



16<sup>th</sup> December 2013

## Now-Cast for fourth quarter of 2013

### G3 growth momentum strengthens

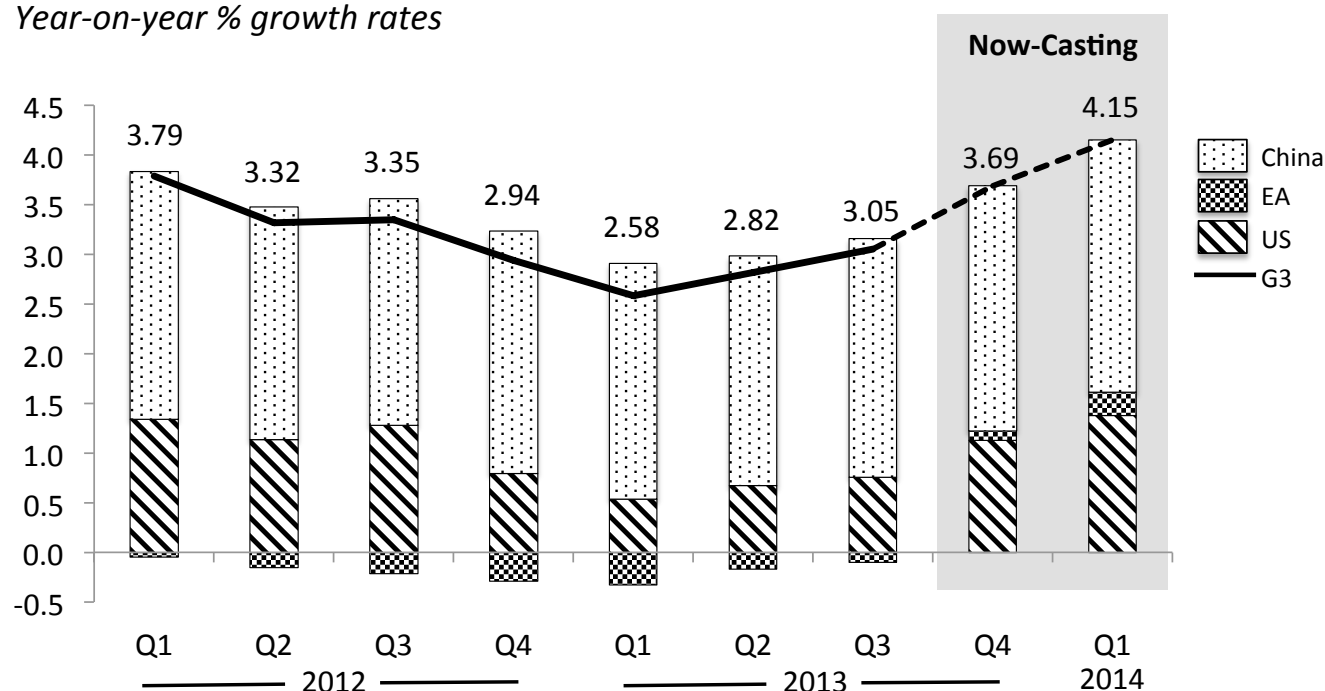
The economies of the G3 – the US, Euro Area, and China – are collectively growing at 3.7% in the current quarter relative to the same quarter last year, according to the Now-Casting growth monitor. And G3 growth in Q1 2014 will be 4.15% higher than in the same quarter last year. This represents a slight strengthening of the growth assessment, compared with the Now-Casting announcement last month.

Over the past month the picture for the US has improved, and this improvement has been only partially offset by a slight weakening in the data for the Euro Area and China. The following figures show GDP growth for the quarter by comparison with the same quarter a year before, with last month's assessment in brackets. The US is now growing at 2.8% (2.5%) in the current quarter and will grow at 3.4% (3.1%) next quarter. The Eurozone is now growing at 0.35% (0.43%) in the current quarter and will grow at 0.8% (1.0%) next quarter. China is now growing at 8.0% (8.1%) and will grow at 8.3% (8.3%) next quarter.

The economies of the G3 accounted for nearly 50% of world GDP in 2012 according to the IMF, and their growth has historically been closely correlated with total world growth.

