

## Effects of economic news in forex market -By [www.forexfunction.com](http://www.forexfunction.com)

Economic news are released regularly on the basis of cycles and these news are published by Forex related websites on economic calendar section. Forexfactory, Investing etc sites are popular for publishing economic news because they have biggest agency like Bloomberg, CNBC, Reuters etc.

For fundamental analysis economic news are very vital because when a news is released market moves over 40-50pips within few minutes. Every news may not equally important as price movements are not same on each news . High impact news can move the price more than the medium impact or low impact news .There are three types of data value in the economic calendar such as

i) Previous value

ii) Forecast Value

iii) Actual Value

Previous Value:

Economic news ( i.e GDP, Interest Rate, Retails Sells etc) of a country are published in a cycle such as US Non-Firm Payroll news published every month within first week, UK prelim GDP published every three months. So previous data show the past actual economic data value.

Forecast Value:

Forecast value is not a actual data value as it is the estimate value of guessing by the greatest economist with respect to the current economic variable or growth of a specific country.

Actual Value:


Actual value shows the current data value of a economic news. If the actual value will comes bad than the forecast value that means the economy growth is going to down. So the general rules are-

Actual Value > Forecast Value = Good For currency

Actual Value < Forecast Value= Bad for currency

Notice that it may be vice -versa for some specific economic news such as Unemployment Rate.

## USA Economic Report Influence On Forex Market

US Data Report 	Cycle	Actual~Forecast (Tradable Trigger)	Average Pips Movement	Average Spike	Actual~Forecast (Tradable Trigger)	Average Pips Movement	Average Spike
ISM Manufacturing PMI	Released monthly (1st business day)	<2.50	35 pips	15  pips	=>2.00	50 pips	20 pips
ADP Non-Farm Employment Change	Released monthly (Around 2nd days)	<30K	30 pips	10 pips	=>30k	40 pips	18 pips
ISM Non- Manufacturing PMI	Released monthly (3rd Business Day)	<2.50	35 pips	13 pips	=>2.50	50 pips	20 pips
Unemployment Claims	Released Weekly Thursday	<25K	25 pips	10 pips	=>25K	40 pips	18 pips
Non-Farm Employment Change (NFP)	Released monthly 1st Week (Friday)	<50K	55 pips	25 pips	=>50K	75 pips	30 pips
Employment Rate	Released monthly with NFP	<0.10%	Approximate 40 pips	Approximate 18 pips	=>0.10%	approximate 50pips	Approximate 22 pips
Trade Balance	Released monthly (Around 5th Day)	<2B	30 pips	14 pips	=>2B	40 pips	18 pips
Core Retails Sales m/m	Released Monthly (Around 14th Day)	<0.40%	30 pips	12 pips	=>0.40%	40pips	20 pips
Philly Fed Manufacturing Index	Released Monthly (Around 15th Day)	< 5.00	25 pips	10 pips	=>5.00	40 pips	16 pips
Prelim UoM Consumer Sentiment	Released Monthly (Around 15th days)	<2.50	25 pips	8 pips	=>2.50	35 pips	15 pips
Core CPI m/m	Released Monthly (Around 16th Day)	<0.2%	29 pips	12 pips	=>0.02%	40 pips	19 pips
Building Permits	Released Monthly (Around 17th Day)	<0.15M	25 pips	9 pips	=>0.15M	35 pips	13 pips
Existing Home Sales	Released Monthly (Around 20th days)	<0.20M	20 pips	8 pips	=>0.20M	35 pips	13pips
New Home Sales	Released Monthly (after 25Days)	<50K	22 pips	8 pips	=>50K	40 pips	16 pips
Core Durable Goods Orders m/m	Released Monthly (after 26days)	<2.00%	25 pips	10 pips	=>2.00%	35 pips	12 pips
Pending Home Sales m/m	Released Monthly (After 28 Days)	<3.00%	25 pips	9 pips	=>3.00%	35 pips	13 pips
Prelim GDP q/q	Released Quarterly (after 60days)	<0.25%	35 pips	16 pips	=>0.25%	45 pips	24 pips
CB Consumer Sentiment	Released Monthly (Last Tuesday)	<4.00	25 pips	9 pips	=>4.00%	35 pips	12 pips
JOLTS Job Openings	Released Monthly (About 40th Day)	<1.00M	22 pips	8 pips	=>1.00M	30 pips	12 pips

Note that "<" indicate less value and "=>" indicate equal to or more value and pips are estimated from the major currency pair related to USD.

Other US important news are that can moves market much volatile (Over 50pips) are-

\*\*\* Interest rate [Change in 0.25% may move 70-80pips within some minutes]

\*\*\*FOMC Economic Projections (Announced 4 times per year)

\*\*\*FOMC Statement (Announced 8 times per year)

\*\*\*FOMC Meeting Minutes (Scheduled 8 times per year )

\*\*\*FOMC Press Conference ( 4times per year)

\*\*\*Fed Chairmen Speaks

\*G7 Meetings

\*G20 Meeting

Short Meanings:

FOMC: Federal Open Market Committee

NFP:Non Firm Payroll

ISM: Institute for Supply Management


PMI: Purchasing Managers' Index

ADP: Automatic Data Processing

GDP: Growth Domestic Product.

