

# News Release

**Now-Casting Index**  
12:00 GMT 21 October 2014

## Now-Casting China 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 China NCI™ RELEASE:

**13 Nov, 2014**  
**12:00 GMT**

### China growth remains steady

- Steady growth confirmed: October NCI™ is at 57.89 compared to 57.93 for September
- The outlook is expected to improve: November NCI™ forecast is at 62.04
- China NCI™ figure for October updated to 57.89 from 53.86 forecasted a month ago.

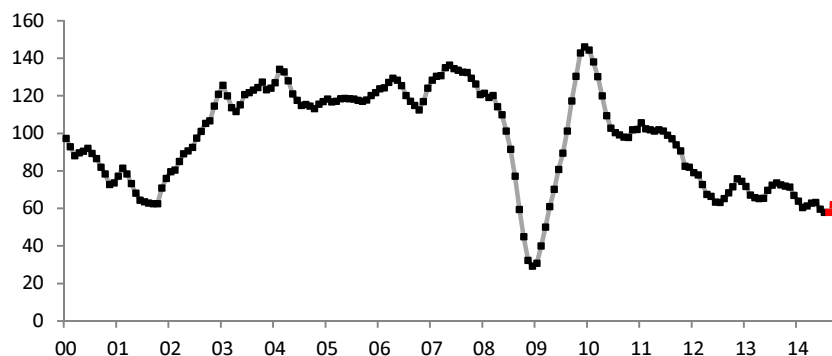
### Now-Casting China NCI™

reference period	NCI™ Release Dates	
	13/09/2014	21/10/2014
Sep-14	55.86 (A)	57.93 (U)
Oct-14	53.86 (F)	57.89 (A)
Nov-14	--	62.04 (F)

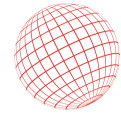
Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for next month; (U) UPDATED, denotes updates reflecting data released since last NCI publication date. Source: Now-Casting Economics Ltd

*Jasper McMahon, CEO of Now-Casting Economics, commented, "Positive and significant signals are coming from both international trade data and the production sector, where the effects of negative IP surprises have been more than offset by the other indicators that we monitor. While a slightly more pessimistic scenario seems to be depicted by the services sector, our implied GDP nowcast for Q4 is now at 7.4% YoY, up from 6.9% forecast a month ago."*

### Now-Casting China NCI™



Source: Now-Casting Economics Ltd



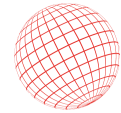
## The Real Time Data Flow

**China NCI™ for October updated to 57.89 from 53.86 expected in September**  
**China NCI™ for September updated to 57.93 from 55.86**

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						U.S NCI™ September	U.S NCI™ October
23/09/2014	HSBC/Markit PMI: Manufacturing	Sep-14	Index	50.48	50.15	0.24	0.45
26/09/2014	Freight Traffic	Aug-14	YoY %	6.16	4.4	0.09	0.15
01/10/2014	Official PMI: Manufacturing	Sep-14	Index	51.1	50.91	0.08	0.15
03/10/2014	Official PMI: Nonmanufacturing	Sep-14	Index	54	55.16	-0.04	-0.07
08/10/2014	HSBC/Markit PMI: Services	Sep-14	Index	53.48	54.27	-0.35	-0.66
13/10/2014	Merchandise Imports	Sep-14	YoY %	7	-2.02	0.79	1.42
13/10/2014	Merchandise Exports	Sep-14	YoY %	15.3	6.57	1.19	2.23
21/10/2014	Electricity Production	Sep-14	YoY %	5.37	1.02	0.48	1.28
21/10/2014	Newly Started Construction	Sep-14	YoY %	-0.17	5.75	-0.02	-0.05
21/10/2014	Industrial Production	Sep-14	YoY %	8	8.22	-0.49	-0.81
21/10/2014	Real GDP	Q3-14	YoY %	7.3	6.95	0.3	0.33
						<b>2.27</b>	<b>4.42</b>

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 the China are scheduled on the same day of the release of the Industrial Production Index at 12:00 GMT.

**Next China NCI™ RELEASE: 12:00 GMT 13th November, 2014**

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For further information, please contact:

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**Notes to Editors:**

The Now-Casting Index for China 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 China 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 2000. 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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