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How's Business? Where the Pros Go to Find Out.

By RUSSELL PEARLMAN

Even when the stock markets are humming along nicely, Anthony Chan says he still gets nervous questions from clients at J.P. Morgan Private Wealth Management. They fret about a double-dip recession, unemployment and whether inflation will take a bite out of their portfolios. But Mr. Chan, the bank's chief economist, has stayed remarkably calm, thanks to one statistic that keeps him confident the economy is still on the mend.

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Tim Foley

Mr. Chan's stat: the so-called Jolts report, a nuanced look at the number of jobs being created and lost. It comes out at 10 a.m. EST on the second Tuesday of each month. It's not a state secret; anyone can access it. But of the nearly 60 reports released by the U.S. every month, it's one Mr. Chan makes sure he reads the moment it's released. "I don't want to say it's the Rodney Dangerfield of indicators, but it doesn't get the respect it deserves," he says.

They come out like clockwork -- dozens of government and private economic reports, covering everything from bond sales to mortgage approvals. Traders, politicians and, yes, the media fixate on them, often enough to move the markets as they react to employment numbers or consumer-confidence surveys. But more than two years after a surprisingly severe crash that's been followed by often hectic uncertainty, the prediction game is shifting, with a growing number of money managers searching for hidden nuggets that might offer insight into where the economy is headed and how fast.

Stats like the price of the obscure metal rhodium, the number of people quitting their jobs and the number of ships using the Port of Los Angeles are being scrutinized like never before. While there's no consensus, there is a growing belief among some pros that such figures track the economy more reliably than better-followed data.

The good news is that ordinary investors can practice this art -- without reams of data or a Ph.D. in economics. They're all available to anyone who knows where to look.

SmartMoney interviewed economists, money managers and traders, and did some digging of our own, looking for numbers that can give investors more confidence (or sound an alarm). Here are four that can be particularly enlightening.

Commercial Loans Data

Better than: the Federal Reserve's bank-officer survey.

It's no secret that banks are a lot pickier about lending these days. But they can't increase profits by keeping all their money in the vault, and when their habits change, it could be a positive sign: "If the economy is really growing, you'll see it show up in more loans," says Madeline Schnapp, director of macroeconomic research for TrimTabs Investment Research.

To find out when that might happen, many investors follow the "Senior Loan Officer Opinion Survey," in which the Federal Reserve grills bank executives about how much they're lending. (Since late 2007 the answer has been not much.) But the survey is conducted only quarterly, and it's dated when it goes public.

So some pros now use a more up-to-date number to track lending. The Fed reports loan information every week in a publication called "Release H.8," accessible at federalreserve.gov.

The key data are recorded on line 10, "Commercial and industrial loans"; each report includes the past 12 months' worth of data, so investors can see trends as they evolve.

Generally, analysts say, more loans mean more bank profits down the road, especially for smaller banks, which rely more on loans than big banks do.

Hours Worked

Better than: number of people hired.

On the first Friday of each month, the nation learns (and agonizes over) how many people gained or lost a job in the previous month.

But many pros think another stat in the government jobs report -- average number of hours worked -- is more important. When business picks up, these pros explain, employers usually make existing workers log more hours before hiring new recruits.

Lately, the overall news hasn't been great: In November, Americans averaged 34.3 hours a week, still below the 35 hours when the recession started.

But the Bureau of Labor Statistics (bls.gov) also breaks down hours worked by industry, which can enable investors to get a jump on spotting a hot sector. In July 2009, for example, manufacturing workers began spending more time at the factory -- and manufacturing stocks proceeded to trounce the broader market.

Jolts

Better than: unemployment rate.

While the unemployment rate shows how many people aren't working, the Job Openings and Labor Turnover Survey shows how many are starting or leaving a job. According to the most recent data, 3.2% of American workers started a new job in October, while 3.1% left their job. In a fully healthy economy, a lot more people will be starting a job than leaving one. Still, the Jolts data currently paint a slightly more upbeat picture than the unemployment rate.

By watching this ebb and flow, some investors say they get a sense of the economy's health before the herd does. In the summer of 2007, for example, Jolts indicated that fewer people were starting jobs -- something some analysts now see as a premonition of the crash. Jared Franz, an economist at

T. Rowe Price, says that these days he's "banging the table" about Jolts to T. Rowe's bond managers.

Disposable Personal Income

Better than: wage growth.

Disposable-income stats are published monthly by the federal Bureau of Economic Analysis (www.bea.gov). The bureau essentially calculates what people earn, then subtracts taxes. And some analysts contend that offers a more accurate picture of what people will spend -- and of where the economy is headed -- than the bureau's more widely followed wage-growth statistics.

Disposable income began rising in June 2009, and as of October 2010 (the most recent month for which data are available), it was growing at a 2.5% annual rate, which some analysts read as signifying a slow-but-steady economic recovery. If it continues to rise, the big beneficiaries in the stock market could be makers of big-ticket goods -- think cars or appliances.

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