### GDP GROWTH FOR THE G3 – US, EURO AREA & CHINA

*Year-on-year % growth rates*



Contributions to G3 growth weighted by share of 2012 GDP from IMF World Economic Outlook, October 2013

Sources: US Bureau of Economic Analysis; Eurostat; National Bureau of Statistics of China; IMF World Economic Outlook, October 2013; Now-Casting Economics Ltd.



## GDP GROWTH FOR THE G3 – US, EA AND CHINA

*year-on-year % growth rates*

		2012		2013				2014	2012	2013
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Year	Year
<b>Growth rates</b>										
US		3.13	1.95	1.32	1.64	1.84	2.75	3.37	2.78	1.89
Euro Area		-0.74	-1.03	-1.16	-0.59	-0.36	0.35	0.82	-0.62	-0.44
China		7.40	7.90	7.70	7.50	7.80	8.01	8.25	7.75	7.75
<b>Contribution to G3 growth rate</b>										
	Weight*									
US	40.8%	1.28	0.80	0.54	0.67	0.75	1.12	1.38	1.14	0.77
Euro Area	28.3%	-0.21	-0.29	-0.33	-0.17	-0.10	0.10	0.23	-0.18	-0.12
China	30.8%	2.28	2.44	2.37	2.31	2.40	2.47	2.54	2.39	2.39
<b>G3 growth rate</b>		3.35	2.94	2.58	2.82	3.05	3.69	4.15	3.35	3.04

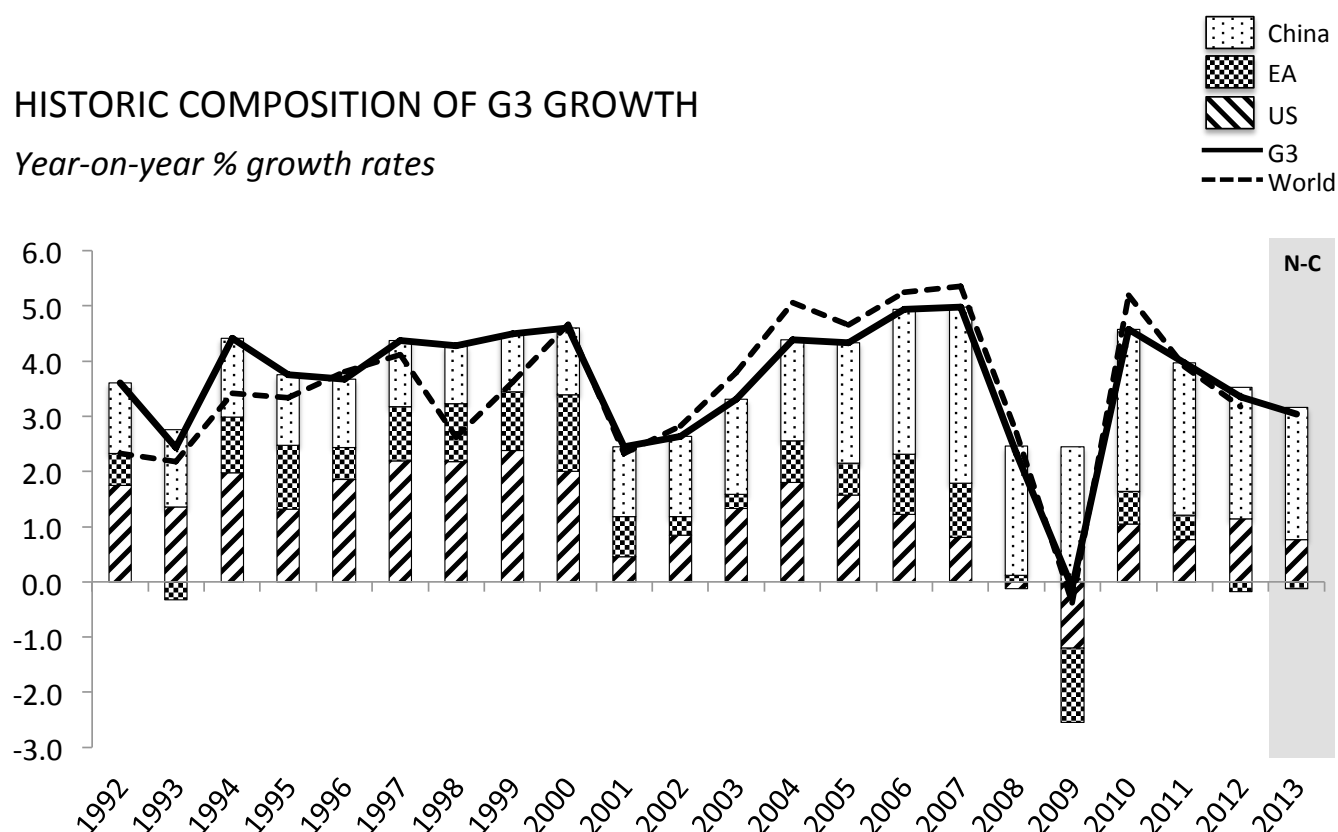
\* Weights are shares of 2012 G3 GDP from IMF World Economic Outlook, October 2013

