

News Release

Now-Casting Index

12:00 BST 13 August 2014

Now-Casting Euro Area 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 E.A. NCI™ RELEASE:

12 Sept, 2014
12:00 BST

Eurozone growth weakens further in August

- The NCI™ is at 94.77 for August, compared to 95.98 for July. The NCI™ for September is forecast at 94.15
- Data released over the past month have caused the NCI™ for August to be somewhat higher than forecast last month. There have been few significant surprises in the recent data flow but the survey data in particular has been slightly better than expected

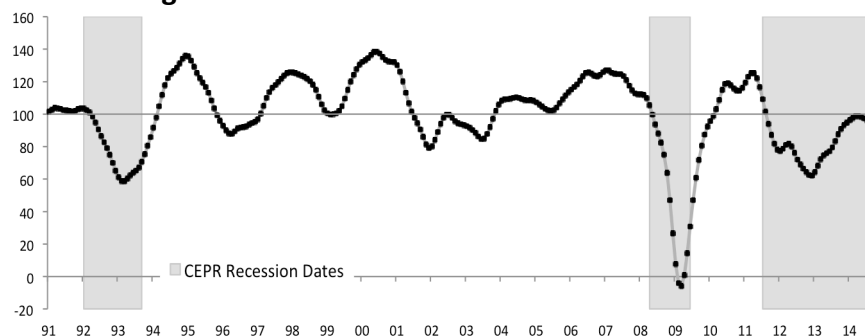
Now-Casting E.A. NCI™

reference period	NCI™ Release Dates	
	14/07/2014	13/08/2014
Jul-14	94.24 (A)	95.98 (U)
Aug-14	92.06 (F)	94.77 (A)
Sep-14	--	94.15 (F)

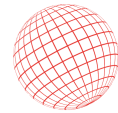
Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for next month; (U) UPDATED, denotes updates reflecting data released since the last NCI publication date. Source: Now-Casting Economics Ltd

Jasper McMahon, CEO of Now-Casting, commented "The latest NCI™ figure for the Euro Area shows that growth has continued to weaken over the past month. We see this as a trend affecting the whole of the Euro Area – both the core and the periphery. Although there were some positive surprises in the recent data flow, the overall picture is clear: August will be the fourth successive month of deteriorating conditions since the NCI™ peaked in April."

Now-Casting E.A. NCI™



Source: Now-Casting Economics Ltd



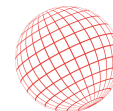
The Real Time Data Flow

EA NCI™ for August updated to 94.77 from 92.06 expected in July

EA NCI™ for July updated to 95.98 from 94.24

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of EA Data Releases	
						EA NCI™ July	EA NCI™ August
13/08/2014	Industrial Production Excl Construction	Jun-14	MoM %	-0.33	0.16	-0.24	-0.30
10/08/2014	Industrial Turnover: Manufacturing	Jun-14	MoM %	0.20	0.21	0.00	0.00
07/08/2014	Industrial Turnover: Manufacturing	May-14	MoM %	-1.14	-0.32	-0.23	-0.25
05/08/2014	Retail Sales	Jun-14	MoM %	0.36	0.06	0.05	0.06
30/07/2014	Business Climate Indicator	Jul-14	Index	0.17	0.20	0.03	0.00
24/07/2014	PMI: Manufacturing	Jul-14	Index	51.88	51.61	0.05	0.20
24/07/2014	PMI: Services	Jul-14	Index	54.38	52.73	0.30	0.64
23/07/2014	Consumer Confidence Indicator	Jul-14	Index	-8.40	-7.16	-0.13	-0.25
22/07/2014	Orders	May-14	MoM %	-0.99	-0.99	0.00	0.00
17/07/2014	Construction Output	May-14	MoM %	-1.50	-1.45	-0.01	-0.01
17/07/2014	New Passenger Car Registrations	Jun-14	YoY %	4.70	0.19	0.08	0.12
16/07/2014	Imports	May-14	MoM %	0.54	0.07	0.07	0.08
16/07/2014	Exports	May-14	MoM %	0.57	0.13	0.06	0.07
						-0.18	0.09

