

$$GDP = C - T - S + G + I + (X - M)$$

$$\rightarrow (Inc) - T - S$$

Indicator	Measures	Leading / Lagging / Coincident	Procyclical / Countercyclical / Acyclical	Macroeconomic Use	Drawbacks
GDP	Total Mkt. value Total output Money Flow through Formal Markets	Coincident	Procyclical	Growth Indicator Measure of Wealth Dominant Analytical Measure	Population size/growth Distortion of Average Hides Wealth Inequality Selective Measure of Accuracy Underground/Informal No price on ecosystem
Inflation Rate	Rise & Fall of Price Level	Leading / Coincident	Procyclical (only to certain point)	Set Interest Rates	Consumption Patterns & Cultural Diversity True impact of price & distorted
Employment Trends	UR → % labour force involuntarily unemployed	Lagging / Leading	Countercyclical	set monetary policy/reg. of money flow (spending patterns)	narrow / technical calculation easily manipulated for political purposes arbitrary defn - calculation / misses / omits
Consumer Confidence	degree of optimism over overall state of economy	Lagging (reactive)	procyclical	link to savings / spending	animal spirits media distortion highly subjective
Stock Prices	Shareholder wealth Supply & Demand (real vs. expectations) Mkt. process Volume confirms price action	Leading	procyclical	link to growth in expectations mkt. & translation into real economy (GDP) link to credit & injections	hyper volatile & mixed mkt. signals overvalued confidence herd spirit & hype measure
Money Supply	flow of money / size of supply in economy	Leading - predicting future inflation & spending patterns	Procyclical	predict future inflation & spending patterns (long term) if MS outpacing growth, more money spent on same # of goods = inflation	historically a high correlation betw MS growth & economic growth (GDP) - sophistication of intl banking, investment, finance
CEO Confidence	CEO Confidence in economic prospects / conditions	Leading - predictive	Procyclical	general measure → injections given business concerns & positions bullish vs. bearish outlook	Subjective / narrow view conflict of interests
Internet Access	commercial use / economic activity online / exchange platform	Leading - predictive Coincidental	Procyclical wealth & access (apolitical)	well-being & info. access income distribution predict peaks & troughs	herd spirit magnified information saturation / overload
Loan Growth	increase or decrease (in %) of loans issued by banks (quarterly)	Lagging (Leading)	procyclical	"a measurable economic factor that changes after the economy has already begun to follow a pattern / trend"	if econ. grows so too does loan growth (to a certain point) assumptions can be traps and bubbles / nature of credit
Retail Sales	fl. value volume	Coincident - current state reflected	Procyclical - link to consumption / consumer goods	easy to understand & timely media attention relates closely to avg. consumer volatile components cut (auto, gas, food)	month to month volatility - difficult to spot trend pegged to animal spirits / consumer confidence → goods focused not services --- → dollars spent thus does not account for inflation

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