

News Release

Now-Casting Index

EMBARGOED FOR RELEASE UNTIL: 17:00 GMT 16 June 2014

Now-Casting US NCI™

What is the NCI™?

The Now-Casting Index - NCI™ - is an index that measures the state of the business cycle. It is calculated from a broad set of economic indicators.

Reading the NCI™

The NCI™ is normalized to have a mean value of 100 and a standard deviation of 25 calculated over the estimation sample. Values above 100 indicate that real activity is growing above the mean.

NCI™ Updates

The NCI™ is updated in relation to surprises in data releases (*news*) computed as the difference between the released value and model-based nowcast for each input indicator. The weights attached to each *news* are also model-based.

Next U.S. NCI™ RELEASE:

16 July 2014
17:00 GMT

U.S. NCI™ at 117.30 for June

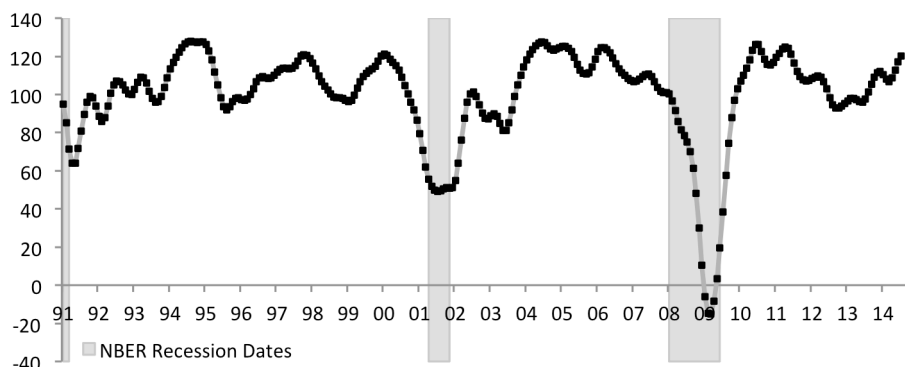
- The US recovery gains momentum: the NCI™ is at 117.30 for June, compared to 112.85 for May
- Momentum expected to increase further, with the July NCI™ forecast at 120.31
- The pace of growth is slower than anticipated: the NCI™ for June is lower than the 115.02 forecast for June a month ago

U.S. NCI™

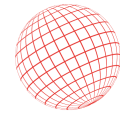
reference period	NCI™ Release Dates	
	15/05/2014	16/06/2014
May-14	115.02 (A)	--
Jun-14	119.70 (F)	117.30 (A)
Jul-14	--	120.31 (F)

Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for economic activity next month. Source: Now-Casting Economics Ltd

Jasper McMahon, CEO of Now-Casting Economics, commented: "The upward trend for the NCI estimated in May is confirmed by our June numbers which indicate further above-average growth in July. Our estimates imply a now-cast for GDP growth in the second quarter equal to 0.8% QoQ compared to 0.9% a month ago."



The NCI has been updated with a lower figure due to disappointing news on manufacturing, consumption and exports.



