

## **Definitions of Key Financial/Economic Reports**

**CPI-** The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The CPI provides a way for consumers to compare what the market basket of goods and services.

**RPI-**The Retail Price Index (RPI) is the main domestic measure of inflation in the United Kingdom. The survey is conducted by the Office for National Statistics and measures the average change in prices of goods and services purchased by most households in the United Kingdom. The index is compiled using a large representative selection of more than 600 separate goods and services for which price movements are regularly measured in 146 areas throughout the country. Some 120,000 price quotations are used each month in compiling the index.

**PPI-** The Producer Price Index is a family of indexes that measures the average change over time in the selling prices received by domestic producers of goods and services. PPI's measure price change from the perspective of the seller. This contrasts with other measures, such as the Consumer Price Index (CPI), that measure price change from the purchaser's perspective. Sellers' and purchasers' prices may differ due to government subsidies, sales and excise taxes, and distribution costs.

**Non-farm Payrolls-** The establishment payroll survey, known as the Current Employment Statistics (CES) survey, is administered to a monthly sample of nearly 400,000 business establishments nationwide. The primary statistics derived from the survey are monthly estimates of employment, hours, and earnings for the Nation, States, and major metropolitan areas. Preliminary national estimates for a given reference month are typically published on the first Friday of the following month, in conjunction with data derived from a separate survey of households, the Current Population Survey (CPS). The CPS is the source of statistics on the activities of the labor force, including unemployment and the Nation's unemployment rate.

**Productivity-** Productivity is a measure of economic efficiency which shows how effectively economic inputs are converted into output. Productivity is measured by comparing the amount of goods and services produced with the inputs which were used in production. Labor productivity is the ratio of the output of goods and services to the labor hours devoted to the production of that output.

**Retail Sales-** Retail Sales is a monthly report published by the Bureau of the Census and reports the total receipts of retail stores.

**GDP-** The output of goods and services produced by labor and property located in the United States.

**NAPM-** Published by the National Association of Purchasing Managers to measure activity in the manufacturing sector. Index readings above 50 indicate expansion of the sector, while readings below 50 indicate contraction.

**Tankan-** Results of a quarterly on business sentiments and on actual data of business performances such as production, sales, and business fixed investments. The results are based on two surveys: Short-Term Economic Survey of All Enterprises and Short-Term Economic Survey of Principal Enterprises, which is a more detailed survey of the aforementioned. The surveys are conducted in March, June, September, and December. Released quarterly at the beginning of April, July, and October, and mid-December.

**CIPS-** The Chartered Institute of Purchasing & Supply (CIPS) is an international organization, based in the United Kingdom that serves the purchasing and supply profession. Each month, the organization conducts three major surveys covering the manufacturing, construction, and service sectors of the British economy. Based on the results of these surveys, CIPS allocates a measurement reading for each item measured. A reading over 50.0 indicates expansion or improvement in the item being measured while a reading below 50.0 suggests a contraction in the item being measured.

**IFO-** The IFO Research Institute is a quasi-German government economic forecasting agency. Each month, IFO publishes a survey measuring West and East German business confidence levels. Based on the results of surveys, IFO assigns a reading based off a 100-point index. A reading above 100 suggests that a majority of firms surveyed hold a positive view regarding the item being surveyed while a reading below 100 indicates that a majority of firms are not positive about the item being surveyed.

**Industrial Production & Capacity Utilization-** An index measuring the fixed output of a region's factories, mines, and utilities.

**Employment Cost Index-** ECI measures changes in labor costs for wages and salaries along with non-cash fringe benefits in non-farm private industry and state and local governments.

**Personal Income and Consumption Expenditures-** Personal Income represents compensation that individuals receive from all sources including wages and salaries, dividends and interest, and transfer payments. Consumption expenditures represent the market value of all goods and services purchased by individuals.

**Merchandise Trade Balance-** The trade balance is the difference between the value of merchandise being exported and imported into a particular country.

**Durable Goods-** A measurement of new orders for factory goods. A durable good is any product which is expected to be in service at least three years.

## **Definitions of Key New York Market Reports**

**AGA-** The American Gas Association, a private trade organization release a weekly estimate on natural gas underground storage levels in the US. The industry uses the data as a proxy for production and consumption during the week. As such the AGA's have become the most important release influencing the natural gas market. Data is published Wednesdays at 4:00 p.m. eastern time.

**Baker Hughes-** A supplier of manufactures to the petroleum industry releases weekly statistics on the North American natural gas and oil rig count. The inventory includes stationary-land-based as well as offshore rigs. The rig count is used by the industry as a proxy for supply and potential productive capacity. The rig count is often taken as a proxy for the general health of the US oil industry also.

