

News Release

Now-Casting Index
13:00 GMT 02 December 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:

08 Jan, 2015
13:00 GMT

Brazil economy is expected to grow further

- The Brazil NCI™ is at 94.62 for December, compared to 102.30 for November. Growth is expected to strengthen in the next month with the January NCI™ forecast at 100.30.
- Surprises in the data flow over the past month have caused upward revisions in the level of the NCI™ series. The positive surprises were mainly related to employment and nominal GDP .

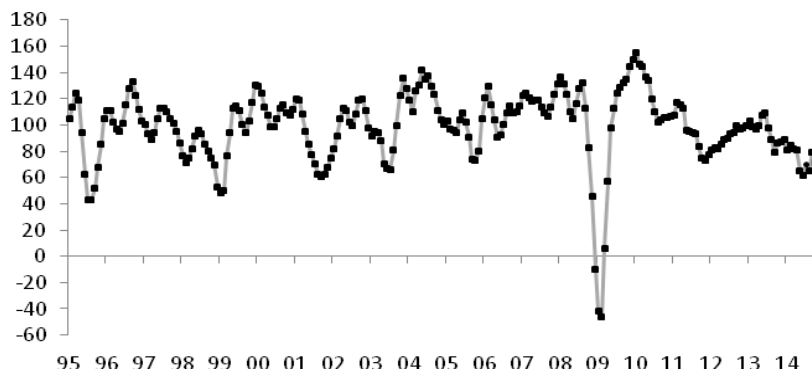
Now-Casting BR NCI™

reference period	NCI™ Release Dates	
	4/11/2014	4/12/2014
Nov-14	70.28 (A)	102.30(U)
Dec-14	64.39 (F)	94.62 (A)
Jan-15	--	100.30 (F)

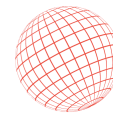
Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for next month; (U), UPDATED, denotes the updates reflecting data released since the last NCI publication date. *Source:* Now-Casting Economics Ltd

Jasper McMahon, CEO of Now-Casting Economics, commented, "The Brazil NCI™, although it has shown a slowdown in the economy in December, is expected to pick up again in January. Over the past month positive surprises in the data flow have outweighed negative surprises, so the level of the NCI has been adjusted upwards."

Now-Casting BR NCI™



Source: Now-Casting Economics Ltd



The Real Time Data Flow

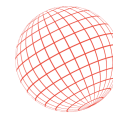
BR NCI™ for December updated to 94.62 from 64.39 in November

BR NCI™ for November updated to 102.30 from 70.28

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						Brazil NCI™ Nov	Brazil NCI™ Dec
2-Dec	Industrial Production	14-Oct	MoM %	0.00	0.46	-0.93	-1.26
1-Dec	Imports	14-Nov	MoM %	2.42	7.57	-1.84	-3.19
1-Dec	Exports	14-Nov	MoM %	-3.66	5.62	-3.98	-6.98
1-Dec	Monthly Nominal GDP	14-Oct	MoM %	3.37	-0.74	4.56	7.40
1-Dec	PMI: Manufacturing	14-Nov	Index	48.65	50.13	-0.41	-1.75
28-Nov	Gross Domestic Product	Q3'14	QoQ %	0.08	0.67	-0.11	-0.06
26-Nov	Consumer Confidence	14-Nov	Index	95.30	101.60	-0.16	-0.31
17-Nov	Economic Activity Indicator	14-Sep	MoM %	0.40	0.88	-1.21	-0.99
14-Nov	Jobs Created	14-Oct	Thousands (net change)	-30283.00	-37652.70	0.20	0.43
14-Nov	Retail Trade: Extended Volume	14-Sep	MoM %	0.47	0.50	-0.53	-0.42
14-Nov	Retail Trade: Extended	14-Sep	MoM %	0.44	0.38	-0.21	-0.17
10-Nov	Formal Employment	14-Sep	Index	117.05	114.06	35.65	36.77
						31.03	29.47

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.



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 8th January, 2015

- ends -

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.

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).

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