The economic calendar

> **THE ECONOMIC CALENDAR**
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> The economic calendar lists scheduled data releases and central bank announcements with their dates and times. For reading the market, it is a liquidity forecast: around listed events, dealers pull quotes, spreads widen and books thin, whatever the numbers turn out to be. Reading the calendar means knowing when market conditions are scheduled to change - it is a weather forecast for the book, not a list of trading opportunities.

Module 1 kept saying the same thing about news: dealers pull quotes seconds before scheduled releases, the book thins, and prices can gap. Every part of that sentence except the release itself is on a public timetable. The calendar is that timetable, and reading it is the last basic instrument this module has to hand you.

What does the calendar actually tell you?

Three things, all about conditions. When: the exact minute a release lands, which is the minute the book around the affected currency changes state. What kind: calendars grade events by expected impact, which reads as how hard dealers will step back - a central bank decision empties books that a minor survey barely ripples. And which currencies: a US employment report is weather for every dollar pair at once, which the next lesson's shared-leg arithmetic makes expensive to forget.

Notice what is missing from that list: the numbers themselves. For reading conditions, the release's content does not matter - spreads widen before the figure exists, and the book thins for good news and bad alike. The weather arrives on schedule whatever it turns out to contain. What a release means for a currency's value is analysis, and it lives in module 5 with its difficulties honestly stated. This lesson's instrument works without any opinion about the number: it is the timetable of when your pair's market gets thin, expensive and gap-prone.

Worked example - figures in USD

You hold 0.5 lots of EUR/USD into a scheduled high-impact release, stop 25 pips away. A pip on a full lot is worth $10.

1. The calendar shows a high-impact release in twenty minutes on your pair's currency. You hold 0.5 lots of EUR/USD with a stop 25 pips away - a planned loss of $125 at $5 per pip ($10 per full lot).
2. This is the weather decision the calendar exists for: through the release, the book will thin whatever the number says. If the print gaps 15 pips past your stop, the fill delivers $200 - $75 beyond the plan, in either direction's weather.
3. The calendar gave you everything mechanical in advance: the minute, the affected pairs, the state of the book. What it never gave you is a reason to be in or out - that is your plan's job. It priced the conditions; the decision stays yours.

What this means for you

Check the calendar the way you check the session clock: before the trading day, for the currencies you hold or watch. Its whole value is mechanical - the minutes when spreads widen, stops stop capping, and the gauge from the last lesson will spike on schedule. Holding a position through a listed event is a decision about weather you were warned about, and the gap tool below prices that decision's mechanics with your own numbers. What the release means for the currency is a different question for a different module - the calendar never answers it, and neither does this lesson.

Try it yourself with the gap-cost calculator: https://ticksprout.com/tools/gap-cost

Check your understanding

1. For reading market conditions, what is the economic calendar?

a. A timetable of when books thin, spreads widen and gaps become possible
b. A list of moments when profits are available
c. A forecast of which way prices will move
d. Background information with no practical use

Answer: a. The calendar schedules conditions: the mechanical changes arrive at the listed minute whatever the data says. It lists no opportunities and forecasts no directions - and its practical use is exactly the warning it gives about the book's state.

2. Why do spreads widen before a release rather than after it?

a. Dealers step back from quoting before the number exists - the risk is the moment, not the message

b. Brokers schedule higher fees around news

c. They widen only if the number disappoints

d. Regulation requires pre-news spreads

Answer: a. Standing quotes seconds before a surprise are free options for faster readers, so dealers reprice before anything is published - module 1's mechanism on a timetable. No fee schedule or rule is involved, and the widening precedes the content, so the content cannot be its cause.

3. A high-impact release is listed for a currency in one of your pairs. What does this lesson say the listing changes?

a. The conditions your position will sit in - thinner book, wider spread, gap risk at the listed minute

b. It signals that a position should be opened before the release

c. It signals that the currency will strengthen

d. Nothing, if your stop is in place

Answer: a. The calendar reads as weather: it changes the conditions, and what to do about conditions belongs to your plan. Any answer that turns the listing into a trade signal has left reading for prediction - and a stop is exactly the instruction that gap conditions can fill beyond its level, as the example priced.

4. Does the content of the release matter for this lesson's use of the calendar?

a. No - the book thins and spreads widen on schedule whatever the number says

b. Yes - only bad numbers change conditions

c. Yes - the calendar tells you what the number will be

d. No - because releases rarely move markets

Answer: a. The weather arrives with the minute, not the message: dealers reprice for the uncertainty itself. Good numbers thin books as reliably as bad ones, calendars list schedules rather than outcomes, and releases move markets often - which is precisely why the conditions around them deserve the warning.