



14<sup>th</sup> November 2014

## Q4 GDP up 3.5% on last year

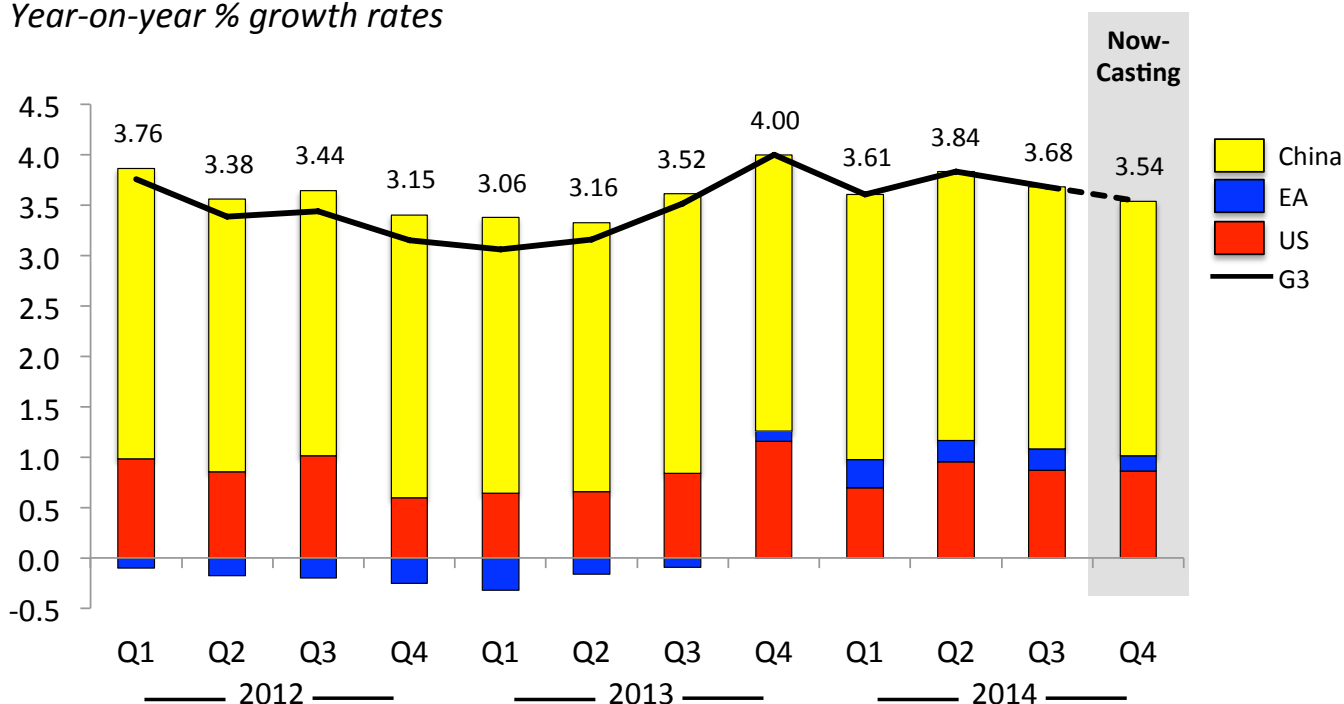
### Revised figures point to declining growth rate across G3

The G3 economies – the US, Euro Area and China – are growing at 3.54% in the fourth quarter of 2014 with respect to the same period in the previous year, according to the Now-Casting growth monitor. Revisions to official GDP figures for prior periods show that the growth rate for Q4 is lower than Q3 (3.68%) and for Q2 (3.84%) on the same basis. The Q4 growth rate is almost the same as we saw a month ago; an upward revision of the Euro Area numbers has been offset by a downward revision for China.

*Jasper McMahon, Co-founder and Director of Now-Casting, commented: “Although official numbers for Q3 were in line with expectations, Q4 will be weaker. We now expect GDP growth for the full year to be 3.67%”*

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



## CHANGES TO GROWTH RATES SINCE LAST MONTH'S PRESS RELEASE

*year-on-year % growth rates*

|                  |                                      | Q3 2014 | Q4 2014 |
|------------------|--------------------------------------|---------|---------|
| <b>G3</b>        | Last month's prediction              | 3.52    | 3.55    |
|                  | New prediction <sup>1</sup>          | 3.68    | 3.54    |
|                  | Change on month                      | +0.16   | -0.01   |
| <b>US</b>        | Last month's prediction              | 2.10    | 2.30    |
|                  | New prediction <sup>1</sup>          | 2.35    | 2.34    |
|                  | Change on month                      | +0.25   | +0.04   |
| <b>Euro Area</b> | Last month's prediction              | 0.53    | 0.22    |
|                  | New prediction <sup>1</sup>          | 0.78    | 0.54    |
|                  | Change on month                      | +0.25   | +0.32   |
| <b>China</b>     | Last month's prediction <sup>1</sup> | 7.30    | 7.41    |
|                  | New prediction <sup>1</sup>          | 7.30    | 7.10    |
|                  | Change on month                      | 0.00    | -0.31   |

