as the consumer price index, which gauges inflation at the retail level, do not have the same impact on the financial markets that they would if the economy were operating at full speed. During recessionary periods, indicators that grab the headlines are housing starts, auto sales, and the major stock indexes, because they often provide the earliest clues that an economic recovery is imminent. Once business activity is

in full swing, inflation-related measures like the CPI and industrial capacity utilization take center stage again, while the other indicators recede a bit into the background.

- **Predictive ability:** Among the most closely watched indicators are those that have a track record of successfully spotting turning points in the economy well in advance. We mentioned how housing and auto sales as well as the stock indexes have such characteristics. However, other less-known measures are harbingers of a change in business activity. One such indicator is the advance orders for durable goods. A pickup in orders can lead to greater production and higher employment in the months ahead. Economic gauges known for being ahead of the curve thus carry more weight with investors.
- **Degree of interest:** Depending on whether you're an investor, an economist, a manufacturer, or a banker, some indicators might be of greater interest to you than others. Business leaders, for instance, might focus on new and existing homes sales and employment trends to see whether Americans are in a shopping mood. By monitoring such statistics, companies selling furniture, appliances, and home electronics can decide whether to expand operations, invest in new inventories, or shut down factories.

Those in the forecasting business want to know what's ahead for the economy and thus concentrate on a set of measures known as "leading indicators." These include initial unemployment claims, building permits, the ISM purchasing managers report, and the yield curve.

Investors in the financial markets also have their favorite indicators; the specific measures they watch depend on what assets are at greatest risk. Those trading stocks focus on indicators that foreshadow changes in consumer and business spending because they can affect future corporate profits and the price of shares (see Table 1B). For bond traders, the looming concern is not company profits, but the outlook for inflation and interest rates. Any evidence suggesting that inflation might accelerate can hurt bonds. (Table 1C shows the economic indicators that are of greatest interest to the bond market.) Players in the \$5 trillion currency market look for economic news that can drive the dollar's value up or down. Signs pointing to a robust U.S. economy, for example, normally lure foreigners to invest in this country, especially if the other major economies show comparatively little growth. That lifts the greenback's value against other currencies. (Table 1D identifies the measures most likely to move the dollar.) Finally, we stated earlier that certain economic indicators have demonstrated over time an ability to spot turning points in the economy well in advance. Any unusual movement up or down in these forward-looking measures should tip off investors and business leaders to an upcoming shift in economic activity. The ten indicators listed in Table 1E are particularly noteworthy, because history has shown them to be quite successful in sending early signals

of a change underway in the economy. However, unlike in the other tables, I have chosen not to formally rank the leading indicators, since no single one can act as the perfect crystal ball. The real value here is to see whether two or more of these measures tell a similar story on where the economy is headed. The more these early-warning indicators agree, the greater the confidence in the message they send.

Table 1B Economic Indicators Most Sensitive to Stocks

Rank	Indicator	Page
1	Employment Situation Report	31
2	ISM Purchasing Managers Report—Manufacturing	181
3	Weekly Claims for Unemployment Insurance	55
4	Consumer Prices	305
5	Producer Prices	317
6	Retail Sales	93
7	Consumer Confidence and Sentiment Surveys	112
8	Personal Income and Spending	82
9	Advance Report on Durable Goods	148
10	GDP	130

Table 1C Economic Indicators Most Sensitive to Bonds

Rank	Indicator	Page
1	Employment Situation Report	31
2	Consumer Prices	305
3	ISM Purchasing Managers Report—Manufacturing	181
4	Producer Prices	317
5	Weekly Claims for Unemployment Insurance	55
6	Retail Sales	93
7	Housing Starts	204
8	Personal Income and Spending	82
9	Industrial Production/Capacity Utilization	170
10	GDP	130

Table 1D Indicators That Most Influence the U.S. Dollar's Value

Rank	Indicator	Page
1	Employment Situation Report	31
2	International Trade	269
3	GDP	130
4	Current Account	283
5	Industrial Production/Capacity Utilization	170
6	ISM Purchasing Managers Report—Manufacturing	181
7	Retail Sales	93
8	Consumer Prices	305
9	Consumer Confidence and Sentiment Surveys	112
10	Index of Leading Economic Indicators	196

Table 1E Indicators That Often Lead the Rest of the Economy

Indicator	Page
Yield Curve	349
New Orders for Durable Goods (minus transportation and defense)	149
ISM Purchasing Managers Report—New orders	184
Producer Prices (crude goods without food and energy)	317
Personal Income and Spending—Real purchases of durable goods	89
Housing Permits (single-family houses)	205
Weekly Applications for Mortgages (to purchase a home)	227
Housing Market Index—Traffic into home-builder showrooms	223
Weekly Claims for Unemployment Insurance	55
Employment Situation Report—Hiring of temporary workers and truckers	45

INTERNATIONAL ECONOMIC INDICATORS

Up to now, we've dealt only with U.S. economic reports. Now let's look at the growing importance of monitoring international economic indicators. During much of the twentieth century, Americans had only a remote interest in following the economic affairs of other nations. Few saw a need to take them more seriously. The U.S., after all, possessed the largest and most self-sufficient economy in the world and, by and large, had been impervious to the ups and downs of foreign economic cycles. If Germany or France or even the emerging countries of Asia suffered an economic downturn, barely anyone in the U.S. would care or even notice.

That's not the case any longer. One historic change that has emerged early in the 21st century is the number of powerful new players on the global stage. For instance, the main driving forces of growth in the world today are not the mature industrial countries of the U.S., Eurozone, and Japan, but the developing nations across Asia and Latin America. Their entry has fundamentally reshaped the international economic landscape. Though the U.S. economy still reigns supreme in terms of size and influence, little else remains the same. China's economy, for example, was seventh in size in 1995. It has since grown at hyperspeed, vaulting past the United Kingdom in 2005, Germany in 2008, and Japan in 2010, to become the second largest in the world. Brazil's GDP has surged to seventh place, beating out Canada and Italy. Business activity in India has grown so much that its economy is now bigger than those of the Netherlands, Switzerland, and Austria, *combined!* These astonishing transformations were brought on by a reduction in trade barriers, greater economic liberalization, the modernization of global financial markets, and the extraordinary advances in telecommunications, the Internet, computer technology, and software. The results have reshuffled the economic map. For better or worse, the world economy has become more tightly integrated than ever before.

The implications for the U.S. are huge. Healthy domestic economic performance depends increasingly on how well other nations are doing. Gone forever are the days when this country was immune to financial and political mishaps originating halfway around the world. When OPEC decided to sharply boost oil prices in the mid- to late 1970s, Americans felt real pain. Indeed, U.S. inflation subsequently exploded, ultimately leading to one of the worst U.S. recessions since the Great Depression. Years later, investors took another beating during the Asian financial crisis in 1997 when the Dow plummeted by more than 550 points on October 27 because investors were worried that problems in Asia would hurt the U.S. economy and corporate earnings. In addition, who would have imagined that a bond default by Russia in 1998—a country with an economy the size of Illinois and Wisconsin combined—would be considered so grave a threat to world financial markets that the Federal Reserve was under pressure to orchestrate a global rescue plan to calm investors worldwide? More recently, the U.S. economy and financial markets have shown even greater sensitivity to foreign events. The fear of sovereign debt defaults spreading across Europe and rising anxiety over instability in the Middle East not only pummeled U.S. stocks but helped push America's economy to the brink of recession the first half of 2011.

When it comes to sales and profits, U.S. companies are becoming more dependent on foreign economic activity. The numbers speak for themselves. About half the earnings of S&P 500 firms come from business generated outside the United States. More than 50 million Americans are now employed by firms engaged in foreign trade, according to the U.S. Department of the Treasury. One in three factory jobs is export related, and one in three acres on American farms is planted to satisfy the demand of hungry people overseas. It should not come as a surprise that the export industry has been the best performing sector in the U.S. economy over the past decade.

All this boils down to a crucial new reality: With 95% of the world's consumers residing outside the U.S., foreign economic indicators should be followed with the same regularity, interest, and scrutiny as the domestic indicators. If foreign economies do well, U.S. firms are in a better position to sell more exports, earn more money, and keep millions of American workers employed. By closely monitoring the international indicators, U.S. companies can seek out new foreign markets or decide whether to expand (or shut down) facilities overseas. American investors can diversify their portfolios more smartly by identifying and purchasing those foreign stocks and bonds that might offer a lucrative return.

Another important reason to monitor the performance of other major economies is that it helps us check the mood of foreign investors. As long as they view the U.S. as a safe and attractive place to invest, capital from abroad will continue to flow into this country, and that is vital to the well-being of the U.S. economy. Foreign investors play an indispensable role in financing U.S. economic growth by lending this country an average of \$2 billion a day—money that goes into buying stocks, bonds, and other American assets. Why does the U.S. need to borrow such huge sums from other nations? Because consumers and the federal government together spend so much on cars, computers, military hardware, and healthcare (to name just a few items) that little domestic savings is left over. Yet savings is the lifeblood that keeps an economy healthy. It's used to finance productive investments, such as building efficient factories and funding the research and development of new and better products. Without adequate savings, the U.S. would be incapable of showing healthy long-term growth.

