



## News Release

**Now-Casting Index**  
13:00 GMT 04 November 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:

**02 Dec, 2014**  
**13:00 GMT**

## Brazil growth weakens in November

- The Brazil NCI™ is at 70.28 for November compared to 72.46 for October indicating that the economic conditions have deteriorated over the past month. The forecast for December, at 64.36, shows a further weakening with respect to November.
- Following data released over the past month the NCI™ for November is revised downward from the 92.00 forecast a month ago.

### Now-Casting BR NCI™

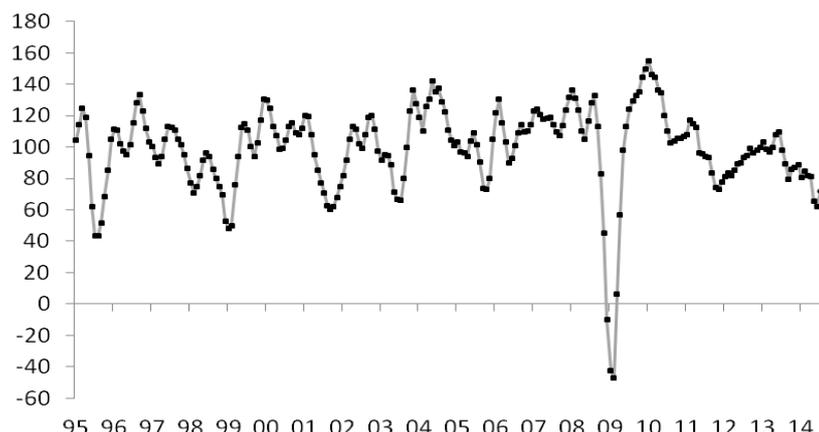
#### NCI™ Release Dates

reference period	10/2/2014	11/4/2014
Oct-14	89.56 (A)	72.46 (U)
Nov-14	92.00 (F)	70.28 (A)
Dec-14	--	64.36 (F)

Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for next month; (U), UPDATED, denotes the 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 Brazil NCI™ shows that conditions in Brazil are deteriorating driven by the negative news on employment, trade and monthly GDP. Our view is that GDP growth in Q3 will be around 0.36% quarter-on-quarter, and that growth will turn negative in Q4 at about -0.32% quarter-on-quarter."*

### Now-Casting BR NCI™





## The Real Time Data Flow

**BR NCI™ for November updated to 70.92 from 92.00 in October**

**BR NCI™ for October updated to 72.46 from 89.56**

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						Brazil NCI™ Oct	Brazil NCI™ Nov
4-Nov-14	Industrial Production	14-Sep	MoM %	-0.20	-1.11	1.54	2.06
3-Nov-14	Manufacturing Sales	14-Sep	MoM %	0.80	-2.00	2.31	3.08
3-Nov-14	Capacity Utilization	14-Sep	Level %	81.30	80.18	7.34	9.94
3-Nov-14	Exports	14-Oct	MoM %	-9.28	-1.81	-3.39	-5.93
3-Nov-14	Imports	14-Oct	MoM %	-11.25	-7.83	-1.47	-2.53
3-Nov-14	PMI: Manufacturing	14-Oct	Index	49.13	49.81	-0.26	-0.92
31-Oct-14	Monthly Nominal GDP	14-Sep	MoM %	-0.81	0.34	-1.28	-2.04
29-Oct-14	Consumer Confidence	14-Oct	Index	101.50	103.12	-0.04	-0.08
16-Oct-14	Economic Activity Indicator	14-Aug	MoM %	0.27	-0.44	1.79	1.47
15-Oct-14	Jobs Created	14-Sep	Thousands (net change)	123,785.00	237,109.76	-3.08	-6.62
15-Oct-14	Retail Trade: Extended Volume	14-Aug	MoM %	-0.37	-0.09	-0.13	-0.10
15-Oct-14	Retail Trade: Extended	14-Aug	MoM %	1.15	0.18	0.62	0.51
10-Oct-14	Manufacturing Sales	14-Aug	MoM %	1.07	-2.26	3.11	2.47
10-Oct-14	Capacity Utilization	14-Aug	Level %	80.50	80.36	1.06	0.85
8-Oct-14	Formal Employment	14-Aug	Index	115.31	116.97	-26.05	-25.41
						<b>-17.93</b>	<b>-23.25</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: 13:00 GMT 02 December, 2014**

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For further information, please contact:

**Linstock Communications**

Tom Yazdi or Keith Brookbank

Tel: +44 (0)20 70892080

**Now-Casting Economics Limited**

Jasper McMahon

Tel: +44 (0)207 257 9590

**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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