
Introduction

1981 started

174 countries

WEI : world equity indices

GP : graph price function

Autocomplete or menus or learn by heard is the best way to use functions in Bloomberg

MAIN: brings you to home of the directory

You can also just enter the function in the command line

Economic Indicators

The Primacy of GDP –

- GDP: Gross Domestic Product
- Backdrop for the financial markets
- 50 years: growth of 8% annual for GDP
- WGDPRD on Bloomberg will put up index for you
- US: World's largest economy since 1920 over the UK
- Main unit of economic statistics is the unit state
- Spectacular policy mistakes in part let to Great Depression
- 1973: Italy decided to include black market in its GDP cal
- Nigeria in 2014: 89% upper revision in GDP after capturing new industries
- Personal consumption – 2/3 of US GDP
- When a security has exposure to a certain country, you want to use indicators from that country to analyze it
- ECOW: economic data watch function – most important data by country
- Few dozen core economic indicators
- 5 most important: economic growth, inflation, unemployment, business confidence, housing

Economic Growth:

- Measured by GDP – the market value of all final goods and services produced in a country
- Broadest measure of economic activity
- $GDP = C + I + G + (X-M)$
- C= personal consumption, I= private investment, G= government consumption, X = exports, M = imports, (X-M) = net exports
- Look at percentage change in GDP from one year to the next
- US average growth of 6.5% per year; but since we use dollar amount of GDP, this growth is affected by inflation
- Real story is the trend which must be looked at after stripping inflation
- Real GDP growth is usually less than nominal as inflation is usually positive
- Real GDP Growth = Nominal Growth – Inflation