To make up for the shortfall in domestic savings, the U.S. has to lure the surplus savings of other countries. In addition, while all that foreign capital entering the U.S. has kept the economy humming, serious risks come with being so dependent on overseas creditors. Since the 1990s, America's net foreign debt has skyrocketed from \$50 billion to a staggering \$3 trillion—the most of any nation in the world. In the process, foreigners have acquired an unprecedented share of U.S. assets; they own more than 50% of all U.S. Treasury issues, 25% of American corporate bonds, and about 15% of all equities. Should the mood of those investors turn sour on the U.S. market—something that can occur if there is poor expectation of investment returns here as compared with other countries—it could spark a sell-off of American stocks and bonds by foreigners.

For all these reasons, international economic indicators have lately taken on a more prominent role in the formulation of investment and business strategies. However, as with U.S. economic data, literally hundreds of foreign economic measures are released every month. With so much information being thrown at investors and business executives each day, how do you know which of these statistics are worthy of consideration? There is no one simple answer to this question. American companies and investors have different interests and risk exposures in the global economy.

In this book three factors are considered in determining the most influential international economic indicators: First, after the U.S., which are the largest economies in the world? Second, how liquid are the markets in those countries—that is, how easy is it to buy and sell securities on their exchanges? Third, who are the important trading partners of the U.S.? By trade, we're talking about the exchange of goods (such as the sale of trucks, pharmaceuticals, and computers) and the exchange of services (such as insurance, consulting, transportation, and entertainment). The service sector is especially important because it includes the all-important category of investment flows. Table 1F lists the “must watch” international economic indicators.

Table 1F Top International Economic Indicators

Indicator	Page
German Industrial Production	364
German IFO Business Climate Survey	366
German Consumer Price Index	368
China Purchasing Managers Report—Manufacturing	390
China Industrial Production	396
Eurozone Purchasing Managers Report—Manufacturing	385
Japan Tankan Survey	378
Japan Industrial Production	373
India Industrial Production	403
Brazil Industrial Production	410

This page intentionally left blank

This page intentionally left blank

Index

A

abundance, 10
accuracy of statistics, 11
adjustments
 for inflation, 138
 seasonal, 25-26
ADP National Employment report, 75-81
 market impact, 80-81
 tables, 77-80
American Institute of Architects, 359
annual rates, 19
AP (Associated Press), 4
applications, free mobile phone, 429
Architecture Billings Index, 359
Asia, 15, 361
Assets and Liabilities of Commercial Banks in the
 United States report, 291-295
attributes, statistics, 10
Australia, 422-427
Australia Bureau of Statistics, 422
Austria, 15
Automatic Data Processing, Inc. (ADP), 75
averages
 Johnson Redbook, 104
 moving, 23
 private non-farm payrolls, 40

B

Bangalore, 406
Bank of Japan, 378. *See also* Japan
banking systems, India, 405
bankruptcy, 64
behavior of consumers, 431
benchmarks, 24
benefits, 343
Bernake, Ben, 264-265
best megasites for international statistics, 444
Bloomberg Consumer Comfort Index, 120
 market impact, 121
 tables, 121

Bloomberg News, 120
Bloomberg TV, 4, 23
bonds. *See also* stocks
 ADP National Employment report, 80-81
 Bloomberg Consumer Comfort Index, 121
 Business Inventories report, 168
 Business Outlook Survey, 245
 Chicago Purchasing Managers Index (Business
 Barometer), 194
 Consumer Confidence Index, 116
 Consumer Credit Outstanding report, 111
 Consumer Price Index (CPI) report, 314-316
 Corporate Layoff and Hiring Announcements
 report, 69
 Current Account Balance (U.S. International
 Transactions) report, 289
 Durable Goods Orders report, 154
 E-Commerce Retail Sales report, 100
 Empire State Manufacturing Survey, 241
 Employment Cost Index, 326
 Existing Home Sales report, 216
 Factory Orders report, 160-161
 Federal Open Market Committee (FOMC)
 Statement, 266-268
 Federal Reserve Board's Beige Book, 258
forecasting, 12
Gross Domestic Product (GDP) report, 146
Help-Wanted Online Advertising report, 63
Housing Market Index (NAHB), 226
Housing Starts and Building Permits report,
 209
Import and Export Prices report, 332-333
Index of Leading Economic Indicators (LEI),
 203
indicators most sensitive to, 13
Industrial Production and Capacity Utilization
 report, 179
Institute for Supply Management (ISM)
 Manufacturing Survey, 187
International Trade in Goods and Services
 report, 281
Job Openings and Labor Turnover report, 54
jobs report, 31-35, 47

Manufacturing Activity in the 5th District, 251
 Manufacturing Survey of the 10th District, 247
 New Home Sale report, 222
 Personal Income and Spending report, 92
 Producer Price Index (PPI) report, 321-322
 Productivity and Costs report, 341
 Real Earnings report, 348
 Retail Sales report, 97
 Survey of Consumer Sentiment report, 119
 Treasury International Capital (TIC) System
 report, 303
 Weekly Claims for Unemployment
 Insurance, 58
 Weekly Mortgage Applications Survey and the
 National Delinquency Survey, 230
 Yield Curve report, 354
 Brazil, 15
 Brazilian Institute for Geography and Statistics
 (IBGE), 410
 Brazilian National Statistics Institute, 410
 IBC-Br Economic Activity Index, 410-415
 Industrial Production report, 410-415
 Bundesbank, 368-369
 Bureau of Economic Analysis (BEA), xxiii, 82,
 130, 286
 Bureau of Labor Statistics (BLS), 11, 31, 33, 49,
 60, 70, 343
 Bureau of the Census, 93
 business cycles, 11, 20-22
 Business Inventories report, 162-164
 market impact, 168-169
 tables, 164-168
 Business Outlook Survey, 242
 market impact, 245
 tables, 244

C

calculations, inflation rates (Germany), 369
 Calendar of Releases for Foreign Economic
 Data, 439
 Canada, 15, 416-421
 establishment surveys, 34
 stock markets, 362
 Canada Free Trade Agreement (CFTA), 418

capacity
 of production (Japan), 382
 utilization, 23, 171
 capital accounts, 285
 Cass Freight Index, 357
 Census Bureau, 99, 148, 155, 217
 Central Bank of Brazil, 410
 Central Statistical Organization (CSO), 403, 406
 CESifo, 366
 Challenger report, 65, 69
 Challenger, Gray & Christmas (CGC), xxiii, 64
 Chicago Board of Trade (CBOT), 4
 Chicago Purchasing Managers Index (Business
 Barometer), 191
 market impact, 194-195
 tables, 192-194
 China, 15
 China Industrial Production report, 396-402
 China Manufacturing Purchasing Managers
 Index (PMI), 390-392
 class of workers, employment by, 41
 CNBC, 4
 CNN, 4
 coincident indicators, 198
 Commerce Department, 7, 130
 commodities, 5-6
 Composite Leading Indicators report (Canada),
 416-418
 computations
 ADP National Employment report, 76
 Assets and Liabilities of Commercial Banks in
 the United States report, 292
 Bloomberg Consumer Comfort Index, 120-121
 Business Inventories report, 164
 Business Outlook Survey, 242-243
 capacity utilization, 172-173
 Chicago Purchasing Managers Index (Business
 Barometer), 191-192
 Construction Spending report, 233
 Consumer Confidence Index, 114
 Consumer Credit Outstanding report, 108
 Consumer Price Index (CPI) report, 308-309
 Corporate Layoffs and Hiring Announcements
 report, 65
 Current Account Balance (U.S. International
 Transactions) report, 286
 Durable Goods Orders report, 149
 E-Commerce Retail Sales report, 100

- Empire State Manufacturing Survey, 237
- Employer Costs for Employee Compensation report, 342-343
- Employment Cost Index, 324
- Employment Situation report, 32-35
 - market impact, 47-48
 - tables, 35-47
- Existing Home Sales report, 211
- Factory Orders report, 156
- Federal Open Market Committee (FOMC) Statement, 262-264
- Federal Reserve Board's Beige Book, 258
- Google Insights report, 124
- Gross Domestic Product (GDP), 140-141
- Help-Wanted Online Advertising report, 60
- Housing Market Index (NAHB), 223-224
- Housing Starts and Building Permits report, 206
- Import and Export Prices report, 329
- Index of Leading Economic Indicators (LEI), 200-201
- industrial production (IP), 172
- Institute for Supply Management (ISM)
 - Manufacturing Business Survey, 182-183
 - Non-Manufacturing Business Survey, 189-190
- International Trade in Goods and Services report, 271-272
- jobs report, market impact, 47-48
- Las Vegas Gaming Revenues, 127
- Manufacturing Activity in the 5th District, 249-250
- Manufacturing Survey of the 10th District, 246-247
- Mass Layoff Statistics (MLS) report, 71
- National Activity Index (CFNAI), 252-253
- New Home Sales report, 218
- Personal Income and Spending report, 85
- Producer Price Index (PPI) report, 318-319
- Productivity and Costs report, 338-339
- Real Earnings report, 346-347
- Retail Sales report, 94
 - market impact, 97-98
 - tables, 94-97
- Survey of Consumer Sentiment report, 118
- Treasury International Capital (TIC) System report, 298
- Weekly Chain Store Sales report, 103-104
 - market impact, 106
 - tables, 104
- Weekly Claims for Unemployment Insurance, 56
- Weekly Mortgage Applications Survey and the National Delinquency Survey, 228
- Yield Curve report, 352-353
- comScore Networks, 100
- conditions, employment, 432
- Conference Board, The, 11, 59, 112, 196
- confidence, consumer, 10
- consensus surveys, 22-23
- constant dollars, 24
- construction
 - activity (Web sites), 433
 - Existing Home Sales report, 210
 - market impact, 202, 216
 - tables, 211-216
 - Housing Starts and Building Permits report, 204-205
 - market impact, 209
 - tables, 206-208
 - New Home Sales report, 217-218
 - market impact, 222
 - tables, 218-220
- Construction Spending report, 232-234
- Consumer Credit Outstanding report, 107-108
 - market impact, 111
 - tables, 108-111
- Consumer Confidence Index, 112-114
- Consumer Price Index (CPI), 139
 - Germany, 368, 370
 - report, 305-316
- Consumer Prices report (Australia), 422-426
- consumers
 - behavior, 431
 - Bloomberg Consumer Comfort Index, 120
 - market impact, 121
 - tables, 121
 - confidence, 10
 - Google Insights report, 123-125
 - Las Vegas Gaming Revenues report, 126
 - prices, 11, 23
 - spending, 5
 - Survey of Consumer Sentiment report, 117
 - market impact, 119
 - tables, 118
- Corporate Layoff and Hiring Announcements report, 64-69