Sources: US Bureau of Economic Analysis; Eurostat; National Bureau of Statistics of China; IMF World Economic Outlook, October 2013 Database; Now-Casting Economics Ltd.



## HISTORIC COMPOSITION OF G3 GROWTH

Year-on-year % growth rates



Contributions to G3 growth weighted by share of G3 GDP growth in each year.

Sources: IMF World Economic Outlook, October 2013; Now-Casting Economics Ltd

## HISTORIC GDP GROWTH RATES – WORLD VS G3

year-on-year % growth

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
US	1.7	1.4	2.0	1.3	1.8	2.2	2.2	2.4	2.0	0.5	0.8	1.3	1.8	1.6	1.2	0.8	-0.1	-1.2	1.0	0.8	1.1	0.8
Euro Area	0.6	-0.3	1.0	1.2	0.6	1.0	1.0	1.1	1.4	0.7	0.3	0.3	0.8	0.6	1.1	1.0	0.1	-1.4	0.6	0.5	-0.2	-0.1
China	1.3	1.4	1.4	1.3	1.2	1.2	1.1	1.1	1.2	1.3	1.5	1.7	1.8	2.2	2.6	3.2	2.3	2.4	2.9	2.7	2.4	2.4
G3	3.6	2.4	4.4	3.7	3.7	4.4	4.3	4.5	4.6	2.4	2.6	3.3	4.4	4.3	4.9	5.0	2.3	-0.1	4.6	4.0	3.4	3.0
World	2.3	2.2	3.4	3.3	3.8	4.1	2.6	3.6	4.7	2.3	2.8	3.8	5.1	4.7	5.2	5.3	2.7	-0.4	5.2	3.9	3.2	

Contributions to G3 growth weighted by share of G3 growth in each year.

Sources: 2013 figures from Now-Casting Economics Ltd; other figures from IMF World Economic Outlook, October 2013



## Press Release

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The next estimate of G3 GDP growth will be published on Wednesday, 15<sup>th</sup> January, 2014. G3 GDP estimates will be published on the 15<sup>th</sup> of each month or the first working day thereafter, except in February, May, August and November, when they will be published on the same day as the flash estimate of Euro Area GDP growth from Eurostat.

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**For further information, please contact:**

**Now-Casting Economics Limited**

Jasper McMahon

Chief Executive

Mobile: +44 7802 485904

Email: [jasper.mcmahon@now-casting.com](mailto:jasper.mcmahon@now-casting.com)

**Notes to editors:**

Now-Casting.com is a new, online service delivering high-frequency information on current conditions in the world's major economies. Its output is generated automatically by a state of the art statistical model, using a continuous feed of economic data releases from around the world. All now-casts are automatically updated within minutes of the publication of any significant data release. The service covers the US, the Euro Area, China, Japan, Germany, France, Italy, Spain, the UK, Canada and Brazil, and is available by subscription. Weekly now-casts for the Euro Area are available free on the Now-Casting web site ([www.now-casting.com](http://www.now-casting.com)).

The model was designed and built by the founders of Now-Casting, who are a group of academic economists and leaders in the use of large data sets in near-term econometric forecasting. The statistical techniques pioneered by the Now-Casting team have been implemented at the world's largest central banks as a critical input to economic policy making. Clients of Now-Casting include leading macro hedge funds and other investment institutions, who use the service to aid their investment decision making processes.