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of FR Data Releases	
						EA NCI™ July	EA NCI™ August
08/08/2014	BdF Business Sentiment Indicator	Jul-14	Index	96.25	96.88	-0.05	-0.11
08/08/2014	Industrial Production Excl Construction	Jun-14	MoM %	1.64	0.99	0.16	0.21
08/08/2014	Construction Output	Jun-14	MoM %	0.21	0.40	-0.02	-0.02
07/08/2014	Imports	Jun-14	MoM %	2.18	-0.82	0.32	0.42
07/08/2014	Exports	Jun-14	MoM %	1.80	-0.03	0.14	0.19
01/08/2014	New Passenger Car Registrations	Jul-14	YoY %	-4.29	0.11	-0.01	-0.02
31/07/2014	Household Consumption: Manufactured C	Jun-14	MoM %	1.25	0.37	0.07	0.10
30/07/2014	Retail Sales	May-14	MoM %	1.15	0.28	0.04	0.05
30/07/2014	Industrial Turnover: Manufacturing	May-14	MoM %	-1.37	-0.03	-0.22	-0.24
30/07/2014	Household Confidence Indicator	Jul-14	Index	86.30	86.00	0.00	0.01
25/07/2014	Registered Unemployed	Jun-14	Thousands	3,398.30	3,398.56	0.00	0.01
24/07/2014	PMI: Manufacturing	Jul-14	Index	47.64	48.35	-0.13	-0.36
24/07/2014	PMI: Services	Jul-14	Index	50.40	49.75	0.07	0.16
23/07/2014	Business Climate Indicator: Industry	Jul-14	Index	93.00	91.80	0.20	0.64
						0.43	0.59



The Real Time Data Flow - continued

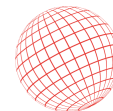
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of GE Data Releases	
						EA NCI™ July	EA NCI™ August
08/08/2014	Exports	Jun-14	MoM %	0.88	0.37	0.02	0.03
08/08/2014	Imports	Jun-14	MoM %	4.48	1.74	0.10	0.13
07/08/2014	Industrial Production Incl Construction	Jun-14	MoM %	0.28	-0.17	0.09	0.13
07/08/2014	Construction Output	Jun-14	MoM %	3.43	-2.14	0.08	0.15
06/08/2014	Industrial Turnover: Manufacturing	Jun-14	MoM %	0.37	0.01	0.07	0.09
06/08/2014	Orders	Jun-14	MoM %	-3.21	-0.22	-0.25	-0.35
04/08/2014	New Passenger Car Registrations	Jul-14	YoY %	6.76	-1.80	0.00	0.02
31/07/2014	Job Vacancies	Jul-14	MoM %	0.21	0.83	-0.02	-0.04
31/07/2014	Retail Sales	Jun-14	MoM %	1.27	0.04	0.06	0.08
25/07/2014	Ifo Business Climate Index	Jul-14	Index	108.00	110.00	-0.01	-0.36
25/07/2014	GfK Consumer Climate Indicator	Aug-14	Index	9.00	9.11	0.00	0.00
24/07/2014	PMI: Services	Jul-14	Index	56.57	53.92	0.19	0.48
24/07/2014	PMI: Manufacturing	Jul-14	Index	52.88	51.51	0.19	0.64
						0.14	-0.12

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of IT Data Releases	
						EA NCI™ July	EA NCI™ August
06/08/2014	Gross Domestic Product	Q2'14	QoQ %	-0.20	0.15	-0.19	-0.19
06/08/2014	Industrial Production Excl Construction	Jun-14	MoM %	0.88	-0.05	0.23	0.31
05/08/2014	PMI: Services	Jul-14	Index	52.85	53.70	-0.03	-0.08
01/08/2014	New Passenger Car Registrations	Jul-14	YoY %	5.02	-0.31	0.03	0.04
01/08/2014	PMI: Manufacturing	Jul-14	Index	51.86	52.04	-0.04	-0.08
28/07/2014	ISAE Business Confidence Indicator	Jul-14	Index	99.70	99.65	0.00	0.01
24/07/2014	ISAE Consumer Confidence Indicator	Jul-14	Index	104.60	105.82	-0.01	-0.01
24/07/2014	Retail Sales	May-14	MoM %	-0.73	-0.07	-0.11	-0.11
21/07/2014	Industrial Turnover	May-14	MoM %	-1.02	-0.17	-0.06	-0.07
21/07/2014	Orders	May-14	MoM %	-2.11	-2.01	0.00	-0.01
18/07/2014	Construction Output	May-14	MoM %	-1.14	-0.88	0.00	-0.01
16/07/2014	Imports	May-14	MoM %	3.19	0.03	0.26	0.29
16/07/2014	Exports	May-14	MoM %	2.20	-0.52	0.16	0.19
						-0.18	-0.19

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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economics in real time

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

Next E.A. NCI™ RELEASE: 12:00 GMT 12 September, 2014

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Notes to Editors:

The Now-Casting Index for the Euro Area 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 EA 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 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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