cost cutting, 64
 countries, Manufacturing Purchasing Managers Index (PMI), 384
 credit
 Consumer Credit Outstanding report, 107-108
 market impact, 111
 tables, 108
 Web sites, 436
 Credit Manager's Index, 355
 crude goods, PPI, 317
 Cultural Revolution, 396. *See also* China
 currencies. *See also* dollars
 Australia, 423
 exchange markets, 6
 international, 362
 markets, 5
 Current Account Balance (U.S. International Transactions) report, 283-290
 cycles
 business, 20-22
 stages of, 11

D

debt
 Japan as owner of, 373
 U.S., 16
 deflator
 for Gross Domestic Purchases, 139
 for Personal Consumption Expenditures (PCE), 139
 degrees of interest (indicators), 12
 demand, labor, 61
 democracy, India, 404
 demographics, 33
 Department of Commerce, 82, 93, 99, 148, 155, 217
 Department of Labor, 31, 49, 55, 70
 release of statistics, 2-6
 Department of the Treasury, 15
 discharges, 52
 diversification, 362
 dividend income, 83
 dollars
 ADP National Employment report, 81
 Australia, 423
 Bloomberg Consumer Comfort Index, 122
 Business Inventories report, 169
 Business Outlook Survey, 245
 Chicago Purchasing Managers Index (Business Barometer), 195
 constant, 24
 Consumer Confidence index, 116
 Consumer Credit Outstanding report, 111
 Consumer Price Index (CPI) report, 316
 Corporate Layoff and Hiring Announcements report, 69
 Current Account Balance (U.S. International Transactions) report, 290
 Durable Goods Orders report, 154
 E-Commerce Retail Sales report, 100
 Empire State Manufacturing Survey, 241
 Employer Costs for Employee Compensation report, 342-345
 Employment Cost Index, 327
 Existing Home Sales report, 216
 Factory Orders report, 161
 Federal Open Market Committee (FOMC) Statement, 268
 Federal Reserve Board's Beige Book, 259
 Gross Domestic Product (GDP) report, 147
 Help-Wanted Online Advertising report, 63
 Housing Market Index (NAHB), 226
 Housing Starts and Building Permits report, 209
 Import and Export Prices report, 334
 Index of Leading Economic Indicators (LEI), 203
 Industrial Production and Capacity Utilization report, 180
 Institute for Supply Management (ISM) Manufacturing Survey, 187
 International Trade in Goods and Services report, 282
 Job Openings and Labor Turnover report, 54
 Manufacturing Activity in the 5th District, 251
 Manufacturing Survey of the 10th District, 248
 New Home Sales report, 222
 nominal, 24
 Personal Income and Spending report, 92
 Productivity and Costs report, 341
 Real Earnings report, 348
 Retail Sales report, 98
 Survey of Consumer Sentiment report, 119

- Treasury International Capital (TIC) System report, 304
 - Web sites, 436
 - Weekly Chain Store Sales report, 106
 - Weekly Claims for Unemployment Insurance, 58
 - Weekly Mortgage Applications Survey and the National Delinquency Survey, 231
 - Yield Curve report, 354
 - domestic product, final sales of, 137
 - domestic savings, 16
 - Dow Jones, 23
 - Durable Goods Orders report, 134-154
 - market impact, 154
 - tables, 149-154
 - duration of unemployment, 44
- E**
-
- E-Commerce Retail Sales report, 99-100
 - market impact, 100
 - tables, 100
 - earnings, Real Earnings report, 346-348
 - economies
 - business cycles, 20-22
 - Construction Spending report, 232-233
 - international indicators, 361-363
 - Brazil Industrial Production report, 410-413
 - Canada, 416-426
 - China Industrial Production report, 396-400
 - China Manufacturing Purchasing Managers Index (PMI), 390-392
 - Eurozone Manufacturing Purchasing Managers Index (PMI), 385-387
 - German Consumer Price Index (CPI) Index, 368-370
 - German IFO Business Climate Index, 366
 - German Industrial Production report, 364
 - Global Manufacturing Purchasing Managers Index (PMI), 387-389
 - IBC-Br Economic Activity Index, 410-413
 - India Industrial Production and Inflation report, 403-406
 - Japan Industrial Production report, 373-375
 - Japan's Tankan Survey, 378-383
 - Manufacturing Purchasing Managers Index (PMI), 384
 - OECD Composite Leading Indicators (CLI) report, 393-395
 - ZEW Indicator of Economic Sentiment report, 371
 - S&P/Case-Shiller U.S. National Home Price Index, 360
 - U.S.
 - ADP National Employment report, 75-81
 - Architecture Billings Index, 359
 - Assets and Liabilities of Commercial Banks in the United States report, 291-295
 - Bloomberg Consumer Comfort Index, 120-121
 - Business Inventories report, 162-168
 - Business Outlook Survey, 242-245
 - Cass Freight Index, 357
 - Chicago Purchasing Managers Index (Business Barometer), 191-195
 - Consumer Credit Outstanding report, 107-111
 - Consumer Confidence Index, 112-114
 - Consumer Price Index (CPI) report, 305-315
 - Corporate Layoff and Hiring Announcements report, 64-69
 - Credit Manager's Index, 355
 - Current Account Balance (U.S. International Transactions) report, 283-288
 - Durable Goods Orders report, 148-154
 - E-Commerce Retail Sales report, 99-100
 - Empire State Manufacturing Survey, 236-241
 - Employer Costs for Employee Compensation report, 342-345
 - Employment Cost Index report, 323-327
 - Employment Situation report, 31-41, 44-48
 - Existing Home Sales report, 210-216
 - Factory Orders report, 155-160
 - Federal Open Market Committee (FOMC) Statement, 260-268
 - Federal Reserve Board's Beige Book, 255-259
 - Google Insights report, 123-125
 - Gross Domestic Product (GDP) report, 130-147
 - Help-Wanted Online Advertising report, 59-63
 - Housing Market Index (NAHB), 223-226

- Housing Starts and Building Permits report, 204-209
- Import and Export Prices report, 328-334
- Index of Leading Economic Indicators (LEI), 196-203
- Industrial Production and Capacity Utilization report, 170-180
- Institute for Supply Management (ISM) Manufacturing Survey, 181-187
- Institute for Supply Management (ISM) Non-Manufacturing Business Survey, 188-190
- International Trade in Goods and Services report, 269-272, 276-282
- Job Openings and Labor Turnover report, 49-54
- Las Vegas Gaming Revenues report, 126-129
- Manufacturing Activity in the 5th District, 249-253
- Manufacturing Survey of the 10th District, 246-247
- Mass Layoff Statistics (MLS) report, 70-74
- New Home Sales report, 217-222
- Personal Income and Spending report, 82-92
- Producer Price Index (PPI) report, 317-322
- Productivity and Costs report, 335-341
- Real Earnings report, 346-348
- Regional Federal Reserve Bank Reports, 235
- Retail Sales report, 93-98
- Small Business Economic Trends report, 356
- Survey of Consumer Sentiment report, 117-119
- Treasury International Capital (TIC) System report, 296-304
- Weekly Chain Store Sales report, 102-106
- Weekly Claims for Unemployment Insurance report, 55-58
- Weekly Railroad Traffic (Freight) report, 358
- Yield Curve report, 349-354
- Weekly Mortgage Applications Survey and the National Delinquency Survey, 227-230
- efficiency, Productivity and Costs report, 335-341
- Egypt, 362-444
- emerging countries, 361
- Empire State Manufacturing Survey, 236
 - market impact, 241
 - tables, 237-241
- Employer Costs for Employee Compensation report, 342-345
- employment
 - ADP National Employment report, 75-76
 - market impact, 80-81
 - tables, 77-79
 - by class of workers/part-time status, 41
 - conditions, 432
 - Corporate Layoff and Hiring
 - Announcements report, 64-69
 - market impact, 69
 - tables, 64-67
 - Employment Situation report, 31-48
 - market impact, 47-48
 - tables, 35-47
 - Help-Wanted Online Advertising report, 59-63
 - Job Openings and Labor Turnover report, 49
 - market impact, 54
 - tables, 51-53
 - Mass Layoff Statistics (MLS) report, 70
 - market impact, 74
 - tables, 71
 - Weekly Claims for Unemployment Insurance report, 55-56
 - market impact, 58
 - tables, 56
- Employment and Training Administration, 55
- Employment Cost Index report, 323-326
- Employment Situation report, 31-48
- equities, 5. *See also* stocks; bonds
- establishment surveys, 33-35
- Europe, 361
- European Central Bank (ECB), 368
- European Union (EU), 369
- euros, 368. *See also* currencies
- Eurozone Manufacturing Purchasing Managers Index (PMI), 385-387
- exchange markets, 6
- exchange rates, Japan, 381
- Exchange Traded Funds (ETFs), xxiii
- Existing Home Sales report, 210-216
 - market impact, 216
 - tables, 211-216
- expenditures, government, 137
- exports of goods and services, 136, 142

