



15th September 2014

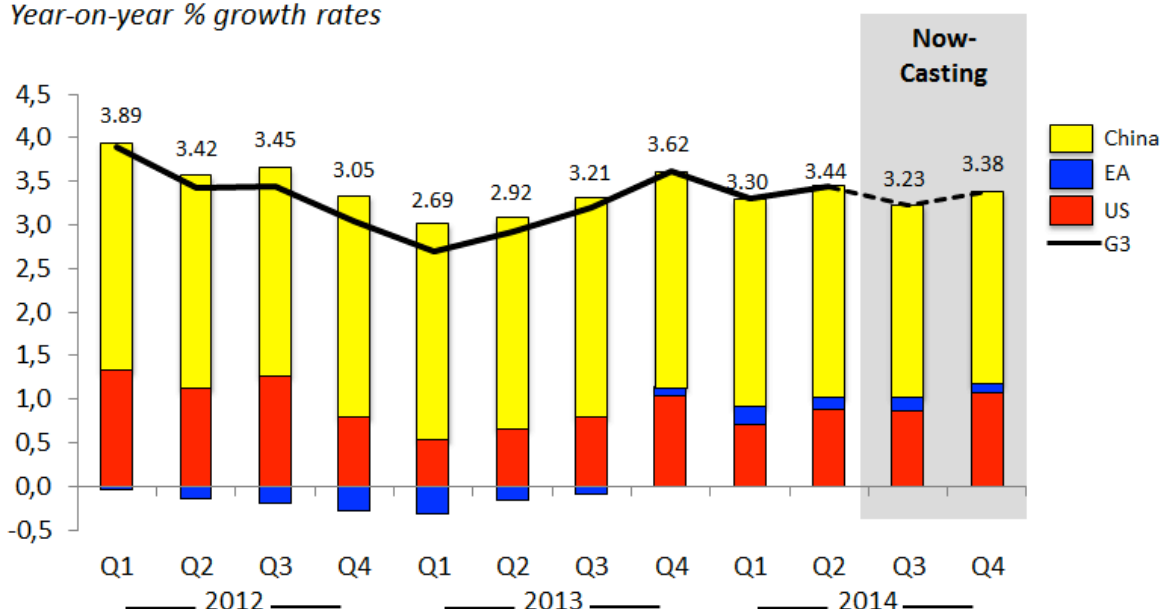
G3 growth ticks down in Q3 but expected steady for full year Regional picture divergent: the US improves, China slows and the Euro Area slides

Growth in the G3 economies – the US, Euro Area and China – is expected to be 3.23% in the third quarter of 2014, with respect to the same period in the previous year, according to the Now-Casting growth monitor. The growth rate in the fourth quarter is expected to be higher, at 3.38%. Overall, the growth rate has been relatively stable throughout this year, and we expect G3 growth for the full year to be 3.3%.

Jasper McMahon, CEO of Now-Casting Economics, commented: “The aggregate figure masks significant regional changes. In particular the US picture has improved with upward revisions of both Q1 and Q2 growth, and a significant improvement in the outlook for both Q3 and Q4. On the other hand, the outlook in the Euro Area continues to deteriorate, and the most recent data have caused a downgrading in our expectations of both Q3 and Q4 growth in China.”

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

Year-on-year % growth rates



Contributions to G3 growth weighted by share of 2013 GDP from IMF World Economic Outlook, April 2014

Sources: US Bureau of Economic Analysis; Eurostat; National Bureau of Statistics of China; IMF World Economic Outlook, April 2014; Now-Casting Economics Ltd.



CHANGES TO GROWTH RATES SINCE LAST MONTH'S PRESS RELEASE

year-on-year % growth rates

		Q3 2014	Q4 2014
G3	Last month's prediction	3.24	3.36
	New prediction	3.23	3.38
	Change on month	-0.01	+0.02
US	Last month's prediction	1.62	1.78
	New prediction	2.15	2.66
	Change on month	+0.53	+0.88
Euro Area	Last month's prediction	0.59	0.59
	New prediction	0.57	0.35
	Change on month	-0.02	-0.24
China	Last month's prediction	7.51	7.69
	New prediction	6.84	6.86
	Change on month	-0.67	-0.83

