Importance Reports:

Many reports come out at different frequencies that track the economic factors that we have talked about. These reports give an indication of how the Fed might change its policies in the future and thus are widely followed. These reports include:

- EIA Petroleum Status Report
- Jobless Claims Report
- Housing Market Index
- Consumer Sentiment Index

EIA Petroleum Status Report:

The Energy Information Administration report is a weekly report that comes out every Wednesday. It provides weekly information on petroleum inventory changes. This gives us an overview of the quantity of crude oil reserves held and produced by the US domestically and abroad. This gives us a huge indication for current oil prices.

Jobless Claims Report:

New unemployment claims are reported weekly. This report shows the number of new individuals that have signed up for unemployment insurance. Rising/decreasing trend hints at a decaying/improving labor market.

This is important for traders/investors for many different reasons.
Household spending is important to keep the economy running. The stronger the job market the stronger the economy. Naturally, if jobless claims increase it could be an indicator of a weaker economy.

However, as like in everything else, balance is important. If jobless claims fall too much, this could also be bad for the economy as it means that employers will have to pay their current employees over-time wages, offer higher salaries to attract new employees. Generally, employers will have to pay more in labour costs because there are not enough workers (Supply and Demand). This will lead to wage inflation which represents bad news for the stock market.

If salary inflation looks too strong, the Fed will most likely increase interest rates to calm down the economy which will lead to a drop on stock market prices.

Housing Market Index:

Monthly survey done by the members of the National Association of Home Builders that measures demand and conditions in the single-family housing market.

Consumer Sentiment Index:

Released monthly, it is a survey done to at least 500 respondents that answer over 50 questions concerning near-term consumption and spending attitude.

Effect of wars on the markets:

Even though the markets do not like uncertainty, historically the markets have seen higher than usual returns (with lower volatility) during times of war. Different industries behave in different ways during these times and an analysis of your holdings is necessary to evaluate if you would like to re-balance your portfolio in a different way.