

News Release

Now-Casting Index
12:00 GMT 14 January 2015

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 Feb, 2015
12:00 GMT

Euro area starts 2015 with slender growth

- The Euro Area NCI™ is at 89.54 for January compared to 89.29 in December; the outlook for the February NCI™ is forecast at 90.03.
- Data released over the past month have caused a small upward revision in the NCI™ for January from the 88.18 forecast last month.

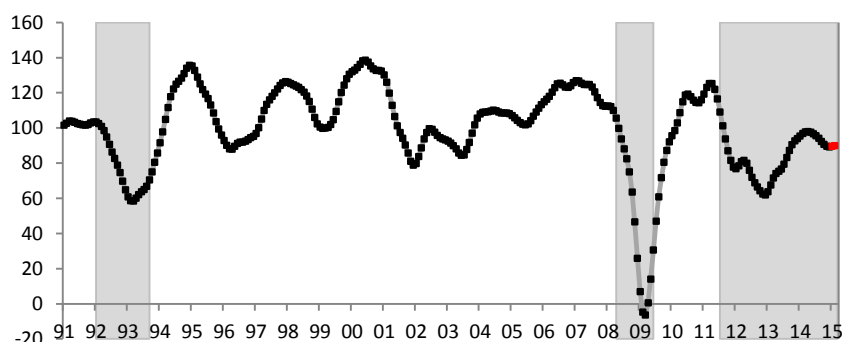
Now-Casting E.A. NCI™

reference period	NCI™ Release Dates	
	12/12/2014	14/01/2015
Dec-14	88.16 (A)	89.29 (U)
Jan-15	88.18 (F)	89.54 (A)
Feb-15	--	90.03 (F)

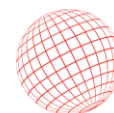
Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for next month; (U), UPDATED, denotes the updates reflecting data released since the last NCI publication date. Source: Now-Casting Economics Ltd

Jasper McMahon, CEO of Now-Casting Economics, commented, "Consistent with the early signals we've picked up since mid-October, we're finally now seeing signs of a moderate improvement in growth for the Euro Area. While individual countries' data are sending mixed signals, EA aggregate data releases have been consistently positive. We expect annual growth to have been 0.84% in 2014 while our current nowcasts for the quarterly GDP growth in Q1-2015 and Q2-2015 are at 0.24% and 0.29% respectively."

Now-Casting E.A. NCI™



Source: Now-Casting Economics Ltd



The Real Time Data Flow

EA NCI™ for January updated to 89.54 from 88.18 in December

EA NCI™ for December updated to 89.29 from 88.16

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of EA Data	
						EA NCI™ December	EA NCI™ January
14/01/2015	Industrial Production Excl Construction	Nov-14	MoM %	0.16	-0.32	0.25	0.31
08/01/2015	Business Climate Indicator	Dec-14	Index	0.04	0.24	0.16	0.02
08/01/2015	Retail Sales	Nov-14	MoM %	0.55	-0.17	0.11	0.13
22/12/2014	Consumer Confidence Indicator	Dec-14	Index	-10.9	-15.91	0.1	0.15
22/12/2014	Industrial Turnover: Manufacturing	Oct-14	MoM %	1.04	-0.18	0.37	0.41
19/12/2014	Orders	Oct-14	MoM %	1.02	-0.66	0.24	0.27
18/12/2014	Construction Output	Oct-14	MoM %	1.31	-0.48	0.16	0.19
16/12/2014	Exports	Oct-14	MoM %	-0.28	-1.26	0.12	0.15
16/12/2014	Imports	Oct-14	MoM %	-1.33	-1.15	-0.03	-0.03
16/12/2014	PMI: Manufacturing	Dec-14	Index	50.79	50.2	0.13	0.51
16/12/2014	PMI: Services	Dec-14	Index	51.91	51.37	0.1	0.23
16/12/2014	New Passenger Car Registrations	Nov-14	YoY %	1.59	0.99	0.01	0.02
						1.72	2.36

