

How to Trade the NFP Report? The US Nonfarm Payrolls and Unemployment Rate are out this coming Friday, October 7, at 12:30 (GMT), and are expected to cause significant volatility in the markets. Considered the one economic indicator that never fails to trigger sharp market movements both in the minutes leading up to its release and in its aftermath, the NFP data is released by the US Department of Labor on the first Friday of each month and outlines changes in the number of employees, excluding farm workers and those employed by the government, non-profit organisations and private households. **Why the US employment report is important?** “There are two reasons why the US employment report is the major market moving event. Firstly, never forget that the US Fed has a mandate for stable prices and also full employment, whereas most other central banks are focused just on prices. Secondly, the labour market in the US is a lot more flexible and responsive than many others, where more rigid labour rules make for a looser relationship between what’s going on in the economy and its impact on hiring and firing decisions. Many view the November Fed meeting as not a live one for a rate increase, being so close to the Presidential election. This means we have two and a half months until the December meeting. As such, it could take a number notably away from the expected 170k gain to substantially move the dollar. But as I mentioned last month, FX volatility is generally 50% higher on US employment report days, so be mindful of this nonetheless.”

NFP News Forex Trading Strategy During the NFP announcement,

expect high volatility, especially across USD pairs. Market sentiment can really affect currency movements. What traders expect from the report has as much impact as the actual released data, if not greater. A higher figure than the one registered during the previous month signifies an improvement in employment numbers. This, as well as the release of a higher-than-expected figure, mean an increase in the number of jobs created and are positive for both the US economy and the dollar. A lower figure than the one registered during the previous month, as well as a lower-than-expected figure, usually have a negative impact on the dollar as they demonstrate a drop in employment numbers. Remember that the sudden spike observed across the charts of many currency pairs upon the release of the NFPs is usually followed by a period during which the market tries to recover and return to its initial price levels. **Source:** [Fxpro Broker - Review and Forex Rebates Up to 85%](#)