CB: Conference Board

## CANADA Economic Report Influence On Forex Market

CANADA Data Report 	Cycle	Actual~Forecast (Tradable Trigger)	Average Pips movement	Spike	Actual~Forecast (Tradable Trigger)	Average Pips movement	Spike
Trade Balance	Released Monthly (1st Or 2nd Week)	<0.50B	30 pips	15 pips	=>0.50B	45 pips	20 pips
Ivey PMI	Released Monthly (First Week)	<10	28 pips	15 pips	=>10	45 pips	20 pips
Building Permits m/m	Released monthly 1st or 2nd Week	<10%	30 pips	16 pips	= >10%	45 pips	20 pips
Employment Change	Released Monthly 1st or 2nd week	<25K	35 pips	18 pips	=>25K	50 pips	20 pips
Unemployment Rate	Released monthly with Employment Change	<=0.30%	Approximate 35pips	Approximate 15pips	=>0.30%	approximate 50pips	Approximate 22pips
Trade Balance	Released monthly (after 5 Days)	=2B	25pips	10pips	=>2B	40 pips	16 pips
Core Retails Sales m/m	Released Monthly (after 14 Days)	<0.40%	25 pips	7 pips	=>0.40%	40 pips	17 pips
Manufacturing Sales m/m	Released monthly (after 15days)	<1.00%	25 pips	11 pips	=>1.00%	35 pips	13 pips
Core CPI m/m	Released Monthly (after 16days)	<0.2%	28 pips	12 pips	=>0.02%	40 pips	18 pips
GDP m/m	Released Monthly Last Week	<0.20%	30 pips	13 pips	=>0.20%	45 pips	18 pips

Other most important news are-


\*\*\* Overnight Rate or Interest rate (Currently 1.00%) => Change of 0.25% interest rate market may volatile up to 60-70pips

\*\*\*BOC (Bank Of Canada ) Monetary Policy Report-(Released quarterly)

\*\*\*BOC Press Conference (Realeased Quarterly)

\*\*\*BOC Rate Statement (Published 8 times per year)

## EUROPEAN Economic Report or News Influence On Forex Market

EUROPEAN Data Report 	Cycle	Actual~Forecast (Tradable Trigger)	Average Pips movement	Spike	Actual~Forecast (Tradable Trigger)	Average Pips movement	Average Spike
CPI Flash Estimate y/y	Released Monthly (1st Business Day)	<0.25%	28 pips	13 pips	=>0.25%	35 pips	13 pips
German ZEW Economic Sentiment	Released Monthly (2nd or 3rd) Week	<10	22 pips	10 pips	=>10	40 pips	15 pips
French Flash Manufacturing PMI	Released Monthly Around 3 Weeks	<2.00	25 pips	12 pips	=>2.00	30 pips	12 pips
German Flash Manufacturing PMI	Released Monthly Around 3 Weeks	<2.00	22 pips	9 pips	=>2.00	35 pips	14 pips
German IFO Business Climate	Released Monthly Around 3 Weeks	<2.00	25 pips	12 pips	=>2.00	38 pips	12 pips
German ZEW Economic Sentiment	Released monthly Around 2 or 3 Weeks	<4.00	27 pips	11 pips	=>4.00	40 pips	15 pips
German Prelim CPI m/m	Released monthly Around end of Last Week	<0.20%	25 pips	12 pips	=>0.20%	35 pips	15 pips

Other Important News that can moves market much volatile (Over 50pips) are-

\*\*\*\*Minimum Bid Rate or Interest rate - Announced Monthly [change in 0.25% market may move 70-80 pips within some minutes]

\*\*\*ECB Press Conference – Routine monthly , about 45 minutes after the Minimum Bid Rate is announced)

\*\*\*ECB President Speaks

\*German Constitutional Court Ruling

\*G20 Meetings

\*G7 Meetings


Short Name Elaboration:

ECB= European Central Bank

CPI= Consumer Price Index

IFO= Information and Forschung

## United Kingdom (UK) Economic Report Influence On Forex Market

UK Data Report 	Cycle	Actual~Forecast (Tradable Trigger)	Average Pips Movement	Average Spike	Actual~Forecast (Tradable Trigger)	Average Pips Movement	Average Spike
Manufacturing PMI	Released Monthly (1st Business Day)	<2.00	40 pips	16pips	=>2.00	50 pips	20 pips
Construction PMI	Released monthly (2nd Business Day)	<10	28 pips	11 pips	=>10	45 pips	18 pips
Services PMI	Released Monthly (3rd Business Day)	<2.00	40 pips	14 pips	=>2.00	50 pips	18 pips
Manufacturing Production m/m	Released Monthly (Around 10th day)	<0.5%	35 pips	15 pips	=>0.50%	45 pips	16 pips
CPI y/y	Released Monthly (Around 16th day)	<0.25%	29 pips	13 pips	=>0.25%	45 pips	18 pips
Retail sales m/m	Released Monthly (Around 20th day)	<0.40%	40 pips	16 pips	=>0.40%	50 pips	20 pips
Claimant Count Change	Released monthly (Around 3rd Week)	<10K	25 pips	8 pips	=>10K	35 pips	15 pips
Unemployment Rate	Released Monthly (3rd or 4th Weeks)	<0.20%	28 pips	10 pips	=>0.20%	40 pips	15 pips
CBI Realized Sales	Released Monthly Around Last Week	<15	28 pips	10 pips	=>15	45 pips	18 pips
Prelim GDP q/q	Released Quarterly (Around 24th day)	<0.30%	50 pips	18 pips	=>0.03%	70 pips	25 pips
Second Estimate GDP q/q	Released Quarterly (Around 55th days)	<0.20%	35 pips	11 pips	=>0.20	50 pips	20 pips

Most Important News that can move price 60-70pips are-

\*\*\* Asset Purchase Facility [Change of 25B market may move over 50pips ]

\*\*\*Official Bank Rate or Interest rate [Change of 0.25% Market may move over 70pips]

\*\*\*BOE Gov. Speaks


\*\*\*MPC Asset Purchase Facility Votes (Released monthly) (Change in 3votes market may move over 50pips)

\*\*\*MPC Official Bank Rate Votes (Change in 3votes market may move over 50pips)

\*G20 Meetings

\*G7 Meetings

## AUSTRALIA Economic Report Influence on Forex Market

AU Data Report 	Cycle	Actual~Forecast (Tradable Trigger)	Average Pips movement	Average Spike	Actual~Forecast (Tradable Trigger)	Average Pips movement	Average Spike
Retail sales m/m	Released Monthly (Around 5th day)	<0.40%	25pips	8pips	=>0.40%	40pips	13pips
Private Capital Expenditure q/q	Released quarterly (Around 55th days)	<5.00%	18pips	7pips	=>5.00%	30pips	12pips
Building Approvals m/m	Released Monthly (Around 5th Day)	<10%	20pips	12pips	=>10%	40pips	15pips
GDP q/q	Released quarterly (Around 65th Day)	<0.30%	30pips	12pips	=>0.30	50pips	20pips
Trade Balance	Released monthly (Around 5th day)	<1.00B	18pips	a 7pips	=>1.00B	30pips	12pips
CPIq/q	Released Quarterly (Around 25th day)	<0.30%	19pips	5pips	=>0.30	45pips	18pips
PPI q/q	Released Quarterly (Around 30th day)	<1.00%	25pips	8pips	=>1.00%	35pips	12pips
Employment Change	Released Monthly (Around 10th day)	<30K	35pips	15pips	=>30k	50pips	18pips
Unemployment Rate	Released monthly (with Employment	<0.02%	Approximate 30pips	Approximate 11pips	=>0.02%	Approximate 45pips	Approximate 15pips

Other most important news:-

\*\*\*Cash Rate or Interest rate [Change of interest rate 0.25% market may move around 70-80pips ]

\*\*Business Confidence


\*\*RBA Rate Statement

\*\*\*Monetary Policy Meeting Minutes

\*\*\*Mid-Year Economic and Fiscal Outlook

\*\*RBA Gov Speaks

## NEW ZEALAND Economic Data Report Influence on Forex Market

NZ Data Report 	Cycle	Actual~Forecast (Tradable Trigger)	Average Pips movement	Average Spike	Actual~Forecast (Tradable Trigger)	Average Pips movement	Average Spike
CPI q/q	Released Quarterly (Around 17th day)	<0.40%	25pips	10pips	=>0.40	40 pips	13 pips
Trade Balance	Released Monthly (Around 26th days)	<500M	25 pips	10 pips	=>5.00%	40 pips	16 pips
Employment Change q/q	Released quarterly (Around 35th Day)	<1.00%	30 pips	12 pips	=>1.00%	50pips	22 pips
Employment Rate	Released Quarterly (With Employment Change)	<0.50%	Approximate 32 pips	Approximate 13 pips	=>0.50%	Approximate 45 pips	Approximate 20 pips
GDP q/q	Released Quarterly (Around 80th Day)	<0.30%	35 pips	14 pips	=>0.30	50 pips	20 pips
PPI q/q	Released Quarterly (Around 45th Day)	<1.50%	30 pips	13 pips	=>1.50%	40 pips	16 pips
Retails Sales	Released Quarterly (Around 45th Day)	<.50%	34 pips	14 pips	=>.50%	45 pips	18 pips

Others most important Economic News:

\*\*\*Official Cash Rate(Currently 2.50%) [Change of 0.25% market price move 50-60pips]

\*\*\*RBNZ (Reserve Bank of New Zealand ) Rate Statement

\*\*\*RBNZ Gov Speaks

Visit us @ [www.forexfunction.com](http://www.forexfunction.com) for free forex signals and more articles respecting forex trading.

~Thank You~