F

Factory Orders report, 155-156
 market impact, 160-161
 tables, 156-160
 Federal Budget reports (Web sites), 435
 Federal Open Market Committee (FOMC)
 Statement, 260-268
 Federal Reserve, 5, 32
 Assets and Liabilities of Commercial Banks in
 the United States report, 291-295
 Bank
 of Chicago, National Activity Index
 (CFNAI), 252-254
 of Kansas City, Manufacturing Survey of
 the 10th District, 246-248
 of New York, Empire State Manufacturing
 Survey, 236-241
 of Philadelphia, Business Outlook Survey,
 242-245
 of Richmond, Manufacturing Activity in the
 5th District, 249-251
 Beige Book, 255-259
 Board, xxiii, 107, 170
 Federal Reserve Board's Beige Book, 255-259
 Regional Federal Reserve Bank reports, 235
 reports (Web sites), 434
 Federal Statistics Office, Germany, 364, 368
 final sales of domestic product, 137
 financial accounts, 285
 financial indicators, 197
 finished goods, PPI, 318
 Fiserv, 360
 Fitch, 397
 forecasting, 12
 Japan, 375
 labor, 59
 foreign debt (U.S.), 16
 Forrester Research, 100
 France, 14
 free alongside ship (FAS) prices, 329
 free mobile phone apps, 429
 free on board (FOB) basis, 329
 freight
 Cass Freight Index, 357
 Weekly Railroad Traffic (Freight) report, 358

G

Gaming Control Board, 126
 geographic coverage, Consumer Price Index
 (CPI), 310
 Germany, 14
 German Consumer Price Index (CPI),
 368-370
 German IFO Business Climate Index,
 366-367
 German Industrial Production report,
 364-365
 stock markets, 362
 ZEW Indicator of Economic Sentiment
 report, 371-372
 global economies, 361-363
 Australia, 422-423, 426
 Brazil Industrial Production report, 410-413
 Canada, 416-418
 China
 Industrial Production report, 396-400
 Manufacturing Purchasing Managers Index
 (PMI), 390-392
 Eurozone Manufacturing Purchasing Managers
 Index (PMI), 385-387
 Germany
 Consumer Price Index (CPI), 368-370
 IFO Business Climate Index, 366
 Industrial Production report, 364
 ZEW Indicator of Economic Sentiment
 report, 371
 Global Manufacturing Purchasing Managers
 Index (PMI), 387-389
 IBC-Br Economic Activity Index, 410-413
 India Industrial Production and Inflation report,
 403-406
 Japan
 Industrial Production report, 373-375
 Tankan Survey, 378-383
 Manufacturing Purchasing Managers Index
 (PMI), 384
 OECD Composite Leading Indicators (CLI)
 report, 393-395
 Global Manufacturing Purchasing Managers Index
 (PMI), 387-389
 Google Insights report, 123-125

governments
 expenditures, 137
 international indicators, 362. *See also*
 international indicators
 release of statistics, 2-6
 Great Depression, 15, 22, 182
 Great Recession (2008-2009), 27-29
 gross domestic product (GDP)
 Australia, 424
 Brazil, 413
 China, 398
 India, 406
 Japan, 374
 negative growth, 21
 Gross Domestic Product (GDP) report, 130
 market impact, 146-147
 tables, 132-143, 145
 Gross Private Domestic Investment, 134
 growth
 GDP, 21
 of employment, 48
 India, 403

H

Harmonized Index of Consumer Prices (HICP), 369
 Help-Wanted Online Advertising report, 59-63
 hiring, Corporate Layoff and Hiring
 Announcements report, 64-69. *See also*
 employment
 home sales (Web sites), 433
 Hoover, Herbert, 182
 household surveys, 32-33, 35
 Housing Affordability Index (HAI), 215
 Housing Market Index (NAHB), 223
 market impact, 226
 tables, 224-226
 Housing Starts and Building Permits report,
 204-205
 market impact, 209
 tables, 206-208
 HSBC Holdings plc, 384

I

ICSC-GS (International Council of Shopping
 Centers/Goldman Sachs), 102
 impact, markets
 ADP National Employment report, 80-81
 Assets and Liabilities of Commercial Banks in
 the United States report, 295
 Bloomberg Consumer Comfort Index, 121
 Business Inventories report, 168
 Business Outlook Survey, 245
 Chicago Purchasing Managers Index (Business
 Barometer), 194-195
 Consumer Confidence Index, 116
 Consumer Credit Outstanding report, 111
 Consumer Price Index (CPI) report, 314, 316
 Corporate Layoff and Hiring Announcements
 report, 69
 Current Account Balance (U.S. International
 Transactions) report, 289
 Durable Goods Orders report, 154
 E-Commerce Sales report, 100
 Empire State Manufacturing Survey, 241
 Employer Costs for Employee Compensation
 report, 345
 Employment Cost Index, 326-327
 Employment Situation reports, 47-48
 Existing Home Sales report, 216
 Factory Orders report, 160
 Federal Open Market Committee (FOMC)
 Statement, 266
 Federal Reserve Board's Beige Book, 258
 Google Insights report, 125
 Gross Domestic Product (GDP) report, 146-147
 Help-Wanted Online Advertising report, 63
 Housing Market Index (NAHB), 226
 Import and Export Prices report, 328-334
 Index of Leading Economic Indicators (LEI),
 202-203
 Industrial Production and Capacity Utilization
 report, 179-180
 Institute for Supply Management (ISM)
 Manufacturing Survey, 187
 International Trade in Goods and Services
 report, 280
 Job Openings and Labor Turnover report, 54
 Las Vegas Gaming Revenues report, tables, 129
 Manufacturing Activity in the 5th District, 251

- Mass Layoff Statistics (MLS) report, 74
- National Activity Index (CFNAI), 253
- New Home Sales report, 222
- Personal Income and Spending report, 91-92
- Producer Price Index (PPI) report, 321-322
- Productivity and Costs report, 341
- Real Earnings report, 348
- Retail Sales report, 97-98
- Survey of Consumer Sentiment report, 119
- Treasury International Capital (TIC) System report, 303-304
- Weekly Chain Store Sales report, 106
- Weekly Claims for Unemployment Insurance, 58
- Weekly Mortgage Applications Survey and the National Delinquency Survey, 230
- Yield Curve report, 354
- Import and Export Prices report, 328-334
- importance of
 - ADP National Employment report, 75
 - Assets and Liabilities of Commercial Banks in the United States report, 291
 - Bloomberg Consumer Comfort Index, 120
 - Business Inventories report, 162-164
 - Business Outlook Survey, 242
 - Chicago Purchasing Managers Index (Business Barometer), 191
 - Construction Spending report, 232
 - Consumer Confidence Index, 112-114
 - Consumer Credit Outstanding report, 107-108
 - Consumer Price Index (CPI) report, 305-307
 - Corporate Layoff and Hiring Announcements, 64
 - Current Account Balance (U.S. International Transactions) report, 283-285
 - Durable Goods Orders report, 148
 - E-Commerce Retail Sales report, 99-100
 - Empire State Manufacturing Survey, 236
 - Employer Costs for Employee Compensation report, 342
 - Employment Cost Index, 323
 - Employment Situation report, 31
 - Existing Home Sales report, 210
 - Factory Orders report, 155
 - Federal Open Market Committee (FOMC) Statement, 260-262
 - Federal Reserve Board's Beige Book, 255, 257
 - Gross Domestic Product (GDP) report, 130
 - Help-Wanted Online Advertising report, 59
 - Housing Market Index (NAHB), 223
 - Housing Starts and Building Permits report, 204-205
 - Import and Export Prices report, 328
 - Index of Leading Economic Indicators (LEI), 196
 - Industrial Production and Capacity Utilization report, 170-180
 - Institute for Supply Management (ISM) Manufacturing Survey, 181-182
 - Non-Manufacturing Business Survey, 188
 - international indicators, 361-363
 - International Trade in Goods and Services report, 269-271
 - Job Openings and Labor Turnover report, 49
 - jobs report, 32
 - Las Vegas Gaming Revenues report, 126
 - Manufacturing Activity in the 5th District, 249
 - Manufacturing Survey of the 10th District, 246
 - Mass Layoff Statistics (MLS) report, 70
 - National Activity Index (CFNAI), 252
 - New Home Sales report, 217
 - Personal Income and Spending report, 82-84
 - Producer Price Index (PPI) report, 317-318
 - Productivity and Costs report, 335-338
 - Real Earnings report, 346
 - Survey of Consumer Sentiment report, 117
 - Treasury International Capital (TIC) System report, 296-297
 - Weekly Chain Store Sales report, 102-103
 - Weekly Claims for Unemployment Insurance report, 55
 - Weekly Mortgage Applications Survey and the National Delinquency Survey, 227
 - Yield Curve report, 349, 351
- income, Personal Income and Spending report, 82-85
 - market impact, 91-92
 - tables, 85-90
- Income Account, 284
- Index of Leading Economic Indicators (LEI), 196-200
 - market impact, 202-203
 - tables, 201-202
- indexes
 - Architecture Billings Index, 359
 - Australia, 422-423, 426

