November 2021 Catalyst Calendar

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11/ 03 - Federal Reserve Statement / FOMC Minutes Released

(2pm) Expect BIG volatility in the market November 3rd as an interest rate decision and potential tapering signals will be delivered from the Fed via their press conference after a two-day FOMC meeting.

The FOMC meeting will take place from November 2-3 and will be followed by their press conference, where Federal Reserve Chairman Jerome Powell will answer questions, likely about interest rates and tapering timeline given fears of inflation and the Fed tapering too late.

Given the market's likely temporary euphoria, it wouldn't be surprising if we get bad news but it only causes a temporary dip before the market rallies even higher.

11/04 - Unit Labor Cost (QoQ) Report

If this isn't increasing a lot (it's hard to put a number to this), then investors might see this a bearish indicator of the economy as employers are not paying enough to workers such that they can catch up to inflation.

Unit Labour Costs measure the yearly change in the price businesses pay for labour, excluding the farming industry, and is traditionally seen as a leading indicator of consumer inflation.

One view of this metric is that a higher Unit Labor Cost means that the labor market (i.e. employers) is catching up to demand for higher pay, and therefore supporting a growing economy. Another view is that if a reading that is stronger than forecast is generally supportive (bullish) for the USD, while a weaker than forecast reading is generally negative (bearish) for the USD.

11/05 - Unemployment Situation / Rate

((8:30am) The market will likely be volatile November 5th, unless the unemployment rate beats investors' expectations which haven't been reported yet.

If this is much lower than expected, investors might begin to believe stagflation fears. You can find it reported here. This may have been priced into the market already, but we need to look at how the market has reacted to the past unemployment despite inflation fears. Then in this sentence and the following, we explain why this will have an impact on the market.

11/05 - Nonfarm Payroll

(8:30am) Nonfarm payroll might accelerate whatever market behavior results from unemployment data.

Tradingeconomics.com provides a forecast from the BLS of there being 450K more nonfarm jobs added (read:obtained) this past month.

Nonfarm Payrolls measures change in the number of people employed in "non-farm" jobs during the previous month. If this is higher than 450K, it could be seen as a positive market catalyst and /bullish for the USD, while a lower than expected reading should be taken as negative and bearish respectively.

11/09 - MoM Producer Price Index (PPI) Report

(9:30am) This is an inflation indicator -- if this is too high (>1.0%), the market will very likely sell off.

The Producer Price Index (PPI) measures a change in input prices of raw, semi-finished or finished goods and services. If input costs rise, some will be absorbed by the producer and some passed on to the consumer. Conversely, if input costs fall, some of the decline will be enjoyed as wider profit margins by the producer and some will be passed on to the consumer in the form of lower prices. Because PPI impacts consumer prices and is watched by central bankers .

The [Bureau of Labor Statistics forecast a 0.5% change in PPI](https://www.bls.gov/news.release/ppi.nr0.htm), consistent with the narrative that inflation is reaching a peak**.** You can see their data and forecast here: https://www.bls.gov/news.release/ppi.nr0.htm

11/10 - Inflation Rate

This is the rate at which prices change- if this is above 5.8%, I would expect the market to sell off a little, but anything above 6.2% will likely sell off severely . Expectations about inflation are always shaky and oftentimes not well-formulated.

From tradingeconomics.com, we have a not-so-brief recap of previous inflation data:

> "The annual inflation rate in the US edged up to a 13-year high of 5.4% in September of 2021 from 5.3% in August and above market expectations of 5.3%. Main upward pressure came from cost of shelter (3.2% vs 2.8% in August); food (4.6% vs 3.7%, the highest since December of 2011), namely food at home (4.5% vs 3%); new vehicles (8.7% vs 7.6%); and energy (24.8% vs 25%).On the other hand, prices eased for used cars and trucks (24.4% percent vs 31.9%); transportation services (4.4% vs 4.6%); apparel (3.4% vs 4.2%); and medical care services (0.9% vs 1%). On a monthly basis, consumer prices advanced 0.4%, above forecasts of 0.3%, with the indexes for food and shelter contributing more than half of the monthly increase. The core index which excludes food and energy went up 0.2% MoM and 4% YoY, the same as in August and in line with forecasts. source: U.S. Bureau of Labor Statistics."

Note: The following catalyst(s) are not likely to have an effect on the market but, in more normal market environments, would often have an impact given similar concerns about inflation. Right now, the market is experiencing what many call, "irrational exuberance", or simply irrational behavior. In a more "rational" market environment, these would make a difference and they just might even today -- it's just unclear whether or not to completely discount these, so we're leaving them.

11/16 - United States Retail Inventories Excluding (Ex) Autos (MoM)

The main concern here is that we don't have a crazy positive change (e.g. something like 1.0%) which would mean that the value of unsold goods is skyrocketing and would imply that (based on basic supply and demand) inventories are low.

If we see a change of around 0.8%, that could cause a brief selloff, but anything much higher and the market might get scared about how the Fed might respond.

Per investing.com:

> *"Business Inventories measures the change in the worth of unsold goods held by manufacturers, wholesalers, and retailers. A high reading can indicate a lack of consumer demand.*
>
> *A higher than expected reading should be taken as negative/bearish for the USD, while a lower than expected reading should be taken as positive/bullish for the USD."*

Per tradingeconomics.com, retail inventories excluding automobiles in the United States increased 0.60 percent between September and August 2021, following a 0.5 percent advance in July. source: U.S. Census Bureau.