

# Economic news and price movements



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FROM BEAR BULL TRADERS

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## Important economic news

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- Important **economic news** can affect psychology of market participants.
- Psychology is affected because there is always the **Forecast** (expected numbers) and then actual, **reported** numbers. Market participants have expectation that either can be met, surpassed or disappoint.
- In this way, important **economic news** may significantly affect significantly the volatility and price moves of stock share prices.



## Important economic news

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- Gross Domestic Product (GDP) growth data.
- Manufacturing Purchasing Manager's Index (PMI).
- Consumer Price Index (CPI) inflation.
- Producer Price Index (PPI).
- Balance of Trades (BOT).
- Retail sales.
- Jobs reports.
- US debt upgrade or downgrade.
- Employment rates reports.
- *And many others* (e.g. Factory orders, Total vehicle sales, Wholesale inventories, ADP employment rate, S&P services PMI, etc...)
- Economic news that are "in play" for the time being (e.g. Fed rates and speeches; Chinese data, presidential elections).

Your strategy and "stock in play" will give the weight to the economic news impact.



## Gross Domestic Product (GDP) growth data (as an example).

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1) GDP measures the total value, the output of all goods and services produced within an economy (e.g. US).

2) Investors, Traders and large players analyze GDP growth rates to assess the overall health and performance of an economy to decide if it is “risk on” or “risk off” environment.

3) **Data release frequency:** monthly or quarterly.

*NOTE: if there is quarterly report, GDP is less reactive to ongoing events than other economic metrics.*



## Stock market can affect GDP.

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4) Stock market can affect GDP, and GDP report can affect stock market!

5) Stock market value increase and drop will affect sentiment in one economy, and will affect spending of people, which then can affect GDP, positively or negatively!

6) In the **bull market**, stock prices are rising as we know from the “price cycle” lecture, and consumers and companies are spending more, **which will increase GDP!**

7) In the **bear market**, stock prices are falling as we know from the “price cycle” lecture, and consumers and companies are spending less, **which will decrease GDP!**

Overall, several critical make-ups of GDP are: consumer spending, business spending, exports, government spending.



## GDP can affect stock market volatility and direction of price movement.

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If the quarterly **report** of GDP growth is **better** than the **Forecast**, this can create a sense of **optimism and confidence** among investors and traders.

Increased optimism and confidence will lead to **increased** buying in the stock market, which will move prices **HIGHER**.

If the quarterly **report** of GDP growth is **worse** than the **Forecast**, this can create a sense of **concern**, and **decreased optimism and confidence** among investors and traders.

Decreased optimism and confidence will lead to **decreased** buying in the stock market, which will move prices **LOWER**.

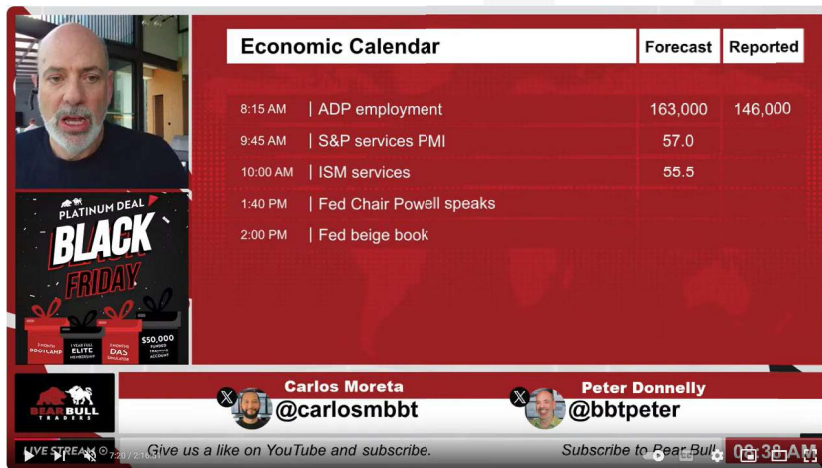


# Examples of news effects on stock market: SPY



## Live stream show by BBT

There is publicly available live streaming show by BBT on YouTube (**for FREE**) starting every day when market is open at 8:30 AM. Here, the BBT gives you a heads up on which economic news are being reported for the day and at exactly what time during the day, which stocks are in play and you can even see live trading!



The screenshot shows a live stream interface with a red background. On the left, there is a video feed of a man speaking. Below the video, there is a promotional graphic for 'BLACK FRIDAY' with 'PLATINUM DEAL' and '50,000' mentioned. The main content is an 'Economic Calendar' table with columns for 'Forecast' and 'Reported'. Below the table, there are social media handles for 'Carlos Moreta @carlosmbbt' and 'Peter Donnelly @bbtpeter'. At the bottom, there are prompts to 'Give us a like on YouTube and subscribe' and 'Subscribe to Bear Bull'.

Economic Calendar		Forecast	Reported
8:15 AM	ADP employment	163,000	146,000
9:45 AM	S&P services PMI	57.0	
10:00 AM	ISM services	55.5	
1:40 PM	Fed Chair Powell speaks		
2:00 PM	Fed beige book		

<https://www.youtube.com/@BearBullTraders>

(Live show + many educational videos for free here!)



# Where to find economic data calendar?

One complete source for the economic data calendar is Trading terminal:  
<https://tradingterminal.com/calendar>

Tuesday, Dec 10						
Wednesday, Dec 11						
Thursday, Dec 12						
Economic						
US Market						
EVENT	IMPACT	ACTUAL	EST	PREV	TIME	
🇺🇸 NFIB Business Optimism Index (Nov) 📈	☆☆☆	101.7	94.2	93.7	06:00 AM	
🇺🇸 Unit Labour Costs QoQ (Q3)	☆☆☆	0.8	1.5	-1.1	08:30 AM	
🇺🇸 Nonfarm Productivity QoQ (Q3)	☆☆☆	2.2	2.2	2.5	08:30 AM	
🇺🇸 Redbook YoY (Dec/07) 📈	☆☆☆	4.2%	-	7.4%	08:55 AM	
🇺🇸 42-Day Bill Auction	☆☆☆	-	-	4.4	11:30 AM	
🇺🇸 WASDE Report	☆☆☆	-	-	-	12:00 PM	
🇺🇸 3-Year Note Auction	☆☆☆	-	-	4.15%	01:00 PM	
🇺🇸 API Crude Oil Stock Change (Dec/06)	☆☆☆	-	-1.3M	1.23M	04:30 PM	
Rest of the World Market						
EVENT	IMPACT	ACTUAL	EST	PREV	TIME	
● Machine Tool Orders YoY (Nov)	☆☆☆	3	3.2	9.3	01:00 AM	
● Reuters Tankan Index (Dec)	☆☆☆	-	13	5	06:00 PM	
● SSI Large Manufacturing QoQ (Q4)	☆☆☆	-	-1	4.5	06:50 PM	
● PPI YoY (Nov)	☆☆☆	-	3.4%	3.4%	08:50 PM	
● PPI MoM (Nov)	☆☆☆	-	0.2%	0.2%	08:50 PM	
🇺🇸 Central Economic Work Conference	☆☆☆	-	-	-	07:00 PM	
🇺🇸 Retail Sales YoY (Oct)	☆☆☆	-	5%	5.5%	11:00 PM	
🇺🇸 RBA Chair Pack	☆☆☆	-	-	-	08:30 PM	
🇺🇸 Unemployment Rate (Nov)	☆☆☆	-	2.8%	2.7%	06:00 PM	
🇺🇸 PPI YoY (Nov)	☆☆☆	-	3.4%	2.93%	05:00 PM	

