JRFX

Trade Limitless

How To Use Economic Calendar To Boost Your Investment?

Contents

JRFX
Trade Limitless

What's
Economic Calendar?

JRFX
Trade Limitless

An economic calendar brings all the data that helps in fundamental analysis. Along with fundamental data, it also helps the traders who are engaged in technical analysis. With the help of economic calendars, traders can find out when is the right time to trade.

As a trader, the economic calendar is one of your best friends. You will only spend one minute with it a day (or less), but that one minute—every day—is crucial if you want to become a consistently profitable day trader.

An economic calendar is a resource that allows traders to learn about important economic information scheduled to be released. Such events might include **GDP**, the **consumer price index,** and the **Non-Farm Payroll** report. In today's environment of fiscal cliffs and central bank intervention, it can be very helpful to know the date of the next central bank meeting or major news announcement.

You can click **economic calendar** to check what economic calendar looks like.

Why Is
Economic Calendar
Important?

JRFX

Trade Limitless

As a day trader, or even as a swing trader, the events marked red are the ones you need to be aware of. Volatility around the event is typical and expected, regardless of whether the data comes out above, below, or right in line with market expectations.

Traders know these events cause volatility, and they may decide to sit out while the markets swing by cancelling their pending orders. Those cancelled orders cause a drop in liquidity right before a market-moving event occurs. Since there are fewer orders to absorb market buy or sell orders (or stop-loss orders) that are triggered by the event, the price will often "whipsaw" quickly back and forth before choosing a more sustained direction.

Top Benefits of Using a Forex Economic Calendar

JRFX
Trade Limitless

The top benefits of using JRFX economic calendar include:

Risk Management

When an event listed on the calendar occurs, there may be expected a period of volatility if data is released well above, below or in line with expectations.

Risk is the difference between your entry price and stop loss price, multiplied by the position size. Traders should aim for this percentage to be less than 2% of account equity.

Planning Ahead

The forex economic calendar allows for planning ahead. For example, if a Nonfarm Payroll report is set to be released, traders will know that this indicator has the potential to move FX markets substantially, so they can plan their forex trades accordingly.

Understanding How The Market Operates

Without actively making any trades, a new starter in the trading world can monitor the calendar and live charts to make the connections of what economic events are impacting which markets. Studying the movements can give you greater insight into a potential market you may want to enter and can teach yourself where to find a great entry and exit point.

What Data is Included in Economic Calendar?

JRFX
Trade Limitless

In order to customize the economic calendar, you can look at events in the past, today and in the future by scrolling down. It's advisable to change the time zone to what you're most comfortable with; this is done by clicking 'Current Time'. For most, this will be your browser time.

Once you find the event that is relevant to you. You can look at actual ,forecast and previous data.

The economic calendar includes information about major economic events, as well as political news and the impact they have on the Forex market. All these financial events are used as economic indicators.

The economic events calendar also shows the time and date of when the indicator data was released, the currency that they are expected to affect, and each indicator's impact level. Most indicators have numerical values, which may be expressed as a percentage or as a currency value. They reflect the impact the particular indicator had or is going to have, either positive or negative.

Our forex economic calendar has three columns to show the value of economic indicators: Previous, Forecast, and Actual:

• Previous shows the value the indicator had in the previous period (usually, one month or one year);

• Forecast shows the estimated value of the indicator based on a survey of 20-240 economists;

• Actual is the value published by an official source like a national statistics agency or an analytical center.

How to Read The Forex Economic Calendar?

JRFX

Trade Limitless

Knowing how to read the forex economic calendar properly is important to maximize your trading prior to and following the most important releases. Checking the calendar every morning will allow you to familiarize yourself with the upcoming events that matter.

In default mode, the calendar will show you every piece of economic news coming out for the major economies. At the top of our calendar, choose the most convenient time zone.

Use numeric values of the indicators to navigate market changes. This is why forecasts and actual release figures are essential. Compare the numbers: if the Actual value is bigger than the forecast, this is good for the currency and it is likely to go up in price; if the Actual value is lower than the Forecast, it is likely to drop.

You can apply similar logic to the Previous and Forecast values before the actual data is released, but be careful – forecasts are always preliminary and actual figures might be drastically different.

Types of Economic Indicators

JRFX
Trade Limitless

An economic calendar includes a schedule of released economic reports and information for specific countries. The countries will release what are known as indicators, which are essentially data points that relate to the economy. The data points are variables that are related to the economic cycle. The types of indicators include:

Leading indicators - Leading indicators are any measurable or observable variables that look forward at future outcomes and events, predicting a movement or change. With a leading indicator, you are basically trying to predict the future, forecasting the timing, duration, and significance of future business and economic trends.

Some examples of economic leading indicators are:

- Jobless Claims
- Retail Sales
- Housing Starts
- Purchasing Managers Index (PMI)

Lagging indicators - Lagging indicators are the opposite of leading indicators, where instead of looking forwards you are looking back at whether the intended outcome was accomplished. With a lagging indicator, you are able to confirm whether a long-term trend or shift in the economy has actually happened. Lagging indicators are typically easy to measure, identify and compare against though one downside is that they may provide important insights too late, with no time to do anything about them.

Examples of lagging indicators:

- Consumer Price Index (CPI)
- Gross Domestic Product (GDP)
- Interest Rates
- Unemployment Rate

JRFX

Trade Limitless

Our Offices

UK

3 Kings Meadow Osney Mead Ferry
Hinksey Road Oxford Oxfordshire
Ox2 0DP United Kingdom

+44 020 8133 8028

info@jrfx.com

SINGAPORE

9 Raffles Place, Level 17, Republic

Plaza II, 048619, Singapore

+65 83727701

info@jrfx.com

www.jrfx.com