

# News Release

**Now-Casting Index**  
12:00 GMT 08 July 2014

## Now-Casting United Kingdom 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.K. NCI™ RELEASE:

**06 Aug, 2014**  
**12:00 GMT**

### UK NCI™ reveals strengthening growth

- Further improvement in UK growth trend: the NCI™ is at 134.53 for July, compared to 132.89 for June
- Improvement expected to continue with the August NCI™ forecast at 136.22
- Data released since the UK NCI™ publication date in June have caused upward revisions in these numbers: the July NCI™ released today is higher than the 132.1 forecast a month ago.

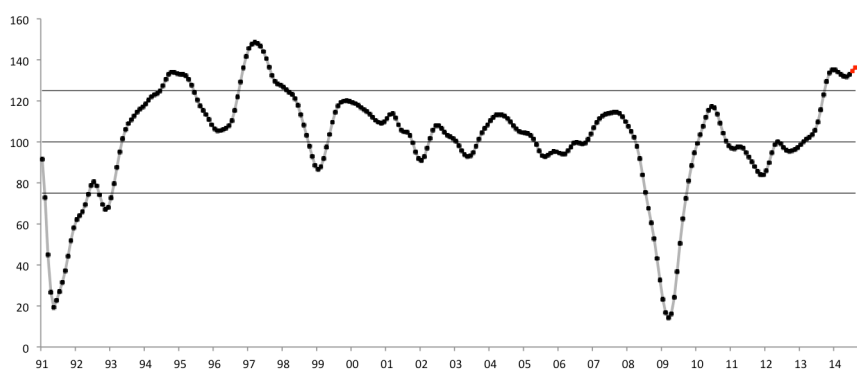
### Now-Casting U.K. NCI™

reference period	NCI™ Release Dates	
	10/06/2014	08/07/2014
Jun-14	132.37 (A)	132.89 (U)
Jul-14	132.1 (F)	134.53 (A)
Aug-14	--	136.22 (F)

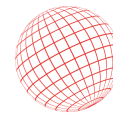
Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for next month; (U) UPDATED, denotes updates reflecting data released since the last NCI publication date. Source: Now-Casting Economics Ltd

*Jasper McMahon, CEO of Now-Casting Economics, commented, "This month's UK NCI™ shows that the UK economy continues to grow at an exceptional pace. Over the past month strong data for both industry and construction have further improved the outlook. After a brief pause in April and May, growth momentum has strengthened further. Economic data released over the past month have been positive, causing upward revisions the NCI™ for both June and July"*

### Now-Casting U.K. NCI™



Source: Now-Casting Economics Ltd



## The Real Time Data Flow

**UK NCI™ for July updated to 134.53 from 132.1 expected in June**

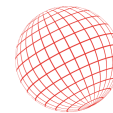
**UK NCI™ for June updated to 132.89 from 132.37**

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						UK NCI™ June	UK NCI™ July
08/07/2014	Industrial Production Excl Construction	May-14	MoM %	-0.71	0.36	-0.67	-0.76
03/07/2014	PMI: Services	Jun-14	Index	57.69	58.72	-0.19	-0.46
02/07/2014	PMI: Construction	Jun-14	Index	62.57	60.25	0.36	0.85
01/07/2014	PMI: Manufacturing	Jun-14	Index	57.5	56.97	0.10	0.27
27/06/2014	Economic Sentiment Indicator	Jun-14	Index	120.7	119.11	0.29	0.75
27/06/2014	Consumer Confidence	Jun-14	Index	1.00	-1.07	0.04	0.08
25/06/2014	Distributive Trades: Retail Sales Volume	Jun-14	Index	4.00	3.17	0.01	-0.03
19/06/2014	Industrial Trends: Total Order Book	Jun-14	Index	11.00	-1.07	0.66	1.82
19/06/2014	Retail Sales	May-14	MoM %	-0.47	-0.02	-0.11	-0.13
12/06/2014	Ratio of House Sales to Unsold Stock	May-14	Index	39.4	38.8	0.02	0.03
11/06/2014	Claimant Count Rate	May-14	Rate %	3.20	3.19	-0.34	-0.40
						<b>0.17</b>	<b>2.02</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.



---

NCI™ releases for the United Kingdom are scheduled on the same day of the release of the Industrial Production Index at 12:00 GMT.

**Next U.K. NCI™ RELEASE: 12:00 GMT 6th August, 2014**

- ends -

For further information, please contact:

**Linstock Communications**

Tom Yazdi or Keith Brookbank

Tel: +44 (0)20 7089 2080

**Notes to Editors:**

The Now-Casting Index for the United Kingdom 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 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](http://www.now-casting.com)).

The intellectual property rights to the UK NCI™ provided herein are owned by Now-Casting Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Now-Casting Economics' prior consent. Now-Casting Economics shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Now-Casting Economics be liable for any special, incidental, or consequential damages, arising out of the use of the data. NCI™ is a registered trademark of Now-Casting Economics Limited. The Now-Casting.com logo is a registered trade mark of Now-Casting Economics Limited.