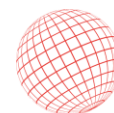
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of GER Data	
						EA NCI™ December	EA NCI™ January
09/01/2015	Imports	Nov-14	MoM %	1.47	2.77	-0.05	-0.07
09/01/2015	Exports	Nov-14	MoM %	-2.07	0.99	-0.14	-0.19
09/01/2015	Construction Output	Nov-14	MoM %	0.59	0.65	0	0
09/01/2015	Industrial Production Incl Construction	Nov-14	MoM %	-0.09	0.2	-0.06	-0.08
08/01/2015	Industrial Turnover: Manufacturing	Nov-14	MoM %	-0.37	-0.02	-0.06	-0.09
08/01/2015	Orders	Nov-14	MoM %	-2.43	-0.28	-0.18	-0.25
07/01/2015	Job Vacancies	Dec-14	MoM %	1.73	1.39	0.01	0.02
07/01/2015	Retail Sales	Nov-14	MoM %	0.97	-0.71	0.08	0.1
05/01/2015	New Passenger Car Registrations	Dec-14	YoY %	6.68	-0.66	0	0.02
02/01/2015	GfK Consumer Climate Indicator	Jan-15	Index	9.1	8.93	0	0
18/12/2014	Ifo Business Climate Index	Dec-14	Index	105.5	105.46	0	0.01
16/12/2014	PMI: Manufacturing	Dec-14	Index	51.21	49.52	0.28	0.96
16/12/2014	PMI: Services	Dec-14	Index	51.37	51.94	-0.05	-0.12
						-0.17	0.31

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 January updated to 89.54 from 88.18 in December

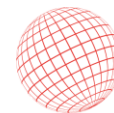
EA NCI™ for December updated to 89.29 from 88.16

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of ITA Data	
						EA NCI™ December	EA NCI™ January
13/01/2015	Industrial Production Excl Construction	Nov-14	MoM %	0.33	-0.35	0.16	0.21
06/01/2015	PMI: Services	Dec-14	Index	49.4	51.91	-0.09	-0.23
02/01/2015	New Passenger Car Registrations	Dec-14	YoY %	2.35	0.74	0.01	0.01
02/01/2015	PMI: Manufacturing	Dec-14	Index	48.42	49.32	-0.19	-0.38
30/12/2014	ISAE Business Confidence Indicator	Dec-14	Index	97.5	96.96	0.04	0.11
29/12/2014	ISAE Consumer Confidence Indicator	Dec-14	Index	99.7	98.55	0	0
23/12/2014	Retail Sales	Oct-14	MoM %	0	0.06	-0.01	-0.01
19/12/2014	Orders	Oct-14	MoM %	0.11	0.48	-0.01	-0.02
19/12/2014	Industrial Turnover	Oct-14	MoM %	0.41	-0.11	0.04	0.04
18/12/2014	Construction Output	Oct-14	MoM %	3.16	1.23	0.03	0.03
16/12/2014	Imports	Oct-14	MoM %	-0.86	-0.65	-0.02	-0.02
16/12/2014	Exports	Oct-14	MoM %	0.39	-0.51	0.05	0.06
						0.01	-0.2

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of FRA Data	
						EA NCI™ December	EA NCI™ January
12/01/2015	BdF Business Sentiment Indicator	Dec-14	Index	97	96.57	0.03	0.08
09/01/2015	Imports	Nov-14	MoM %	-1.92	0.18	-0.2	-0.27
09/01/2015	Exports	Nov-14	MoM %	0.65	0.26	0.03	0.04
09/01/2015	Industrial Production Excl Construction	Nov-14	MoM %	-0.61	-0.25	-0.09	-0.12
09/01/2015	Construction Output	Nov-14	MoM %	1.06	-0.7	0.15	0.2
06/01/2015	Household Confidence Indicator	Dec-14	Index	89.99	84.52	0.03	0.07
02/01/2015	New Passenger Car Registrations	Dec-14	YoY %	-6.81	-1.64	-0.01	-0.02
24/12/2014	Registered Unemployed	Nov-14	Thousands	3488.3	3472.65	-0.26	-0.31
23/12/2014	Retail Sales	Oct-14	MoM %	0	0.77	-0.04	-0.04
23/12/2014	Industrial Turnover: Manufacturing	Oct-14	MoM %	-1.1	-0.02	-0.17	-0.18
23/12/2014	Household Consumption: Manufactured Goods	Nov-14	MoM %	0.08	0.11	0	0
19/12/2014	Business Climate Indicator: Industry	Dec-14	Index	94	95.08	-0.06	-0.22
16/12/2014	PMI: Services	Dec-14	Index	49.8	49.66	0.02	0.05
16/12/2014	PMI: Manufacturing	Dec-14	Index	47.9	48.7	-0.19	-0.53
						-0.76	-1.25

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 February 2015

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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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