intrade
The Prediction Market

The Intrade Growth, Unemployment and S&P 500 Depression Index

CALCULATION: Q1 2009

The value of the Intrade Growth, Unemployment and S&P 500 Depression (GSUD) index for the first quarter of 2009 is as follows:

Index: Q1 2009	
GDP	-6.10
Unemployment	-1.30
S&P 500	-1.17
INDEX VALUE	**-8.57**

This was calculated as follows:

Gross Domestic Product:

The Gross Domestic Product (GDP) component of the Index is the *advance estimate of the quarter's percentage change in real GDP, at a seasonally adjusted annual rate.*

On 29th April 209 the Bureau of Economic Analysis released the advance estimate for Q1 2009. This figure was -6.1%.

Unemployment:

We measure the increase or decrease in the unemployment rate from one quarter to another. This is calculated using the following formula:

$$\left(\text{unemployment}_2 \quad \textit{minus} \quad \text{unemployment}_1 \right)$$

Unemployment(2): The unemployment rate for last month of Q4 2008

Unemployment(1): The unemployment rate for last month of Q1 2009

The unemployment rate for Q4 of 2008 was 7.2% and for Q1 of 2009 it was 8.5%.

The unemployment component of the index is therefore:

$$\left(7.2 \text{ minus } 8.5 \right)$$

$$\text{equals: } -1.30$$

S&P 500:

We measure the percentage change in the value of the S&P 500 stock index from one quarter to another. This is calculated using the following formula (rounded to two decimal places):

$$\frac{\left(\left(\frac{\text{S\&P } 500_1}{\text{S\&P } 500_2}\right) -1\right) \times 100}{10}$$

S&P 500(1): The S&P 500 close on the final trading day of Q4 2008 (31st December 2008)

S&P 500(2): The S&P 500 close on the final trading day of Q1 2009 (31st March 2009)

The calculation for Q1 2009 is as follows:

$$\frac{\left(\left(\frac{903.25}{797.87}\right) -1\right) \times 100}{10}$$

$$\text{equals: } -1.17$$