- Bloomberg Consumer Comfort Index, 120
 - market impact, 121
 - tables, 121
- Canada, 416-418
- Cass Freight Index, 357
- Chicago Purchasing Managers Index (Business Barometer), 191
 - market impact, 194-195
 - tables, 192
- China Manufacturing Purchasing Managers Index (PMI), 390-392
- coincident indicators, 198
- Consumer Confidence Index, 112-114
- Consumer Price Index (CPI), 139, 305-315
- Credit Manager's Index, 355
- Employment Cost Index report, 323-326
- Eurozone Manufacturing Purchasing Managers Index (PMI), 385-387
- GDP price, 138
- German Consumer Price Index (CPI), 368-370
- German IFO Business Climate Index, 366
- Global Manufacturing Purchasing Managers Index (PMI), 387-389
- Harmonized Index of Consumer Prices (HICP), 369
- Housing Affordability Index (HAI), 215
- Housing Market Index (NAHB), 223
 - market impact, 226
 - tables, 224-226
- IBC-Br Economic Activity Index, 410-413
- Index of Consumer Sentiment, 118
- Index of Leading Economic Indicators (LEI), 196-200
 - market impact, 202-203
 - tables, 201-202
- Johnson Redbook, 102
- lagging indicators, 199
- Manufacturing Purchasing Managers Index (PMI), 384
- National Activity Index (CFNAI), 252-253
- Pending Home Sales Index (PHSI), 213
- Producer Price Index (PPI) report, 317-319, 322
- Purchasing Managers Index (PMI), 182
- S&P/Case-Shiller U.S. National Home Price Index, 360
- wholesale price index (WPI), 406
- India Industrial Production and Inflation report, 403-409
- indicators
 - international, 361-363
 - Australia, 422-423, 426
 - Brazil Industrial Production report, 410-413
 - Calendar of Releases for Foreign Economic Data Web site, 439
 - Canada, 416-418
 - China Industrial Production report, 396-400
 - China Manufacturing Purchasing Managers Index (PMI), 390-392
 - Eurozone Manufacturing Purchasing Managers Index (PMI), 385-387
 - German Consumer Price Index (CPI), 368-370
 - German IFO Business Climate Index, 366
 - German Industrial Production report, 364
 - Global Manufacturing Purchasing Managers Index (PMI), 387-389
 - IBC-Br Economic Activity Index, 410-413
 - India Industrial Production and Inflation report, 403-406
 - Japan Industrial Production report, 373-375
 - Japan's Tankan Survey, 378-383
 - Manufacturing Purchasing Managers Index (PMI), 384
 - OECD Composite Leading Indicators (CLI) report, 393-395
 - Web sites, 439-444
 - ZEW Indicator of Economic Sentiment report, 371
 - leaders, 14
 - most sensitive to bonds, 13
 - most sensitive to stocks, 13
 - most sensitive to U.S. dollar's value, 14
 - U.S.
 - ADP National Employment report, 75-81
 - Architecture Billings Index, 359
 - Assets and Liabilities of Commercial Banks in the United States report, 291-295
 - Bloomberg Consumer Comfort Index, 120-121
 - Business Inventories report, 162-168
 - Business Outlook Survey, 242-245
 - Cass Freight Index, 357
 - Chicago Purchasing Managers Index (Business Barometer), 191-195

- Construction Spending report, 232-233
- Consumer Credit Outstanding report, 107-111
- Consumer Confidence Index, 112-114
- Consumer Price Index (CPI) report, 305-315
- Corporate Layoff and Hiring
 - Announcements report, 64-69
- Credit Manager's Index, 355
- Current Account Balance (U.S. International Transactions) report, 283-288
- Durable Goods Orders report, 148-154
- E-Commerce Retail Sales report, 99-100
- Empire State Manufacturing Survey, 236-241
- Employer Costs for Employee Compensation report, 342-345
- Employment Cost Index report, 323-326
- Employment Situation report, 31-38, 40-48
- Existing Home Sales report, 210-216
- Factory Orders report, 155-160
- Federal Open Market Committee (FOMC) Statement, 260-268
- Federal Reserve Board's Beige Book, 255-259
- Google Insights report, 123-125
- Gross Domestic Product (GDP) report, 130-147
- Help-Wanted Online Advertising report, 59-63
- Housing Market Index (NAHB), 223-226
- Housing Starts and Building Permits report, 204-209
- Import and Export Prices report, 328-334
- Index of Leading Economic Indicators (LEI), 196-203
- Industrial Production and Capacity Utilization report, 170-180
- Institute for Supply Management (ISM) Manufacturing Survey, 181-187
- Institute for Supply Management (ISM) Non-Manufacturing Business Survey, 188-190
- International Trade in Goods and Services report, 269-282
- Job Openings and Labor Turnover report, 49-54
- Las Vegas Gaming Revenues report, 126-129
- Manufacturing Activity in the 5th District, 249-251
- Manufacturing Survey of the 10th District, 246-247
- Mass Layoff Statistics (MLS) report, 70-74
- National Activity Index (CFNAI), 252-253
- New Home Sales report, 217-222
- Personal Income and Spending report, 82-92
- Producer Price Index (PPI) report, 317-322
- Productivity and Costs report, 335-341
- Real Earnings report, 346-348
- Regional Federal Reserve Bank Reports, 235
- Retail Sales report, 93-98
- S&P/Case-Shiller U.S. National Home Price Index, 360
- Small Business Economic Trends report, 356
- Survey of Consumer Sentiment report, 117-119
- Treasury International Capital (TIC) System report, 296-304
- Web sites, 429-438
- Weekly Chain Store Sales report, 102-106
- Weekly Claims for Unemployment Insurance report, 55-58
- Weekly Mortgage Applications Survey and the National Delinquency Survey, 227-230
- Weekly Railroad Traffic (Freight) report, 358
- Yield Curve report, 349, 352-354
- industrial production (IP), 23, 171
- Industrial Production and Capacity Utilization report, 170-171
 - market impact, 179-180
 - tables, 173-178
- industries. *See also* manufacturing
 - German Industrial Production report, 364
 - Japan, 374
 - jobs
 - cuts by, 65
 - report tables, 46-47
 - quit levels, 53
- inflation, 15
 - adjusting, 138
 - China, 398
 - Consumer Price Index (CPI) report, 305-315
 - Employment Cost Index, 323
 - German Consumer Price Index (CPI), 368-370

- India Industrial Production and Inflation report, 403-406
 - National Activity Index (CFNAI), 252-253
 - Real Earnings report, 346-348
 - Web sites, 434
 - Institute for Supply Management (ISM), 75, 181-182, 188, 384
 - Manufacturing Survey, 181-182
 - market impact, 187
 - tables, 183-186
 - Non-Manufacturing Business Survey, 188
 - market impact, 190
 - tables, 190
 - insurance, unemployment, 56. *See also* Weekly Claims for Unemployment Insurance report
 - interest income, 83
 - interest rates, 48, 435
 - intermediate goods, PPI, 318
 - International Council of Shopping Centers and Goldman Sachs (ICSC-GS), 103
 - international economic indicators, 14-17
 - International Federation of Purchasing and Supply Management (IFPSM), 384
 - international indicators, 361-363
 - Australia, 422-426
 - Brazil Industrial Production report, 410-413
 - Canada, 416-418
 - China
 - Industrial Production report, 396-400
 - Manufacturing Purchasing Managers Index (PMI), 390-392
 - Eurozone Manufacturing Purchasing Managers Index (PMI), 385-387
 - Germany
 - Consumer Price Index (CPI) Index, 368-370
 - IFO Business Climate Index, 366
 - Industrial Production report, 364
 - Global Manufacturing Purchasing Managers Index (PMI), 387-389
 - IBC-Br Economic Activity Index, 410-413
 - India Industrial Production and Inflation report, 403-406
 - Japan
 - Industrial Production report, 373-375
 - Tankan Survey, 378-383
 - Manufacturing Purchasing Managers Index (PMI), 384
 - OECD Composite Leading Indicators (CLI) report, 393-395
 - Web sites
 - best megasites for statistics, 444
 - Calendar of Releases for Foreign Economic Data, 439
 - economic statistics from other countries, 439-444
 - sources of global economic news, 439
 - ZEW Indicator of Economic Sentiment report, 371
 - International Merchandise Trade report (Canada), 416-421
 - international trade, 433
 - International Trade in Goods and Services report, 269-277, 280-282
 - International Trade Report (Australia), 422-426
 - Internet
 - China, 396
 - E-Commerce Retail Sales report, 99-100
 - market impact, 100
 - tables, 100
 - Help-Wanted Online Advertising report, 59-63
 - inventories
 - Business Inventories report, 162-164
 - market impact, 168
 - tables, 164, 167
 - change, 135
 - Durable Goods Orders report, 153
 - ISM surveys, 186
 - Japan, 375
 - investments, 5
 - Japan, 381
 - Job Openings and Labor Turnover report, 54
 - jobs report, 31-35, 47-48
 - Israel, 394, 441
 - Italy, 15
 - Ivey Purchasing Managers Index, 416-418
- ## J
-
- J.P. Morgan, 384
 - Japan
 - Industrial Production report, 373-377
 - stock markets, 362
 - Tankan Survey, 378-383
 - Job Openings and Labor Turnover report, 49-54