**ODS-** The Offshore Data Services a provider of data on the offshore oil and gas industry publish a weekly inventory of worldwide mobile natural gas and oil rigs. Along with the Baker Hughes rig count, the inventory is used as a proxy for global production and productive capacity. As such the ODS release is an indicator of petroleum and natural gas production and health of the industry worldwide.

**LME stocks-** A daily publication by the London Metal Exchange is released detailing the amount of metal in storage at warehouses owned by the LME. LME stocks are released for Copper, Aluminum, Nickel, Tin, Zinc, Lead, Gold, and Silver. The data is generally released at 9 a.m. London time. The LME have the largest reportable metals warehouses in the world and stock level fluctuations are closely watched by the market to determine changes in world supply/demand balances.

**COMEX stocks-** A daily publication detailing the amount of metal held at COMEX warehouses. COMEX stocks specified in the report include Silver and Gold. The COMEX data is illustrates deliverable tracked as a barometer for available precious metals in the United States and is influential in US metals trading

**Housing Statistics-** Housing statistics are published monthly by the US Census Bureau. Housing statistics are broken down into seven distinct categories, which are released throughout the month. The categories include: Aggregate construction hours, home builders index, building permits, housing starts, existing home sales, new home sales, and private residential spending. The base metals, in particular copper can be sensitive to abrupt changes in housing data

**API-** The American Petroleum Institute publishes weekly data every Tuesday after 1600 ET reporting inventory levels of US crude oil, gasoline and distillates stocks. The figures show how much oil and product is available in storage and thus how long supplies will last. Further the data implies US petroleum demand by product and region as well as monitoring US crude production and imports of crude and refined products.

**DOE-** The US Department of Energy publishes weekly data every Wednesday at 0900 ET reporting inventory levels of US crude oil, gasoline and distillates stocks. Basically identical to the API the DOE report is closely watched by the petroleum community.

**LBMA-** The London Bullion Market Association reports monthly data on turnover rates in gold and silver. These figures indicate the level of interest in the precious metals markets in the physical markets and market liquidity.

**IEA-** The International Energy Agency publishes a monthly Oil Market Report which includes global supply/demand data for crude oil and products, OPEC production levels are part of the information. The report offers the most detailed production/consumption analysis available on a monthly level. In addition to crude production/consumption, refinery activity and OPEC policy is analyzed in some detail. Reporting of tanker traffic, profit levels and regional analysis is included. The IEA report is among the most closely studied reports in the petroleum sector.

## **Definitions of Key Grain/Oilseed Reports**

**Quarterly Grain Stocks Reports:** Released by USDA at 7:30 am CST in mid January and late in the months of March, June and September. Stocks reports provide an accurate picture of quarterly US grain usage which is particularly useful for corn where 60% of usage is through animals and therefore difficult to accurately quantify on a weekly basis. USDA grain stocks that differ markedly from trade expectations typically prompt dramatic price movement that is not always discounted in a single trading session. Quarterly stocks are viewed by pros as one of the “highest risk” reports of the year prompting many to lighten up positions prior to release.

**March and June Acreage Reports:** Released by USDA at 7:30 am CST on or near the last day of March and June (and on the same day and time as the Quarterly Grain Stocks Reports). The March Acreage Report is the first indication of new crop US planted area of all crops in addition to updating new crop winter wheat area from the January seedings report. Unexpected area shifts between major crops are closely monitored as well as

the total acres planted to all crops. Acreage reports can potentially alter long-term price trends but traders know that weather and the monthly crop production reports are far more important to price discovery than unexpected changes in planted area.

**Monthly Crop Reports:** Released by USDA at 7:30 am CST between the 8<sup>th</sup> and the 12<sup>th</sup> of every month. These reports contain USDA's latest estimates of US and foreign crop production. Monthly crop reports typically have the greatest market impact in June/July on US wheat futures and Aug/Sept/Oct on US corn and soybean futures. USDA's Southern Hemisphere crop production estimates can change appreciably between November and March and are therefore watched carefully for any discrepancies with trade expectations. Changes in new crop production and usage are netted out in the monthly US and World Supply/Demand tables which can either dampen or exacerbate a price distortion created by USDA's updated crop forecast. Overall, these reports are viewed by traders as extremely "high risk" events that warrant prudent risk management before their release.

**Weekly Export Sales:** Released every Thursday at 7:30 AM CST. Indicates US grain/oilseed export sales for the week ending on the Thursday prior to release. This report details US export sales by country, which are compared with prior year(s) and the pace need to meet USDA export forecasts. Export sales that are consistently higher or lower than trade expectations can help sustain the existing price trend but typically this report is discounted in a day or less. Export sales reports typically have the greatest market impact in the late fall/winter (i.e. after the market focus has shifted from supply to demand).