The Real Time Data Flow

U.S. NCI™ for June updated to 117.30 from 119.70 in May

U.S. NCI™ for May updated to 112.85 from 115.02

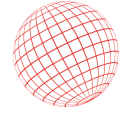
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						U.S NCI™ May	U.S NCI™ June
	University of Michigan:						
16/05/2014	Consumer Sentiment	May-14	Index	81.8	83.22	0.03	0.07
16/05/2014	Housing Starts	Apr-14	MoM %	13.2	-0.75	0	0.16
	New Private Housing Units						
16/05/2014	Authorized	Apr-14	MoM %	8	0.91	0.05	0.2
22/05/2014	Kansas City Fed Mfg Survey	May-14	Index	10	8.43	0.19	0.38
22/05/2014	PMI: Manufacturing	May-14	Index	56.23	55.43	0.11	0.39
27/05/2014	Conference Board: Consumer Confidence Index	May-14	Index	83	82.91	0.03	0.04
27/05/2014	Manufacturers' Inventories: Durable Goods	Apr-14	MoM %	0.08	0.36	-0.29	-0.39
27/05/2014	Manufacturers' New Orders: Durable Goods	Apr-14	MoM %	0.8	0.64	0.02	0.02
27/05/2014	Manufacturers' Unfilled Orders: Durable Goods	Apr-14	MoM %	0.97	0.55	0.16	0.21
30/05/2014	MNI Chicago Business Barometer	May-14	Index	65.5	62.02	0.63	1.45
30/05/2014	Real Disposable Personal Income	Apr-14	MoM %	0.15	0.31	-0.02	-0.02
30/05/2014	Real Personal Consumption Expenditure	Apr-14	MoM %	-0.26	0.31	-0.41	-0.58
02/06/2014	ISM Mfg: PMI Composite Index	May-14	Index	53.2	55.57	-0.59	-1.79
04/06/2014	ISM Nonmanufacturing Composite Index	May-14	Index	56.3	55.76	0.1	0.22
04/06/2014	Exports	Apr-14	MoM %	-0.45	1.13	-0.3	-0.37
04/06/2014	Imports	Apr-14	MoM %	1.34	1.46	-0.03	-0.04
04/06/2014	Change in ADP Nonfarm Private Payroll Employment	May-14	Change Thousands	180	214.81	-0.11	-0.54
06/06/2014	Change in Nonfarm Payrolls	May-14	Thousands	217	273.91	-0.21	-0.36
12/06/2014	Retail Sales	May-14	MoM %	0.4	1.06	-0.16	-0.31
13/06/2014	University of Michigan: Consumer Sentiment	Jun-14	Index	81.2	81.98	0	0
16/06/2014	Industrial Production	May-14	MoM %	0.68	0.74	-0.06	-0.09
16/06/2014	Capacity Utilization: Industry	May-14	Level %	79.1	78.98	-0.19	-0.29
						-1.05	-1.64

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources

The impact of each data release on the NCI™ is the product of the economic news associated with that release and a model-based weight which reflects the importance of each variable and is a function of its timeliness. Economic news are defined in this context as the difference between the released values and model-generated expectations.

Note: the difference between the June NCI™ released today, and the forecast of the June NCI™ made a month ago, may be more or less than the total impact of all the releases listed in the table above, because of the impact of any revisions to prior data releases made during this period. The same is true of the updating of the May NCI™.



NCI™ releases for the U.S. are scheduled on the same day of the release of the Industrial Production Index at 17:00 GMT.

Next U.S. NCI™ RELEASE: 17:00 GMT 16 July, 2014

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Notes to Editors:

The Now-Casting Index for the U.S. is produced by Now-Casting Economics Limited and is based on a model built on more than 20 monthly and quarterly economic indicators covering Production, Labour, Construction, National and International Trade, Services and Surveys. Raw data are supplied by Haver Analytics. Now-Casting Economics releases the U.S. NCI™ monthly for the current month together with a forecast for the next month and updates to the previous release. Forecast updates are based on data released since the last NCI™ publication. The model is estimated in real-time at each data release; now-casts of GDP and other macroeconomic series are published live within 30 minutes of the data release on www.now-casting.com.

The NCI™ is an intermediate product of the Now-Casting model, which is designed to capture commonalities among macroeconomic data while filtering out idiosyncratic noise. The model produces estimates of the real economic condition in different countries in a fully real-time fashion and accounts for data sampled at mixed frequency and the non-synchronicity of their releases. The NCI™ and its updates are produced in a fully automated judgement-free way solely as a function of economic news. The deep parameters of the Now-Casting model are estimated at the beginning of every year; the NCI™ is the result of a pure out-of-sample forecast and is normalized to a mean value of 100 and a standard deviation equal to 25. Readings equal to 100 correspond to average growth over the estimation sample which starts in 1991. Normalization is updated at the beginning of every year in concomitance with updates of deep parameters.

Now-Casting.com is an online service delivering high-frequency information on current conditions in the world's major economies. 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).

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