

IMPORTANT ECONOMIC REPORTS

REPORTS ON HOUSING
ECONOMICS EXPLAINED
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PT.1 UNDERSTANDING MARKET TRENDS

Waking up each morning without knowing where your glasses are can be pretty challenging. Rushing around the room in search of them only intensifies that frustration. However, once the glasses are located, the annoyance fades away, and everything becomes much clearer.

Similarly, staying informed about the economic landscape is vital for success in today's market. Comprehending the ups and downs of the economy can benefit not only oneself but also buyers and sellers alike. Every week, at least one index or event will alter the economy, for better or worse. The Federal Reserve tracks all economic reports and holds two primary goals: maximum employment and low inflation (a 2% target since 2012). Following along with any of the following releases, whether on platforms like FXStreet or MarketWatch, is crucial:

Inflation Reports

- **Consumer Price Index (CPI):** A monthly report that measures the average change in prices for a basket of common, everyday goods and services. It includes items like food, housing, apparel, transportation, and more. Core CPI covers all the same items, removing the volatility of food and energy prices, which fluctuate wildly every month.
- **Producer Price Index (PPI):** A monthly report that measures the average change in prices that businesses (producers) receive for their goods and services. It includes prices for mining, manufacturing, agriculture, and other related sectors. Core PPI excludes food and energy prices, providing a more stable pricing trend.

RECOMMENDED ECONOMIC INDICES SHORTLIST

A Few Very Important Indices To Follow:

- ✓ Inflation Reports
 - PCE, CPI, & PPI
- ✓ Jobs Reports
- ✓ Retail Sales
- ✓ Consumer Confidence
- ✓ & Much More



- **Personal Consumption Expenditures (PCE):** A monthly report that measures the average change in prices of goods and services purchased by consumers. This report is the Federal Reserve's preferred inflation gauge, as it accurately depicts what is occurring at the consumer level. Core PCE excludes food and energy prices, thereby eliminating most of the volatility.

Jobs Reports

- **Nonfarm Payrolls (NFP):** A monthly report that tracks how many jobs were gained or lost in the U.S. economy. This report excludes farm workers, government employees, and other groups to minimize volatility and focus on the public sector.
- **Unemployment Rate:** The percentage of people in the workforce who are actively looking for employment but aren't currently employed. It is a key indicator of an economy's health.
- **Average Hourly Earnings:** A measure of the average hourly earnings of all private employees on an hourly basis. It tracks the changes in wages, not salaries.
- **Job Openings:** A measure of the number of positions that an employer is trying to fill actively.