

News Release

Now-Casting Index

EMBARGOED FOR RELEASE UNTIL: 12:00 GMT 09 January 2015

Now-Casting United Kingdom 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 U.K. NCI™ RELEASE:

10 Feb, 2015
12:00 GMT

Deceleration in U.K. economic growth continues

- The slowing trend continues this month with the January NCI™ at 120.51, compared to 122.14 for December. The February NCI™ is forecast to be slightly lower again at 119.03
- Surprises in the data released in the past month have caused a small downward revision in the January NCI™ - from 122.34

Now-Casting U.K. NCI™

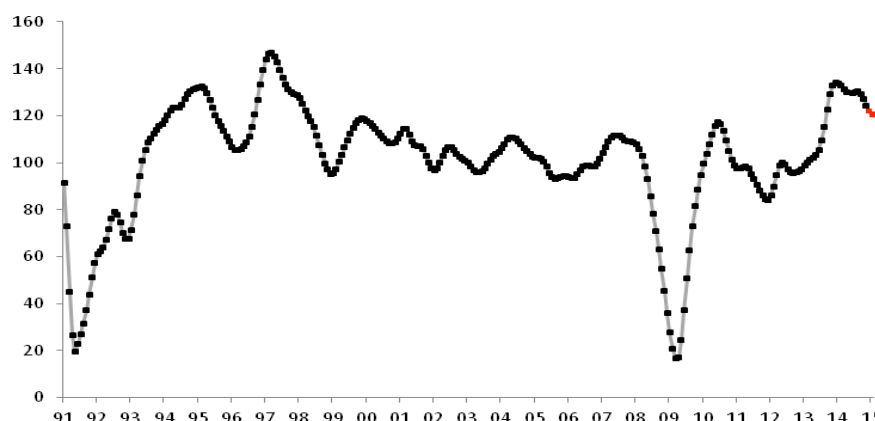
reference period	NCI™ Release Dates	
	9/12/2014	9/01/2015
Dec-15	123.10 (A)	122.14 (U)
Jan-15	122.34 (F)	120.51 (A)
Feb-15	--	119.03 (F)

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

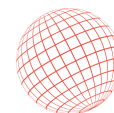
Jasper McMahon, CEO of Now-Casting Economics, commented:

“The UK economy is beginning 2015 in much the same way as it ended 2014. Our model identified the deceleration in the growth rate as early as October, something that has since been reinforced by subsequent data releases, and we expect to see that continuing through January and into February. All in all the picture for the UK economy is still a healthy one, but there is no doubt the growth rate is slowing.”

Now-Casting U.K. NCI™



Source: Now-Casting Economics Ltd



The Real Time Data Flow

UK NCI™ for January updated to 120.51 from 122.34 in December

UK NCI™ for December updated to 122.14 from 123.10

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						U.K NCI™ Dec	U.K NCI™ Jan
9-Jan-15	Exports	14-Nov	MoM %	-0.42	1.20	-0.13	-0.15
9-Jan-15	Industrial Production Excl Construction	14-Nov	MoM %	-0.10	0.44	-0.25	-0.29
9-Jan-15	Imports	14-Nov	MoM %	-2.29	2.08	-0.59	-0.67
8-Jan-15	Economic Sentiment Indicator	14-Dec	Index	114.40	113.14	0.17	0.45
7-Jan-15	New Passenger Car Registrations	14-Dec	Units	166,198.00	4.81	0.07	0.09
6-Jan-15	PMI: Services	14-Dec	Index	55.82	58.19	-0.49	-1.18
5-Jan-15	PMI: Construction	14-Dec	Index	57.57	59.18	-0.29	-0.70
2-Jan-15	PMI: Manufacturing	14-Dec	Index	52.55	53.78	-0.30	-0.79
19-Dec-14	Distributive Trades: Retail Sales Volume	14-Dec	Index	61.00	-1.90	-0.03	0.04
19-Dec-14	Consumer Confidence	14-Dec	Index	-4.00	-12.85	-0.02	-0.04
18-Dec-14	Retail Sales	14-Nov	MoM %	1.49	0.11	0.33	0.38
17-Dec-14	Claimant Count Rate	14-Nov	Rate %	2.70	2.72	0.44	0.51
15-Dec-14	Industrial Trends: Total Order Book	14-Dec	Index	5.00	1.11	0.24	0.62
11-Dec-15	Ratio of House Sales to Unsold Stock	14-Nov	Index	34.80	34.89	0.00	-0.01
10-Dec-15	Imports	14-Oct	MoM %	-1.31	-0.52	-0.12	-0.12
10-Dec-15	Exports	14-Oct	MoM %	0.51	0.35	0.01	0.01
						-0.96	-1.85

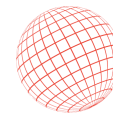
Note: Released values are expressed in Model Units
Source: Now-Casting Economics Ltd and Official Data Sources

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.

NCI™ releases for the United Kingdom are scheduled on the same day of the release of the Industrial Production Index at 12:00 GMT.

Next U.K. NCI™ RELEASE: 12:00 GMT 10 February, 2015



- ends -

Now-Casting.com
economics in real time

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Notes to Editors:

The Now-Casting Index for the United States 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 UK 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 revisions 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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