

## News Release

### Now-Casting Index

EMBARGOED FOR RELEASE UNTIL: 15:00 GMT 02 July 2014

## Now-Casting Brazil 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 BR NCI™ RELEASE:

**01 Aug, 2014  
15:00 GMT**

### Brazil NCI™ at 76.72 for July

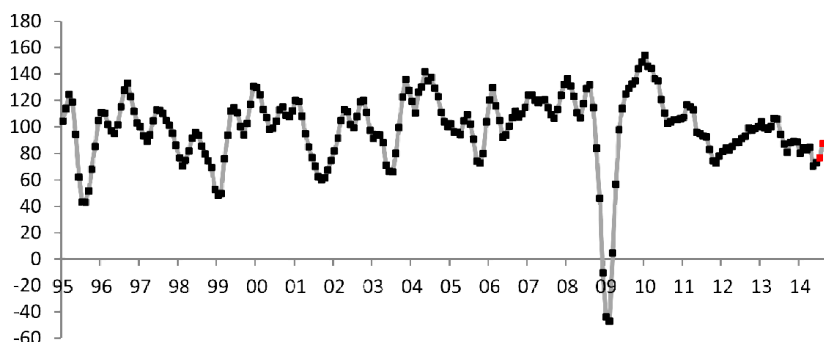
- Positive outlook confirmed for Brazil: NCI™ for July at 76.72 compared to 73.22 for June.
- Further improvement is expected in August with NCI™ forecast at 87.53.
- The pace of growth is lower than anticipated: NCI™ for July is lower than the 77.86 forecast a month ago.

| Brazil NCI™      | NCI™ Release Dates |            |
|------------------|--------------------|------------|
| reference period | 04/06/2014         | 02/07/2014 |
| Jun-14           | 73.41 (A)          | 73.22 (U)  |
| Jul-14           | 77.86 (F)          | 76.72 (A)  |
| Aug-14           | --                 | 87.53 (F)  |

Notes: (A), ACTUAL, denotes the estimate for the current month; (F), FORECAST, the forecast for next month; (U) UPDATED, denotes updates following richer information set. Source: Now-Casting Economics Ltd

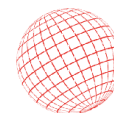
Jasper McMahon, CEO of Now-Casting Economics, commented: "The positive outlook estimated for Brazil in June is confirmed by our July numbers which point towards further improvement in August, although we are still registering below average growth and production is still lower than expected. Our estimates for GDP growth confirm this scenario with Q3 down to 1% in YoY terms compared to 1.1% a month ago."

### Now-Casting BR NCI™



Source: Now-Casting Economics Ltd

The NCI has been updated to a lower level due to negative news on production and international trade



## The Real Time Data Flow

**BR NCI™ for July updated to 76.72 from 77.86 in June**

**BR NCI™ for June updated to 73.22 from 73.41**

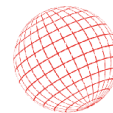
| Release Date | Release Name                  | Reference Period | Model Unit | Release Value* | Model Expectation | Impact of Data Releases |              |
|--------------|-------------------------------|------------------|------------|----------------|-------------------|-------------------------|--------------|
|              |                               |                  |            |                |                   | BR NCI™ Jun             | BR NCI™ Jul  |
| 02/07/2014   | Industrial Production         | May-14           | MoM %      | -0.6           | -0.05             | -1.1                    | -1.43        |
| 01/07/2014   | Imports                       | Jun-14           | MoM %      | -5.64          | -1.33             | -1.57                   | -2.68        |
| 01/07/2014   | Exports                       | Jun-14           | MoM %      | 1.27           | 2.42              | -0.49                   | -0.84        |
| 01/07/2014   | PMI: Manufacturing            | Jun-14           | Index      | 48.74          | 49.13             | -0.17                   | -0.58        |
| 30/06/2014   | Formal Employment             | May-14           | Index      | 117.05         | 117.02            | 0.3                     | 0.8          |
| 30/06/2014   | Monthly Nominal GDP           | May-14           | MoM %      | 0.71           | 1.24              | -0.6                    | -0.95        |
| 26/06/2014   | Consumer Confidence           | Jun-14           | Index      | 103.8          | 102.83            | 0.03                    | 0.05         |
| 13/06/2014   | Economic Activity Indicator   | Apr-14           | MoM %      | 0.12           | 0.14              | -0.05                   | -0.04        |
| 12/06/2014   | Retail Trade: Extended Volume | Apr-14           | MoM %      | 0.63           | 0.8               | -0.08                   | -0.06        |
| 12/06/2014   | Retail Trade: Extended        | Apr-14           | Rate %     | -0.35          | 0.38              | -0.47                   | -0.38        |
| 05/06/2014   | Capacity Utilization          | Apr-14           | Level %    | 81.1           | 81.09             | 0.09                    | 0.07         |
| 05/06/2014   | Manufacturing Sales           | Apr-14           | MoM %      | 2.65           | 0.88              | 1.62                    | 1.29         |
|              |                               |                  |            |                |                   | <b>-2.49</b>            | <b>-4.75</b> |

*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 current month NCI™ released today, and the forecast of the 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 NCI™ for the previous month.



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NCI™ releases for Brazil are scheduled on the same day of the release of the Industrial Production Index at 15:00 GMT.

**Next Brazil NCI™ RELEASE: 15:00 GMT 01 Aug, 2014**

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For further information, please contact:

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**Notes to Editors:**

The Now-Casting Index for Brazil is produced by Now-Casting Economics Limited and is based on a model built on 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 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](http://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 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 1995. 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](http://www.now-casting.com)).

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