**Weekly Export Inspections:** Released every Monday morning at 7:30 AM CST. Indicates quantity of US grain/soybeans that have been loaded onto export vessels through Friday of the previous week. Weekly export inspections are not as important as weekly export sales but markets can react abruptly if loadings differ appreciable from expectations. Traders typically compare total cumulative inspections with last year and/or the pace need to meet USDA forecasts as a barometer of demand. Soymeal and soyoil weekly export inspections are released on Thursday with the Weekly Export Sales Report.

**Attaché Reports:** USDA's Foreign Agricultural Service issues these periodic reports that update agricultural production, usage and trade in large importing/exporting countries. Ag supply/demand updates in Attaché reports can be a precursor of changes in USDA monthly crop reports. Attach reports on China, India, Brazil, Argentina and S. Korea can be particularly important because of the key role these nations play in world agricultural trade. USDA's World Agricultural Outlook Board does not always adjust their estimates on the basis of changes in attaché estimates but these reports are, in many cases, embraced by the market after their release.

**Monthly Census Crush:** Published by the Census Bureau in the 3<sup>rd</sup> of 4<sup>th</sup> week of every month. Details the quantity of US soybean crushed, month end quantity of soyproduct stocks and soyproduct yields in the prior month. This report has assumed added importance following the discontinuation of the weekly NOPA crush reports. Monthly US soyproduct offtake can be deduced from this report which allows traders to compare monthly domestic soyproduct offtake vs. expectations. Soyoil stocks are typically of greater importance than soymeal stocks as oil is more readily stored than meal. Monthly Census soyoil stocks that are much higher or lower than trade expectations can impact market action for several days.

## Definitions of Key Livestock Reports

### Cattle:

**Live Cattle** - The commodity upon which the CME Live Cattle contract is based. These are cattle that have been fed a high energy ration to develop meat characteristics consistent with general consumer preferences in the U.S. This term is interchangeable with "fed" cattle or "fat" cattle.

**Feeder Cattle** - The commodity upon which the CME Feeder Cattle contract is based. These cattle are those ready to be placed in a feedyard and put on a high energy ration for fattening. Usually, these cattle will come from some form of grass or grazing program. While not exclusively correct, "yearlings" is often substituted for "feeders."

**Cattle On Feed** - Report released by USDA that estimates the number of cattle confined in feedyards and being fed a high energy ration in order to prepare them for slaughter. The report is released on a monthly basis and provides several different levels of coverage, which currently are 7 States, 12 States, and the entire U.S. Monthly coverage only samples data from those feedyards of 1000 head or larger capacity, with a separate number in January including feedyards of all sizes large and small. USDA has updated the coverage of this report every five years or so depending on changes in the industry. In recent years the reports have been released on a Friday.

The following definitions apply to Cattle on Feed numbers:

**Number on Feed** - An estimate of the total number of head in feedyards at a particularly point in time, usually the first of the month.

**Placements** - The number of cattle that were moved into feedyards or "placed" on feed during a particular time period, monthly or quarterly. Since 1996, USDA has also reported a breakdown by weights of the cattle being placed on feed during each month. This data should aid in projecting when the cattle will be finished for slaughter.

**Other Disappearance** - A statistic that accounts for cattle that move out of feedyards, in most cases due either to a return to grazing or death loss. Many times Other Disappearance will be subtracted from Placements to generate a "Net Placement" figure.

**Marketings** - Cattle sold from the feedyard, generally to a packer, for slaughter. Marketings from the major feeding states represents the majority but not all of U.S. daily F.I. slaughter.

**Feeder Cattle Index** - The CME Feeder Cattle Contract is cash settled, and it is based upon this index. Beginning January 2000, the index includes cattle from USDA reported auctions and direct trade of 700-849 lb medium and large frame #1 or medium frame #1 cattle in 12 central U.S. states, including TX, OK, MO, IA, KS, NB, SD, ND, MT, WY, CO, and NM. The index is reported daily and released around 2:30 p.m. CST, covering the previous day's trade. Saturday auctions that are covered are included in the Monday price.

**Cattle Inventory report** - A semi-annual report released by USDA that estimates the total number of cattle in the country. The January estimate provides state by state data across all categories, while the July figure is simply an aggregate of the entire U.S. The classifications reported are as follows:

- All Cattle
- All Cows and Heifers that have calved
  - Dairy Cows and Heifers that have calved
  - Beef Cows and Heifers that have calved
- All Heifers over 500 lbs

Heifers for Beef herd replacement  
Heifers for Dairy herd replacement  
Other Heifers (headed for feedyards)  
All Steers over 500 lbs  
All Bulls over 500 lbs  
All cattle under 500 lbs  
Calf crop (estimate of calves born during the calendar year)

## Hogs

**Lean Hog** - The commodity upon which the CME Lean Hog (LH) contract is based. The lean hog price represents what packers actually pay producers for the carcass of a hog that fits the following specs: 51-52% lean with .80-.99 inches backfat at the last rib. This contract replaced the old contract beginning in February 1997. Note that the prior contract was based upon a lower quality hog (roughly 46-49% lean equivalent) on a live basis, so continuation charts with data prior to 1997 are not relevant.

