



15th December 2014

G3 growth slows in Q4; to jump up in Q1 2015

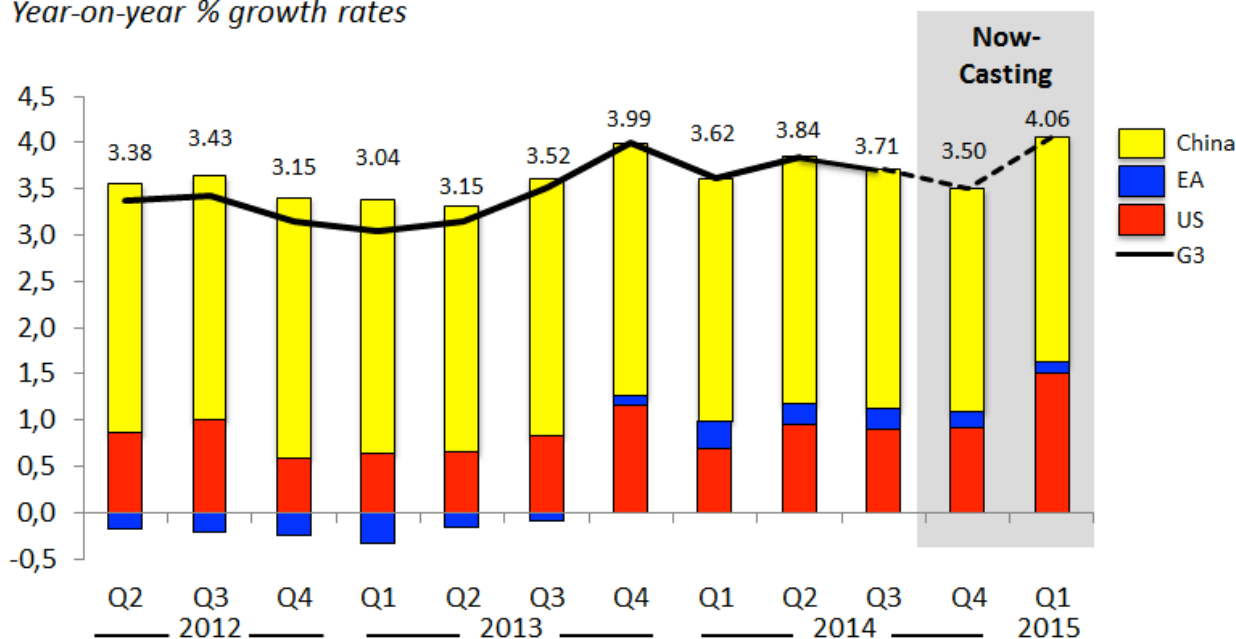
Full year growth for 2014 expected to be 3.7%

The G3 economies – the US, Euro Area and China – are growing at 3.50% in Q4-2014 with respect to the same period in the previous year, according to the Now-Casting growth monitor. The growth rate in Q1-2015 is expected to be higher, largely because of the poor comparator quarter (Q1 2014) in the US. The Q4 growth rate is almost the same as expected a month ago; small upward revisions of the US and European numbers have been offset by a modest downward revision for China.

Jasper McMahon, CEO of Now-Casting, commented: "It has been clear for a while that, on a year-on-year basis, Q4 will be the weakest quarter of 2014. Overall, the Q4 numbers for China have continued to slip, while for the US and Euro Area they have improved, leaving the G3 aggregate more or less unchanged. The first quarter of 2015 will show a jump up."

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, April 2014; Now-Casting Economics Ltd.



CHANGES TO GROWTH RATES SINCE LAST MONTH'S PRESS RELEASE

year-on-year % growth rates

		Q4 2014	Q1 2015
G3	Last month's prediction	3.54	
	New prediction	3.50	4.06
	Change on month	-0.04	
US	Last month's prediction	2.34	
	New prediction	2.48	4.06
	Change on month	0.15	
Euro Area	Last month's prediction	0.54	
	New prediction	0.65	0.46
	Change on month	0.11	
China	Last month's prediction	7.10	
	New prediction ¹	6.76	6.86
	Change on month	-0.34	

