

News Release

Now-Casting Index
12:00 GMT 12 November 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 Dec, 2014
12:00 GMT

Eurozone economic performance continues to slide

- Eurozone is still on a declining path: the NCI™ is at 87.22 for November compared to 89.20 in October.
- Outlook is not expected to improve: the December NCI™ is forecast at 86.41.
- Following data released over the past month the NCI™ for November is revised upward from the 85.19 forecast a month ago.

Now-Casting E.A. NCI™

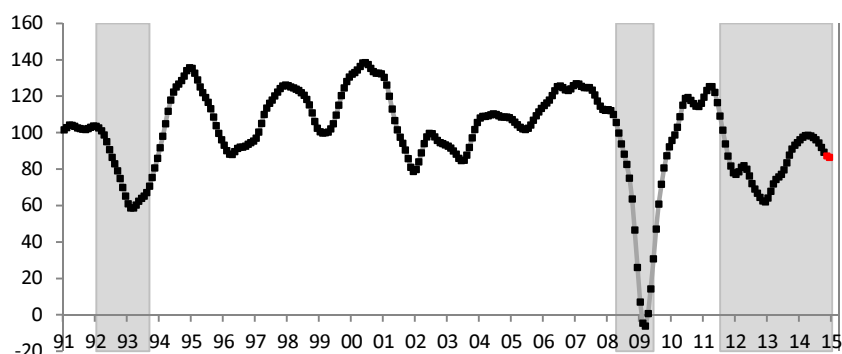
reference period	NCI™ Release Dates	
	14/10/2014	12/11/2014
Oct-14	87.91 (A)	89.20 (U)
Nov-14	85.19 (F)	87.22 (A)
Dec-14	--	86.41 (F)

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

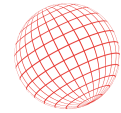
Jasper McMahon, CEO of Now-Casting Economics, commented, "The slow, yet persistent, decline we have witnessed in the Eurozone for the past five months doesn't show signs of having come to an end just yet. This is despite positive signals coming from trade data in France and Germany.

"The most recent area-wide manufacturing data have contributed to a higher NCI figure for November compared to our previous forecasts. But overall growth remains weak."

Now-Casting E.A. NCI™



Source: Now-Casting Economics Ltd



The Real Time Data Flow

EA NCI™ for November updated to 87.22 from 85.19 in October

EA NCI™ for October updated to 89.20 from 87.91

						Impact of EA Data	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCI™ October	EA NCI™ November
16/10/2014	Imports	Aug-14	MoM %	-3.08	-0.89	-0.32	-0.37
16/10/2014	Exports	Aug-14	MoM %	-0.89	-0.41	-0.06	-0.07
17/10/2014	Construction Output	Aug-14	MoM %	1.55	0.56	0.09	0.1
17/10/2014	New Passenger Car Registrations	Sep-14	YoY %	6.38	-0.93	0.13	0.19
19/10/2014	Industrial Turnover: Manufacturing	Aug-14	MoM %	-1.33	-0.71	-0.2	-0.23
20/10/2014	Orders	Aug-14	MoM %	-2.36	-1.56	-0.11	-0.13
23/10/2014	Consumer Confidence Indicator	Oct-14	Index	-11.1	-11.69	0.05	0.07
23/10/2014	PMI: Manufacturing	Oct-14	Index	50.7	50.05	0.13	0.5
23/10/2014	PMI: Services	Oct-14	Index	52.35	52.05	0.06	0.12
30/10/2014	Business Climate Indicator	Oct-14	Index	0.05	0.06	0.01	0
05/11/2014	Retail Sales	Sep-14	MoM %	-1.26	-0.66	-0.11	-0.13
12/11/2014	Industrial Production Excl Construction	Sep-14	MoM %	0.63	0.11	0.27	0.33
						-0.06	0.38