**Lean Hog Index** - This is a two day weighted index from data reported by packers to USDA on the price paid to producers for hogs. USDA gathers prices from three regions--Western Cornbelt, Eastern Cornbelt, and Mid-South--and from these regions calculates a national price. The LH contract is settled to a two day average of these prices, specifically the 9<sup>th</sup> and 10<sup>th</sup> business days of the month.

**Hogs and Pigs report** - A quarterly report released by USDA that estimates the number of hogs in the U.S. In addition to the total hog inventory figure, USDA breaks data down into breeding herd and market hog categories. Market hogs are further delineated by weight groupings: Under 60 lbs, 60-119 lbs, 120-179 lbs, and 180 + lbs. USDA also reports farrowing data, pigs per litter, and total pig crops for the previous quarter, along with intentions to farrow for the next two quarters. In recent years USDA has begun to report farrowings on a monthly basis, and there are plans to move to a monthly Hogs and Pigs report in the near future.

**Livestock Slaughter reports/data** - USDA reports cattle and hog slaughter under federal inspection (F.I.) on a daily basis, released at 1:00 p.m. Chicago time. This data is further aggregated into weekly and monthly totals. Every Friday afternoon, USDA releases the estimate for that week's slaughter. On the Thursday almost two weeks later, USDA releases the actual slaughter data on a weekly basis, along with a breakdown by type of animal, the average live and dressed weight, and the dressed weight of each type of animal. The types referred to here include steers, heifers, cows, and bulls for cattle, and barrows/gilts, sows, and boars/stags for hogs. Approximately three weeks after the end of the month, USDA will release these same statistics on a monthly basis. This last statistic, the monthly figure, is often referenced in commodity calendars, but for practical purposes is the least likely to have an impact on the following day's trade.

**Cold Storage report** - USDA releases a monthly cold storage report roughly three weeks after the end of each month, covering a large variety of food products held in cold storage warehouses/facilities. Data for the meats include total beef, pork, poultry, and turkey. The poultry statistics are primarily in one category, while beef is divided into two sections: cuts and trimmings. Trimmings are usually the vast majority in the beef sector. The pork category is broken down into a wide variety of cuts, however, including but not limited to bellies, hams, trimmings, butts, loins, and variety meats. This report is watched to provide indications of how production is moving into consumption channels.

## Definitions of Key Softs Reports

**GCA**—The Green Coffee Association is a US trade organization that keeps voluntarily submitted warehouse statistics of its participating members. The organization issues monthly figures on the 15<sup>th</sup> of the month at 3:00 p.m., which are closely watched by the industry and can sometimes contribute to a significant market move.

**Weekly Cotton Exports**—Released every Thursday at 8:30 EST. The report indicates cotton export sales for the week ending on the Thursday prior to the release. The report details exports by country compared to prior years and the progress of the current year. Exports that are higher or lower than market expectations can affect prices, but the effect is usually temporary.

**Monthly USDA Crop Report**—The USDA publishes monthly—some time between the 8<sup>th</sup> and the 12<sup>th</sup>—and is a closely watched barometer of supply and demand. Included in the monthly figures are world and US cotton production estimates, compared by month, beginning and ending stock levels, imports and domestic use and exports and loss. The figures are closely watched by the market as a measure of whether exports are measuring up to USDA objectives and what impact exports are having on ending stock levels. Additionally, the report identifies shifts in individual country imports or exports that may impact prices. They can exert a major price influence on cotton.

**Cotton Planting Intentions Report**—The National Agriculture and Statistics Service (NASS) publishes in February-March and at the end of June (June 30) a seasonal planting intentions report estimating farmers cotton planting intentions in acres. This report is closely watched as a proxy for production relative to the areas in acres that farmers' intend to plant.

**Planting Progress Reports**—During the planting season the USDA published its survey of planting progress comparing the current crop to the previous year, and the five-year average progress of the cotton crop. These reports are published seasonally on Monday after the market closes, and generally follow the progress of the crop from planting to boll development through harvesting as a percentage of normal, for all cotton and each state.

**Census Department**—the US Bureau of the Census publishes a monthly cotton consumption report on the fourth week of the month. At the same time the National Cotton Council (NCC) publishes an annualized rate of consumption based on the Census Bureau data.