GDP GROWTH FOR THE G3 – US, EA AND CHINA

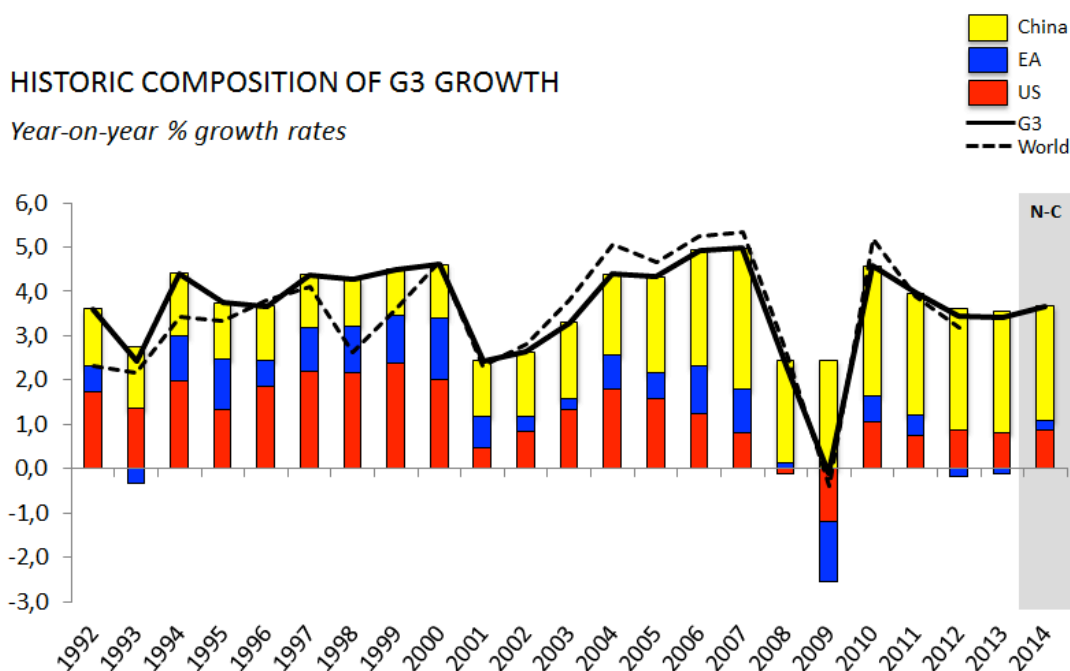
year-on-year % growth rates

	2012		2013			2014				2015	2013	2014	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Year	Year	
Growth rates													
US	1.60	1.72	1.76	2.26	3.13	1.89	2.59	2.44	2.48	4.06	2.22	2.35	
Euro Area	-0.92	-1.21	-0.61	-0.33	0.37	1.07	0.80	0.79	0.65	0.46	-0.44	0.83	
China	7.90	7.70	7.50	7.80	7.70	7.40	7.50	7.30	6.76	6.86	7.68	7.24	
Contribution to G3 growth rate													
	Weight												
US	36.9%	0.59	0.64	0.65	0.83	1.15	0.70	0.96	0.90	0.92	1.50	0.82	0.87
Euro Area	27.5%	-0.25	-0.33	-0.17	-0.09	0.10	0.29	0.22	0.22	0.18	0.13	-0.12	0.23
China	35.6%	2.81	2.74	2.67	2.77	2.74	2.63	2.67	2.60	2.40	2.44	2.73	2.58
G3 growth rate		3.15	3.04	3.15	3.52	3.99	3.62	3.84	3.71	3.50	4.06	3.43	3.67

1 Figures for Q3 have changed since the last G3 press release as a result of changes in official GDP estimates

2 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, April 2014 Database; Now-Casting Economics Ltd.

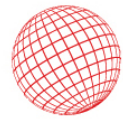


Contributions to G3 growth weighted by share of G3 GDP growth in each year.
 Sources: IMF World Economic Outlook, October 2013; Now-Casting Economics Ltd

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	0.9	0.8	0.9
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	3.4	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



The next estimate of G3 GDP growth will be published on Tuesday, 20th January 2015. G3 GDP estimates will be published on the 15th 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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For further information, please contact:

Now-Casting Economics Limited

Jasper McMahon

Chief Executive

Mobile: +44 7802 485904

Email: jasper.mcmahon@now-casting.com

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).

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.