jobs

- creation, Employment Situation report, 31-41, 44-48
 - Help-Wanted Online Advertising report, 59-63
 - Job Openings and Labor Turnover report, 49
 - market impact, 54
 - tables, 51-54
 - reports, 5
 - Weekly Claims for Unemployment Insurance report, 55-56
 - market impact, 58
 - tables, 56
- Johnson Redbook
- Average, 104
 - index, 102

K-L

Kyodo News, 4

labor

- demand, 61
- disputes, 64
- forecasting, 59
- income, 83
- turnover, 49
 - market impact, 54
 - tables, 51, 53
- underutilization, 44

labor markets, 10

Labrador, 417

lagging indicators, 199

Las Vegas Gaming Revenues report, 126

- market impact, 129
- tables, 128

Latin America, 15, 361

layoffs, 52

- Corporate Layoff and Hiring Announcements report, 64-69
 - market impact, 69
 - tables, 64-67

- Mass Layoff Statistics (MLS) report, 70
 - market impact, 74
 - tables, 71

leaders, indicators, 14

lock-up room, 1-6

M

Macroeconomic Advisers, LLC, 75

MacroMarkets, LLC, 360

manufacturing

- Business Outlook Survey, 242
 - market impact, 245
 - tables, 244

Canada, 417

- Empire State Manufacturing Survey, 236
 - market impact, 241
 - tables, 237-240

- Factory Orders report, 155-156
 - market impact, 160
 - tables, 156-159

- Institute for Supply Management (ISM) Manufacturing Survey, 181-182
 - market impact, 187
 - tables, 183, 186

- Institute for Supply Management (ISM) Non-Manufacturing Business Survey, 188-190

Japan, 375, 379

- Manufacturing Activity in the 5th District, 249
 - market impact, 251
 - tables, 250

- Manufacturing Survey of the 10th District, 246
 - market impact, 247
 - tables, 247

- Manufacturing Activity in the 5th District, 249
 - market impact, 251
 - tables, 250

Manufacturing Purchasing Managers Index (PMI), 384-392

- Manufacturing Survey of the 10th District, 246
 - market impact, 247
 - tables, 247

market impact, Construction Spending report, 233

Market News International, 23

marketing, 33

markets

- Australia, 424
- bonds, forecasting, 12
- exchange, 6
- impact

ADP National Employment report, 80-81

Assets and Liabilities of Commercial Banks in the United States report, 295

- Bloomberg Consumer Comfort Index, 121
 - Business Inventories report, 168
 - Business Outlook Survey, 245
 - Chicago Purchasing Managers Index (Business Barometer), 194-195
 - Consumer Confidence Index, 116
 - Consumer Credit Outstanding report, 111
 - Consumer Price Index (CPI) report, 314
 - Current Account Balance (U.S. International Transactions) report, 289
 - Durable Goods Orders report, 154
 - E-Commerce Retail Sales report, 100
 - Empire State Manufacturing Survey, 241
 - Employer Costs for Employee Compensation report, 345
 - Employment Cost Index, 326-327
 - Employment Situation report, 47-48
 - Existing Home Sales report, 216
 - Factory Orders report, 160
 - Federal Open Market Committee (FOMC) Statement, 266
 - Federal Reserve Board's Beige Book, 258
 - Google Insights report, 125
 - Gross Domestic Product (GDP) report, 146-147
 - Help-Wanted Online Advertising report, 63
 - Housing Starts and Building Permits report, 209
 - Import and Export Prices report, 332-334
 - Index of Leading Economic Indicators (LEI), 202-203
 - Industrial Production and Capacity Utilization report, 179-180
 - Institute for Supply Management (ISM) Manufacturing Survey, 187
 - Institute for Supply Management (ISM) Non-Manufacturing Business Survey, 190
 - International Trade in Goods and Services report, 280
 - Job Openings and Labor Turnover report, 54
 - jobs reports, 47-48
 - Las Vegas Gaming Revenues report, 129
 - Manufacturing Activity in the 5th District, 251
 - Manufacturing Survey of the 10th District, 247
 - National Activity Index (CFNAI), 253
 - New Home Sales report, 222
 - Personal Income and Spending report, 91-92
 - Producer Price Index (PPI) report, 321-322
 - Productivity and Costs report, 341
 - Real Earnings report, 348
 - Retail Sales report, 97-98
 - Survey of Consumer Sentiment report, 119
 - Treasury International Capital (TIC) System report, 303-304
 - Weekly Chain Store Sales report, 106
 - Weekly Claims for Unemployment Insurance, 58
 - Weekly Mortgage Applications Survey and the National Delinquency Survey, 230
 - Yield Curve report, 354
 - impact of business cycles on, 20
 - jobs report, 31-33, 35
 - labor, 10
 - reactions to release of statistics, 5
 - Markit Economics (formerly NTC Economics), 384
 - Mass Layoff Statistics (MLS) report, 70-74
 - measurements of labor underutilization, 44
 - Merchandise Trade Account, 284
 - Mexico, establishment surveys, 34
 - Middle East, instability, 15
 - mining, Japan, 375
 - Ministry of Economy, Trade, and Industry (METI), 373
 - Ministry of Statistics & Programme Implementation, 403
 - mobile phone apps (free), 429
 - money, Web sites, 436
 - monitoring performance, 16
 - Moody's, 397
 - Mortgage Bankers Association (MBA), 227
 - mortgages, Weekly Mortgage Applications Survey and the National Delinquency Survey, 227-230
 - moving averages, 23
 - MSNBC, 4
- N**
-
- National Activity Index (CFNAI), 252-253
 - National Association of Credit Management (NACM), 355

National Association of Home Builders, 223
 National Association of Purchasing Management,
 Chicago affiliate, 191
 National Association of Realtors, xxiii, 210
 National Bureau of Economic Research (NBER), 21
 National Bureau of Statistics (NBS), 398
 National Bureau of Statistics of China (NBS), 396
 National Federation of Independent Business
 (NFIB), 356
 National Income and Product Accounts (NIPA), 140
 natural resources, Canada, 417
 negative growth, GDP, 21
 net exports of goods and services, 136, 142
 net long-term securities transactions, 302
 Netherlands, 15
 Nevada Gaming Commission, 126
 New Home Sales report, 217-218
 market impact, 222
 tables, 218-222
 New Residential Construction report, 204-209
 market impact, 209
 tables, 206-208
 New York Mercantile Exchange, 5-6
 Newfoundland, 417
 news
 Web sites, 429
 sources of global economic, 439
 Nielsen Company, The, 100
 Nixon, Richard, 7
 nominal dollars, 24
 nominal GDP, 138
 Nondurable Goods, 134
 nonfinancial indicators, 197
 North American Free Trade Agreement
 (NAFTA), 418

O

OECD Composite Leading Indicators (CLI)
 report, 393-395
 online, 60. *See also* Internet
 OPEC, 15
 openings, jobs, 49
 market impact, 54
 Help-Wanted Online Advertising report, 59-60
 tables, 51-53, 60-63

Organization for Economic Cooperation and
 Development (OECD), 393
 origins of recessions, 27
 outsourcing, 64

