

## **Handout for February 2019 Newsletter Trade Balance in FRED®**

### **Purpose.**

1. Create a plot of net exports of goods and net exports of services.
2. Change the graph's date range to show figures since 1984.
3. Describe and discuss patterns in the evolution of net export figures over time.

**Pedagogical Rationale.** This assignment requires that you first select data from a release table and plot them into a graph. Next, you will change the date range in the graph and customize the data by applying a formula. Lastly, you will describe and discuss patterns in the evolution of the data series. These tasks will develop your proficiency in searching for, transforming, and interpreting data.

**Grading.** Your grade will be determined by (a) how precisely you complete the search and transformation data tasks and (b) how accurately you interpret the data.

### **Steps to Search for and Transform the Data.**

1. Access <https://fred.stlouisfed.org/release/tables?rid=53&eid=6070&snid=6062>
2. Select "Exports of Goods" by clicking on the box to the left of the series name.
3. Select "Exports of Services" by clicking on the box to the left of the series name.
4. Plot the data series by clicking on "Add to Graph."
5. Change the data range by typing "1984-01-01" as the start date of the graph.
6. Click on the "EDIT GRAPH" orange button and select the "EDIT LINE 1" tab.
7. Customize the data by searching for "Current payments to the rest of the world: Imports of goods, Billions of Dollars, Seasonally Adjusted Annual Rate (A255RC1Q027SBEA)" and click on "Add."
8. Customize the data by typing the formula "a-b" and click on "Apply."
9. Select the "EDIT LINE 2" tab.
10. Customize the data by searching for "Current payments to the rest of the world: Imports of services, Billions of Dollars, Seasonally Adjusted Annual Rate (B656RC1Q027SBEA)" and click on "Add."
11. Customize the data by typing the formula "a-b" and click on "Apply."
12. Click on the "FORMAT" tab and select "Graph type: Area."

### **Writing Prompts.** Answer the following questions:

1. Since 1984, are U.S. net exports of goods positive or negative? Is the U.S. running a trade surplus or a trade deficit in goods?
2. Since 1984, are U.S. net exports of services positive or negative? Is the U.S. running a trade surplus or a trade deficit in services?
3. Compare the value of U.S. net exports of goods to the value of U.S. net exports of services after 1984. Are they similar in magnitude? Is one value larger than the other?
4. What is the sign of U.S. net exports of goods and services since 1984: positive or negative? Since 1984, is the U.S. running a trade surplus or a trade deficit in goods and services?