## [Market Movers – Economic Data this week](http://lfmg.info/market-movers-economic-data-this-week/)

I always like to know what causes equities to move, the 2 biggest contributors to the price movement are Economic Data and Earnings Reports (10Q, 10k, even 8Ks if you can catch them). Intraday trading/movement places more emphasis on momentum.

1. JPY- Japan GDP- Gross Domestic Product, the main measure of economic activity and growth, Sun., Feb. 12, 6:50 pm, ET. GDP Growth decreased by 2.3% –>

Results: futures will probably be down in the morning premarket and make a subtle recovery by 10:30 am EST

2. JPY- Bank of Japan Interest Rate Announcement, Mon., Feb. 13, around 11:00 pm, ET.

The Bank of Japan is expected to stay accommodative and to keep its record low benchmark rate in the target band between 0% and 0.10%. With economic conditions deteriorating and the yen not far from record highs against the USD and the EUR there is a strong potential for the Japanese central bank to consider additional measures to stimulate the economy and to weaken its currency.

Result stronger dollar –> US stocks back up

3. GBP- U.K. CPI- Consumer Price Index, the main measure of inflation preferred by the Bank of England, Tues., Feb. 14, 4:30 am, ET.

Inflationary pressures in the U.K. are forecast to continue their decline with the inflation gauge dropping to 3.6% y/y in January from 4.2% y/y in the previous month. Lower inflation would make the Bank of England’s policy makers more comfortable with a decision to expand the size of the quantitative easing program even beyond the additional 50 billion pounds announced last week.

Quantitative Easing is good short term, stocks will go up around the world

4. EUR- Euro-zone ZEW Economic Sentiment Index, a leading indicator of economic conditions and business expectations, and Industrial Production, the main measure of industrial activity, Tues., Feb. 14, 5:00 am, ET.

The trend of improvement in the ZEW index is forecast to continue with the economic sentiment index in the Euro-zone registering a smaller decline of -21.1 in January from -32.5 in December. However, it would not be the same for the Euro-zone industrial production as the manufacturing output drops by 1.1% m/m compared with -0.1% m/m in the previous month.

FTSE will likely go up slightly, allowing US stocks to go up.

5. USD- U.S. Retail Sales, an important gauge of consumer spending measuring sales at retail establishments, Tues., Feb. 14, 8:30 am, ET.

Consumer spending in the U.S. is forecast to improve from the weaker than expected 0.1% m/m reading in December with a 0.8% m/m increase in January.

Based on my research looks like we’re closer to 1.1% increase in Jan, and I’m longing JWN before these numbers come out. A safer bet if you were interested is to get in the stock after retail numbers are posted if they’re good. A difference of maybe 1% gain if I get in before the numbers come out. Retail Sector across the board is likely to reach a 1.25% [increase] high point intraday.

6. GBP- U.K. Jobless Claims and Unemployment Rate, the main gauges of employment trends and labor market conditions, Wed., Feb. 15, 4:30 am, ET.

First-time claims for unemployment benefits in the U.K. are forecasted to increase by up to 3,300 from 1,200 in the previous month, while the unemployment rate remains unchanged at 8.4%.

If less, Euro market will rally strong, as a result US Equities will follow. If more, Euro Market will fall, and there may or may not be an affect on US Equities.

7. EUR- Euro-zone GDP- Gross Domestic Product, the main measure of economic activity and growth, Wed., Feb. 15, 5:00 am, ET.

A few months ago, the ECB President warned about the potential for a “mild recession” in the Euro-zone. The GDP data could prove that Mario Draghi’s concerns were justified with the economy forecast to contract by 0.4% q/q in the fourth quarter of 2011 after an anemic growth of 0.1% q/q in Q3. A disappointing GDP report would raise the odds of more rate cuts by the European Central Bank and could weigh on the euro.

This will have a profound effect on our market in either direction. Hopefully they have a positive GDP report, if not US equities will suffer. If you believe the Euro Zone will have disappointing #s I would ditch JWN before these numbers come out.

8. GBP- Bank of England Inflation Report, the central bank’s official assessment and outlook on inflation and economic conditions, Wed., Feb. 15, 5:30 am, ET.

With inflationary pressures subsiding in recent months exactly in line with the Bank of England’s forecast, the bank is expected to maintain its outlook for lower inflation while policy makers keep their cautious stance on the U.K. economy. The inflation report, coupled with the U.K. CPI and jobs data, could become significant risk events for the GBP.

Lower inflation is what we need, but for the equities market, it’s better when the Fed is printing money, if they haven’t been printing money, and companies are doing well, this will be a good sign. Meaning if there is a report of less inflation, and more jobs the market will rise.

9. USD- U.S. FOMC Meeting Minutes, a comprehensive record of the Fed’s meeting offering the central bank’s outlook on the economy and future monetary policy, Wed., Feb. 15, 2:00 pm, ET.

Following the surprisingly dovish FOMC monetary policy announcement, the minutes should confirm the market’s expectations that the Fed is standing ready to deploy QE3 at the first signs of economic and labor market weakness. As long as QE3 remains a viable option, the USD would continue to feel the pressure.

This is our safety net, and will give investors more confidence to invest in the equity market.

10. USD- U.S. Housing Starts, a leading indicator of housing market activity measuring construction of new residential properties, Thurs., Feb. 16, 8:30 am, ET.

The U.S. housing starts are forecast to improve from December’s decline to 660K with an increase to 680K in January, while building permits also inch higher to 680K from 670K in the previous month.

We’ve had month over month of growth since October, I haven’t done much research in this field to know which company has the best fundamentals, a safe bet would be HD, more speculative under dog companies would yield a greater return such as BLDR.

11. USD- U.S. CPI & CPI Core Feb 17th 8:30 am ET. The Consumer Price Index is a measure of the price level of a fixed market basket of goods and services purchased by consumers.

CPI is the most widely cited inflation indicator, and it is used to calculate cost of living adjustments for government programs and it is the basis of COLAs for many private labor agreements as well. It has been criticized for overstating inflation, because it does not adjust for substitution effects and because the fixed basket does not reflect price changes in new technology goods which are often declining in price. Despite these criticisms, it remains the benchmark inflation index.

If it’s lower than expected, Equities should rise, if it’s much higher than expected equities could be in trouble. With the typical sell off of equities going into the weekend, I will likely sell of JWN in After hours Thursday between 4:45 pm & 8:00 pm (EST)