P

part-time jobs, 41. *See also* employment
 payments, transfer, 83
 payrolls. *See also* employment
 private non-farm, 40
 surveys, 33, 35
 Pending Home Sales Index (PHSI), 213
 People's Republic of China. *See* China
 performance, monitoring, 16
 personal consumption expenditures (PCEs), 83,
 133, 328
 Personal Income and Spending report, 82-85
 market impact, 91-92
 tables, 85-91
 personal income, 82. *See also* income
 Ponzi schemes, xxii
 population surveys, 34
 predictions, 23
 recessions, 61
 statistic attributes, 12
 press release of government statistics, 3-6
 prices
 Import and Export Prices report, 328-334
 Indexes, GDP, 138
 Japan, 381
 S&P/Case-Shiller U.S. National Home Price
 Index, 360
 private inventories, change in, 135
 private non-farm payrolls, 40
 Producer Price Index (PPI) report, 317-322
 producer prices, 23
 production
 Brazil Industrial Production report, 410-413
 China Industrial Production report, 396-400
 India Industrial Production and Inflation report,
 403-406
 Japan, 375, 382
 Productivity and Costs report, 335-341
 proprietors' income, 83
 Proxmire, William, 7

purchasing

Chicago Purchasing Managers Index (Business Barometer), 191

market impact, 194-195
tables, 192

gross domestic, 137

Purchasing Managers Index (PMI), 182

Q-R

quit levels, 53

rallies, stocks, 48. *See also* stocks

rates

annual, 19

exchange (Japan), 381

quit levels, 53

unemployment, 32

ratios, unemployed to job openings, 53

reading jobs reports, 35-41, 44-48

Real Earnings report, 346-348

real GDP, 138

reasons for job cuts, 66

recessions, 10

Great Recession (2008-2009), 27-29

predictions, 61

stages of business cycles, 11

U.S., 22

Regional Federal Reserve Bank Reports, 235

regions, Manufacturing Purchasing Managers Index (PMI), 384

releases, schedule of, 429

rental income, 83

reports, xxiii

Architecture Billings Index, 359

Assets and Liabilities of Commercial Banks in the United States report, 291-295

Australia, 422-423, 426

Bloomberg Consumer Comfort Index, 120

market impact, 121

tables, 121

Brazil Industrial Production report, 410-413

Business Inventories report, 162-164

market impact, 168

tables, 164, 167

Business Outlook Survey, 242

market impact, 245

tables, 244

Canada, 416-418

Cass Freight Index, 357

Chicago Purchasing Managers Index (Business Barometer), 191

market impact, 194-195

tables, 192

China Industrial Production report, 396-400

Construction Spending report, 232-233

Consumer Credit Outstanding report, 107-108

market impact, 111

tables, 108

Consumer Confidence Index, 112-114

Consumer Price Index (CPI) report, 305-315

Credit Manager's Index, 355

Current Account Balance (U.S. International Transactions) report, 283-288

Durable Goods Orders report, 148

market impact, 154

tables, 149-152

E-Commerce Retail Sales, 99-100

market impact, 100

tables, 100

Empire State Manufacturing Survey, 236

market impact, 241

tables, 237, 239-240

Employer Costs for Employee Compensation report, 342-345

Employment Cost Index report, 323-326

Employment Situation, 31-35

market impact, 47-48

tables, 35-46

Existing Home Sales report, 210

market impact, 216

tables, 211-216

Factory Orders report, 155-156

market impact, 160

tables, 156-159

Federal Budget (Web sites), 435

Federal Open Market Committee (FOMC) Statement, 260-268

Federal Reserve (Web sites), 434

Federal Reserve Board's Beige Book, 255-259

Germany

Consumer Price Index (CPI) Index, 368-370

IFO Business Climate Index, 366

Industrial Production report, 364

ZEW Indicator of Economic Sentiment report, 371

- Google Insights report, 123-125
- Gross Domestic Product (GDP) report, 130
 - market impact, 146-147
 - tables, 132-146
- Help-Wanted Online Advertising report, 59-63
- Housing Market Index (NAHB), 223
 - market impact, 226
 - tables, 224-226
- Housing Starts and Building Permits report, 204-205
 - market impact, 209
 - tables, 206-208
- Import and Export Prices report, 328-334
- Index of Leading Economic Indicators (LEI), 196-200
 - market impact, 202-203
 - tables, 201-202
- India Industrial Production and Inflation report, 403-406
- Industrial Production and Capacity Utilization report, 170-171
 - market impact, 179-180
 - tables, 173-178
- Institute for Supply Management (ISM)
 - Manufacturing Survey, 181-182
 - market impact, 187
 - tables, 183, 186
 - Institute for Supply Management (ISM)
 - Non-Manufacturing Business Survey, 188
 - market impact, 190
 - tables, 190
- interest rates (Web sites), 435
- International Trade in Goods and Services report, 269-277, 280-282
- Japan
 - Industrial Production report, 373-375
 - Tankan Survey, 378-383
- Job Openings and Labor Turnover, 49
 - market impact, 54
 - tables, 51-53
- jobs, 5, 31
- Las Vegas Gaming Revenues report, 126-128
- Manufacturing Activity in the 5th District, 249
 - market impact, 251
 - tables, 250
- Manufacturing Survey of the 10th District, 246
 - market impact, 247
 - tables, 247
- National Activity Index (CFNAI), 252-253
- New Home Sales report, 217-218
 - market impact, 222
 - tables, 218-222
- OECD Composite Leading Indicators (CLI) report, 393-395
- Personal Income and Spending, 82-85
 - market impact, 91-92
 - tables, 85-90
- Producer Price Index (PPI) report, 317-322
- Productivity and Costs report, 335-341
- Real Earnings report, 346-348
- Regional Federal Reserve Bank reports, 235
 - release of, 7
- Retail Sales, 93-94
 - market impact, 97-98
 - tables, 94-97
- S&P/Case-Shiller U.S. National Home Price Index, 360
- Small Business Economic Trends report, 356
- Survey of Consumer Sentiment report, 117
 - market impact, 119
 - tables, 118
- Treasury International Capital (TIC) System report, 296-304
- Weekly Chain Store Sales, 102-104
 - market impact, 106
 - tables, 104
- Weekly Claims for Unemployment Insurance report, 55-56
 - market impact, 58
 - tables, 56
- Weekly Mortgage Applications Survey and the National Delinquency Survey, 227-228
 - market impact, 230
 - tables, 228-229
- Weekly Railroad Traffic (Freight) report, 358
- Yield Curve report, 349, 352-354
- Reserve Bank of Australia (RBA), 422
- resources, Canada, 417
- retail sales, 23
- Retail Sales report, 93-94
 - market impact, 97-98
 - tables, 94-97
- Retail Trade report (Australia), 422-426
- Reuters, 4, 23

revisions, 24

Employment Situation report, 31

Job Openings and Labor Turnover report, 49

Richard Ivey School of Business, 416

risk, currencies, 362

S

S&P/Case-Shiller U.S. National Home Price
Index, 360

salaries, 83, 343

sales

E-Commerce Retail Sales report, 99-100

market impact, 100

tables, 100

Retail Sales report, 93-94

market impact, 97-98

tables, 94, 96-97

Weekly Chain Store Sales report, 102-104

market impact, 106

tables, 104

savings, 84

domestic, 16

schedule of releases, 429

seasonal adjustments, 25-26

seasonal employment

demand, 61

quit rates, 53

securities, U.S. treasury, 48

self-employment income, 83. *See also* employ-
ment

services, Canada, 417-418

Services Trade Account, 284

shipments, Durable Goods Orders report, 152

shocks, xxii

Small Business Economic Trends report, 356

sources

of global economic news, 439

jobs reports, 32

stages of business cycles, 11

Standard & Poor's, 397

states

labor demand, 61

Weekly Claims for Unemployment Insurance
report, 56

statistics

attributes, 10

best megasites for, 444

Canada, 416-418

government release of, 2-6

Mass Layoff Statistics (MLS) report, 70

market impact, 74

tables, 71

Web sites, 436, 439-444

stocks, 5

ADP National Employment report, 81

Bloomberg Consumer Comfort Index, 122

Business Inventories report, 168

Business Outlook Survey, 245

Chicago Purchasing Managers Index (Business
Barometer), 194

Consumer Confidence index, 116

Consumer Credit Outstanding report, 111

Consumer Price Index (CPI) report, 315-316

Corporate Layoff and Hiring Announcements
report, 69

Current Account Balance (U.S. International
Transactions) report, 289

Durable Goods Orders report, 154

E-Commerce Retail Sales report, 100

Empire State Manufacturing Survey, 241

Employment Cost Index, 327

Existing Home Sales report, 216

Factory Orders report, 161

Federal Open Market Committee (FOMC)
Statement, 268

Federal Reserve Board's Beige Book, 258

Gross Domestic Product (GDP) report,
146-147

Help-Wanted Online Advertising report, 63

Housing Market Index (NAHB), 226

Housing Starts and Building Permits report,
209

Import and Export Prices report, 333-334

Index of Leading Economic Indicators (LEI),
203

indicators most sensitive to, 13

Industrial Production and Capacity Utilization
report, 180

Institute for Supply Management (ISM)
Manufacturing Survey, 187

international markets, 362

International Trade in Goods and Services
report, 282

Job Opening and Labor Turnover, 54

jobs report, 31-35, 48

Manufacturing Activity in the 5th District, 251

Manufacturing Survey of the 10th District, 248
 New Home Sale report, 222
 Personal Income and Spending report, 92
 Producer Price Index (PPI) report, 322
 Productivity and Costs report, 341
 Real Earnings report, 348
 Retail Sales report, 97-98
 Survey of Consumer Sentiment report, 119
 Treasury International Capital (TIC) System
 report, 304
 Weekly Chain Store Sales report, 106
 Weekly Claims for Unemployment
 Insurance, 58
 Weekly Mortgage Applications Survey and the
 National Delinquency Survey, 230-231
 Yield Curve report, 354
 strong dollars, 331. *See also* dollars
 summaries. *See also* reports
 establishment data, 38
 household data, 35
 Survey of Consumer Sentiment report, 117
 market impact, 119
 tables, 118
 surveys. *See also* reports
 Business Outlook Survey, 242
 market impact, 245
 tables, 244
 consensus, 22-23
 Empire State Manufacturing Survey, 236
 market impact, 241
 tables, 237-240
 establishment, 33-35
 household, 32-35
 Institute for Supply Management (ISM)
 Manufacturing Survey, 181-182
 market impact, 187
 tables, 183, 186
 Institute for Supply Management (ISM) Non-
 Manufacturing Business Survey, 188
 market impact, 190
 tables, 190
 Manufacturing Activity in the 5th District, 249
 market impact, 251
 tables, 250
 Manufacturing Survey of the 10th District, 246
 market impact, 247
 tables, 247
 Switzerland, 15