GDP GROWTH FOR THE G3 – US, EA AND CHINA

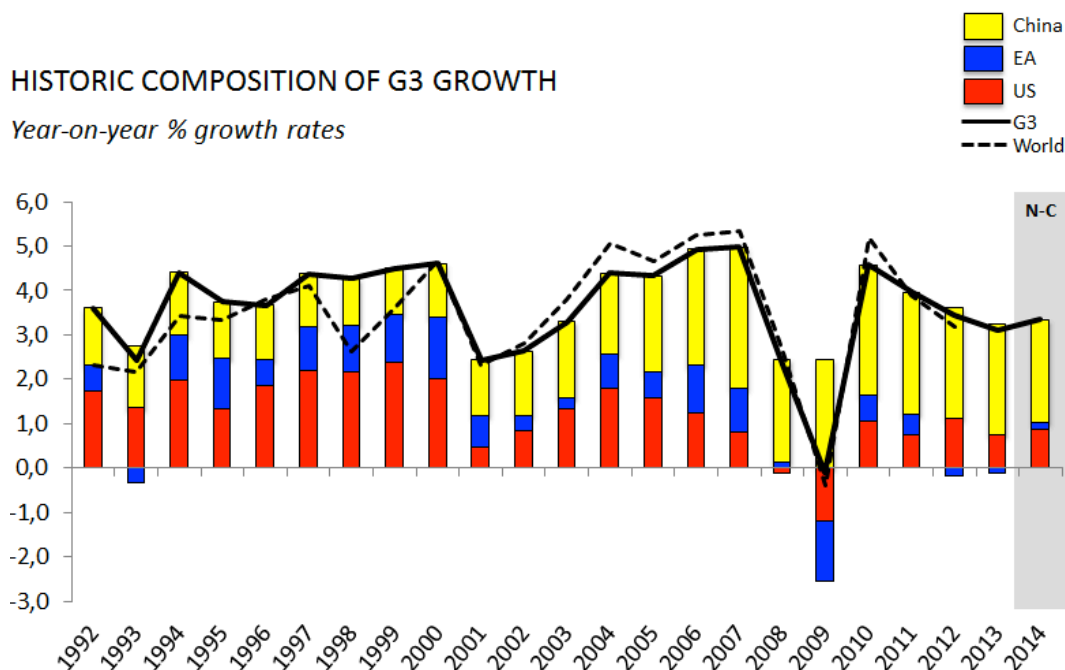
year-on-year % growth rates

	2012		2013				2014				2013	2014	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3	Q4	Year	Year	
Growth rates													
US	3.13	1.95	1.32	1.64	1.96	2.58	1.75	2.16	2.15	2.66	1.87	2.18	
Euro Area	-0.74	-1.03	-1.16	-0.59	-0.36	0.34	0.77	0.55	0.57	0.35	-0.44	0.56	
China	7.40	7.90	7.70	7.50	7.80	7.70	7.40	7.50	6.84	6.86	7.68	7.15	
Contribution to G3 growth rate													
	<u>Weight²</u>												
US	40.4%	1.27	0.79	0.53	0.66	0.79	1.04	0.71	0.87	0.87	1.07	0.76	0.88
Euro Area	27.4%	-0.20	-0.28	-0.32	-0.16	-0.10	0.09	0.21	0.15	0.16	0.10	-0.12	0.15
China	32.2%	2.38	2.55	2.48	2.42	2.51	2.48	2.38	2.42	2.20	2.21	2.47	2.30
G3 growth rate		3.45	3.05	2.69	2.92	3.21	3.62	3.30	3.44	3.23	3.38	3.11	3.34

1 Figures for Q1 and Q2 have changed since the last G3 press release as a result of revisions to official GDP estimates

2 Weights are shares of 2013 G3 GDP from IMF World Economic Outlook, April 2014

Sources: US Bureau of Economic Analysis; Eurostat; National Bureau of Statistics of China; IMF World Economic Outlook, April 2014 Database; Now-Casting Economics Ltd.



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

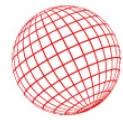
Sources: IMF World Economic Outlook, October 2013; Now-Casting Economics Ltd

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	2014
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	0.9
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	0.2
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	2.5	2.5	2.3
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	3.5	3.1	3.3
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 2013 GDP from IMF World Economic Outlook, April 2014.

Sources: 2014 figures from Now-Casting Economics Ltd; other figures from IMF World Economic Outlook, April 2014



The next estimate of G3 GDP growth will be published on Tuesday, 21st October, 2014. G3 GDP estimates will be published on the 15th of each month or the first working day thereafter, except in months in which the first official estimate of GDP for the US, Euro Area or China is published close to the middle of the month. In those months the Now-Casting global growth monitor will be published immediately after the relevant official release.

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Notes to editors:

Now-Casting.com is an 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).

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.