1 New figures for Q3 are official estimates for all three components: the US, Euro Area and China

## 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   | Q2   | Q3   | Q4   | Year  | Year  |      |
| Growth rates                   |                     |       |       |       |       |       |      |      |      |      |       |       |      |
| US                             | 2.74                | 1.61  | 1.73  | 1.77  | 2.27  | 3.12  | 1.89 | 2.59 | 2.35 | 2.34 | 2.22  | 2.29  |      |
| Euro Area                      | -0.74               | -0.93 | -1.16 | -0.59 | -0.34 | 0.38  | 1.01 | 0.77 | 0.78 | 0.54 | -0.43 | 0.78  |      |
| China                          | 7.40                | 7.90  | 7.70  | 7.50  | 7.80  | 7.70  | 7.40 | 7.50 | 7.30 | 7.10 | 7.68  | 7.33  |      |
| Contribution to G3 growth rate |                     |       |       |       |       |       |      |      |      |      |       |       |      |
|                                | Weight <sup>1</sup> |       |       |       |       |       |      |      |      |      |       |       |      |
| US                             | 36.9%               | 1.01  | 0.59  | 0.64  | 0.65  | 0.84  | 1.15 | 0.70 | 0.96 | 0.87 | 0.87  | 0.82  | 0.85 |
| Euro Area                      | 27.5%               | -0.20 | -0.25 | -0.32 | -0.16 | -0.09 | 0.10 | 0.28 | 0.21 | 0.22 | 0.15  | -0.12 | 0.21 |
| China                          | 35.6%               | 2.63  | 2.81  | 2.74  | 2.67  | 2.77  | 2.74 | 2.63 | 2.67 | 2.60 | 2.53  | 2.73  | 2.61 |
| G3 growth rate                 | 3.44                | 3.15  | 3.06  | 3.16  | 3.52  | 4.00  | 3.61 | 3.84 | 3.68 | 3.54 | 3.43  | 3.67  |      |

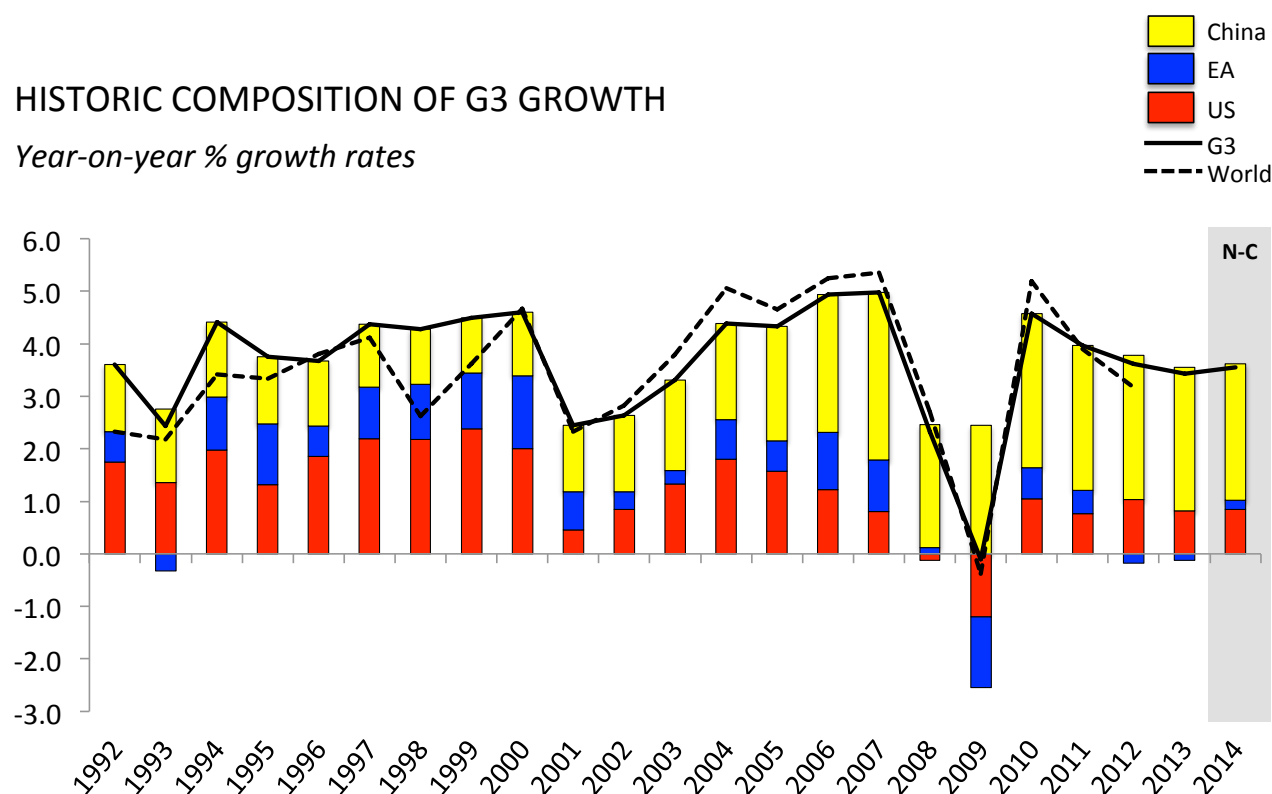
1 Weights are shares of 2013 G3 GDP from IMF World Economic Outlook, October 2014

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



## HISTORIC COMPOSITION OF G3 GROWTH

Year-on-year % growth rates



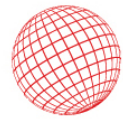
Contributions to G3 growth weighted by share of G3 GDP growth in each year.

Sources: IMF World Economic Outlook, October 2014; 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  | 1.0  | 0.8  | 0.8  |
| 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  | 2.8  | 2.7  | 2.6  |
| 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  | 3.6  | 3.4  | 3.7  |
| 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, October 2014.  
Sources: 2014 figures from Now-Casting Economics Ltd; other figures from IMF World Economic Outlook, October 2014



## Press Release

**Now-Casting.com**  
*economics in real time*

The next estimate of G3 GDP growth will be published on Monday, 15<sup>th</sup> December 2014. G3 GDP estimates will be published on the 15<sup>th</sup> 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](http://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.