T

tables

ADP National Employment report, 77-79
 Assets and Liabilities of Commercial Banks in
 the United States report, 292-295
 Bloomberg Consumer Comfort Index, 121
 Business Inventories report, 164-168
 Business Outlook Survey, 244
 Chicago Purchasing Managers Index (Business
 Barometer), 192
 Construction Spending report, 233
 Consumer Confidence Index, 114-115
 Consumer Credit Outstanding report, 108-111
 Consumer Price Index (CPI) report, 311-312
 Corporate Layoff and Hiring Announcements,
 65-68
 Current Account Balance (U.S. International
 Transactions) report, 286-289
 Durable Goods Orders report, 149-154
 E-Commerce Retail Sales report, 100
 Empire State Manufacturing Survey, 237-241
 Employer Costs for Employee Compensation
 report, 343-345
 Employment Cost Index, 325-326
 Employment Situation report, 35-47
 Existing Home Sales report, 211-216
 Factory Orders report, 156-160
 Federal Open Market Committee (FOMC)
 Statement, 264
 Federal Reserve Board's Beige Book, 258
 Gross Domestic Product (GDP) report,
 132-146
 Help-Wanted Online Advertising report, 60-63
 Housing Market Index (NAHB), 224-226
 Housing Starts and Building Permits report,
 206-208
 Import and Export Prices report, 329-332
 Index of Leading Economic Indicators (LEI),
 201-202
 Industrial Production and Capacity Utilization
 report, 173-179
 Institute for Supply Management (ISM)
 Manufacturing Survey, 183-187
 Non-Manufacturing Business Survey, 190
 International Trade in Goods and Services
 report, 272-280
 Job Openings and Labor Turnover report, 51-54

Las Vegas Gaming Revenues report, 128
 Manufacturing Activity in the 5th District, 250-251
 Manufacturing Survey of the 10th District, 247
 Mass Layoff Statistics (MLS) report, 71-74
 National Activity Index (CFNAI), 253
 Personal Income and Spending report, 85-91
 Producer Price Index (PPI) report, 319-321
 Productivity and Costs report, 339-341
 Real Earnings report, 347-348
 Retail Sales report, 94-97
 Survey of Consumer Sentiment report, 118-119
 Treasury International Capital (TIC) System report, 298-303
 Weekly Chain Store Sales report, 104-105
 Weekly Claims for Unemployment Insurance, 56-57
 Weekly Mortgage Applications Survey and the National Delinquency Survey, 228-230
 Yield Curve report, 353-354
 Target, 103
 television, release of government statistics, 3-6
 terminology
 annual rates, 19
 benchmarks, 24
 business cycles, 20-22
 consensus surveys, 22-23
 constant dollars, 24
 moving averages, 23
 nominal dollars, 24
 revisions, 24
 seasonal adjustments, 25-26
 Thomson Reuters, 117
 TIME (magazine), xiii, xv, xxi
 timeliness of indicators, 11
 trade
 Canada, 418
 international, 433
 transfer payments, 83
 Treasury International Capital (TIC) System report, 296-304
 Treasury securities, Yield Curve report, 349-354
 trends, Small Business Economic Trends report, 356
 Truman, Harry S., 59
 turnover, labor, 49
 market impact, 54
 tables, 51-53

U

U.S. (United States)

Consumer Price Index (CPI) report, 305-315
 dollar value, 14
 economic indicators, 6, 10-14
 indicators
 ADP National Employment report, 75-81
 Architecture Billings Index, 359
 Assets and Liabilities of Commercial Banks in the United States report, 291-295
 Bloomberg Consumer Comfort Index, 120-121
 Business Inventories report, 162-168
 Business Outlook Survey, 242-245
 Cass Freight Index, 357
 Chicago Purchasing Managers Index (Business Barometer), 191-195
 Construction Spending report, 232-233
 Consumer Credit Outstanding report, 107-111
 Consumer Confidence Index, 112-114
 Corporate Layoff and Hiring Announcements report, 64-69
 Credit Manager's Index, 355
 Current Account Balance (U.S. International Transactions) report, 283-288
 Durable Goods Orders report, 148-154
 E-Commerce Retail Sales report, 99-100
 Empire State Manufacturing Survey, 236-241
 Employer Costs for Employee Compensation report, 342-345
 Employment Cost Index report, 323-326
 Employment Situation report, 31-41, 44-48
 Existing Home Sales report, 210-216
 Factory Orders report, 155-1160
 Federal Open Market Committee (FOMC) Statement, 260-268
 Federal Reserve Board's Beige Book, 255-259
 Google Insights report, 123-125
 Gross Domestic Product (GDP) report, 130-143, 145-147
 Help-Wanted Online Advertising report, 59-63

Housing Market Index (NAHB), 223-226
 Housing Starts and Building Permits report, 204-209
 Import and Export Prices report, 328-334
 Index of Leading Economic Indicators (LEI), 196-203
 Industrial Production and Capacity Utilization report, 170-180
 Institute for Supply Management (ISM) Manufacturing Survey, 181-187
 Institute for Supply Management (ISM) Non-Manufacturing Business Survey, 188-190
 International Trade in Goods and Services report, 269-272, 276-282
 Job Openings and Labor Turnover report, 49-54
 Las Vegas Gaming Revenues report, 126-129
 Manufacturing Activity in the 5th District, 249-251
 Manufacturing Survey of the 10th District, 246-247
 Mass Layoff Statistics (MLS) report, 70-74
 National Activity Index (CFNAI), 252-253
 New Home Sales report, 217-222
 Personal Income and Spending report, 82-92
 Producer Price Index (PPI) report, 317-322
 Productivity and Costs report, 335-341
 Real Earnings report, 346-348
 Regional Federal Reserve Bank reports, 235
 Retail Sales report, 93-98
 S&P/Case-Shiller U.S. National Home Price Index, 360
 Small Business Economic Trends report, 356
 Survey of Consumer Sentiment report, 117-119
 Treasury International Capital (TIC) System report, 296-304
 Web sites, 429-438
 Weekly Chain Store Sales report, 102-106
 Weekly Claims for Unemployment Insurance report, 55-58
 Weekly Mortgage Applications Survey and the National Delinquency Survey, 227-230
 Weekly Railroad Traffic (Freight) report, 358
 Yield Curve report, 349, 352-354

recessions, 22
 Treasury, 48, 373
 underutilization, labor, 44
 unemployment
 duration of, 44
 rates, 5, 32
 reasons for, 42
 Weekly Claims for Unemployment Insurance report, 55-56
 market impact, 58
 tables, 56
 unfilled orders, Durable Goods Orders report, 152-153
 Unilateral Transfers, 284
 United Kingdom, 15
 University of Michigan, 117

V

values, currencies, 362

W

wages, 83, 343
 Wal-Mart, 103
 Wall Street
 equities, 5
 investments. *See* investments
 opportunities from economic numbers, 7
 Wanted Technology, 60
 weak dollars, 331. *See also* dollars
 Web sites
 Calendar of Releases for Foreign Economic Data, 439
 international indicators
 best megasites for statistics, 444-445
 economic statistics from other countries, 439-444
 sources of global economic news, 439
 U.S. indicators, 429-438
 construction activity/home sales, 433
 consumer behavior, 431
 credit/money, 436
 employment conditions, 432
 Federal Budget reports, 435

- Federal Reserve reports, 434
- free mobile phone apps, 429
- inflation, 434
- interest rates, 435
- international trade, 433
- news, 429
- schedule of releases, 429
- statistics, 436
- U.S. dollar, 436
- Weekly Chain Store Sales report, 102-104
 - market impact, 106
 - tables, 104-105
- Weekly Claims for Unemployment Insurance report, 55-58
- weekly hours and overtime, 40
- Weekly Mortgage Applications Survey and the National Delinquency Survey, 227-228
 - market impact, 230-231
 - tables, 228-230
- Weekly Railroad Traffic (Freight) report, 358
- Wells Fargo, 223
- Western University, Canada, 416
- wholesale price index (WPI), 406
- World Trade Organization (WTO), 397
- World War II, 368
 - recessions since, 21

X–Y–Z

- yen, 373. *See also* currencies
- Yield Curve report, 349-354
- yuan, 405. *See also* currencies

ZEW

- Centre for European Economic Research, 371
- Indicator of Economic Sentiment report, 371



In an increasingly competitive world, it is quality of thinking that gives an edge—an idea that opens new doors, a technique that solves a problem, or an insight that simply helps make sense of it all.

We work with leading authors in the various arenas of business and finance to bring cutting-edge thinking and best-learning practices to a global market.

It is our goal to create world-class print publications and electronic products that give readers knowledge and understanding that can then be applied, whether studying or at work.

To find out more about our business products, you can visit us at www.ftpress.com.