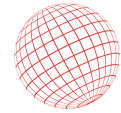
						Impact of GER Data	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCI™ October	EA NCI™ November
23/10/2014	PMI: Manufacturing	Oct-14	Index	51.78	49.57	0.19	0.7
23/10/2014	PMI: Services	Oct-14	Index	54.77	54.71	0	0.01
24/10/2014	GfK Consumer Climate Indicator	Nov-14	Index	8.5	8.05	0	-0.01
27/10/2014	Ifo Business Climate Index	Oct-14	Index	103.2	104.9	-0.01	-0.31
30/10/2014	Job Vacancies	Oct-14	MoM %	1.8	0.76	0.04	0.07
31/10/2014	Retail Sales	Sep-14	MoM %	-3.18	-0.71	-0.12	-0.16
04/11/2014	New Passenger Car Registrations	Oct-14	YoY %	3.72	2.89	0	0
06/11/2014	Industrial Turnover: Manufacturing	Sep-14	MoM %	-0.37	0.06	-0.08	-0.11
06/11/2014	Orders	Sep-14	MoM %	0.84	0.9	-0.01	-0.01
07/11/2014	Imports	Sep-14	MoM %	5.39	0.36	0.21	0.27
07/11/2014	Exports	Sep-14	MoM %	5.48	2.82	0.12	0.16
07/11/2014	Industrial Production Incl Construction	Sep-14	MoM %	1.42	1.11	0.06	0.09
07/11/2014	Construction Output	Sep-14	MoM %	2.36	0.85	0.02	0.03
						0.42	0.73

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.



The Real Time Data Flow

EA NCI™ for November updated to 87.22 from 85.19 in October

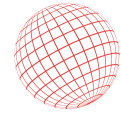
EA NCI™ for October updated to 89.20 from 87.91

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of ITA Data	
						EA NCI™ October	EA NCI™ November
16/10/2014	Imports	Aug-14	MoM %	-0.37	0.7	-0.09	-0.1
16/10/2014	Exports	Aug-14	MoM %	1.11	0.33	0.05	0.06
17/10/2014	Construction Output	Aug-14	MoM %	5.98	0.85	0.12	0.14
20/10/2014	Orders	Aug-14	MoM %	1.48	-0.29	0.06	0.07
20/10/2014	Industrial Turnover	Aug-14	MoM %	0.41	-0.03	0.03	0.03
24/10/2014	ISAE Consumer Confidence Indicator	Oct-14	Index	101.4	101.81	0	0
24/10/2014	Retail Sales	Aug-14	MoM %	-0.11	0.06	-0.03	-0.03
28/10/2014	ISAE Business Confidence Indicator	Oct-14	Index	96	94.79	0.09	0.25
03/11/2014	New Passenger Car Registrations	Oct-14	YoY %	9.21	-1.26	0.05	0.08
03/11/2014	PMI: Manufacturing	Oct-14	Index	48.99	50.24	-0.27	-0.53
05/11/2014	PMI: Services	Oct-14	Index	50.76	49.08	0.06	0.16
10/11/2014	Industrial Production Excl Construction	Sep-14	MoM %	-0.88	-0.69	-0.05	-0.06
						0.02	0.07

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of FRA Data	
						EA NCI™ October	EA NCI™ November
23/10/2014	Business Climate Indicator: Industry	Oct-14	Index	91	90.92	0	0.02
23/10/2014	PMI: Manufacturing	Oct-14	Index	47.31	48.74	-0.18	-0.42
23/10/2014	PMI: Services	Oct-14	Index	48.12	49.71	-0.14	-0.25
24/10/2014	Registered Unemployed	Sep-14	Thousands	3432.5	3420.18	-0.21	-0.24
24/10/2014	Retail Sales	Aug-14	MoM %	1.05	0.14	0.04	0.05
24/10/2014	Industrial Turnover: Manufacturing	Aug-14	MoM %	0.18	0.72	-0.08	-0.09
29/10/2014	Household Confidence Indicator	Oct-14	Index	85.02	85.51	-0.01	-0.02
31/10/2014	Household Consumption: Manufactured Goods	Sep-14	MoM %	-0.7	-0.31	-0.03	-0.04
03/11/2014	New Passenger Car Registrations	Oct-14	YoY %	-3.8	1.31	-0.01	-0.02
07/11/2014	BdF Business Sentiment Indicator	Oct-14	Index	96	95.71	0.02	0.05
07/11/2014	Construction Output	Sep-14	MoM %	-2.31	-0.24	-0.17	-0.23
07/11/2014	Imports	Sep-14	MoM %	0.72	-0.17	0.09	0.11
07/11/2014	Exports	Sep-14	MoM %	1.68	0.28	0.1	0.13
07/11/2014	Industrial Production Excl Construction	Sep-14	MoM %	0.61	-0.37	0.25	0.32
						-0.33	-0.63

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources



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 12th December 2014

- ends -

For further information, please contact:

Linstock Communications

Tom Yazdi or Simon Maule

Tel: +44 (0)20 7089 2080

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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