

News Release

Now-Casting Index
12:00 GMT 20 January 2015

Now-Casting Japan 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 JP NCI™ RELEASE:

17 Feb, 2015
12:00 GMT

Japan: modest slowdown confirmed

- The Japan NCI™ is at 106.06 for January, compared to 112.85 for December. The model expects a further slowdown in February, which is forecast at 100.42.
- The balance of surprises in the data released over the past month has been negative, and as a result the level of the NCI™ series has been revised downward, showing that growth is now at about its long run average rate.

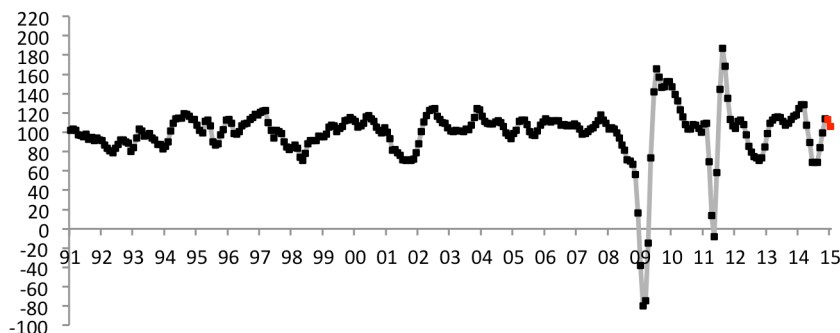
Now-Casting Japan NCI™

reference period	NCI™ Release Dates	
	12/12/2014	20/01/2015
Dec-14	118.85 (A)	112.85 (U)
Jan-15	113.43 (F)	106.06 (A)
Feb-15	--	100.42 (F)

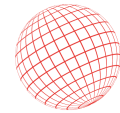
Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for next month; (U), UPDATED, denotes the updates reflecting data released since the last NCI publication date. Source: Now-Casting Economics Ltd.

Jasper McMahon, CEO of Now-Casting Economics, commented: "The NCI™ this month confirms the slight slowdown that we predicted last month. We are now expecting GDP growth in Q4 to come in at around 0.6% quarter on quarter but growth in both Q1 and Q2 to be around 0.25%".

Now-Casting Japan NCI™



Source: Now-Casting Economics Ltd



The Real Time Data Flow

JP NCI™ for January updated to 106.06 from 113.43 expected in December
JP NCI™ for December updated to 112.85 from 118.85.

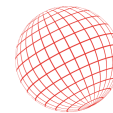
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	JP NCI™ December	JP NCI™ January
19/01/2015	Consumer Confidence	Dec-14	Index	38.8	42.53	0.16	0.38
19/01/2015	Capacity Utilisation: Manufacturing	Nov-14	Index	99.8	99.92	-0.49	-0.76
15/01/2015	Tertiary Industry Activity Index	Nov-14	MoM %	0.2	0.05	0.13	0.21
14/01/2015	Machinery Orders	Nov-14	MoM %	1.29	2.57	-0.04	-0.07
13/01/2015	Economy Watchers' Survey	Dec-14	Index	45.2	41.97	0.99	2.51
05/01/2015	PMI: Manufacturing	Dec-14	Index	51.99	51.83	0.1	0.26
26/12/2014	Average Monthly Earnings	Nov-14	MoM %	-2.28	0.14	-0.22	-0.34
26/12/2014	Passenger Car Production	Nov-14	MoM %	-0.59	0.08	-0.12	-0.2
26/12/2014	Retail Sales	Nov-14	MoM %	0.02	0.71	-0.24	-0.39
26/12/2014	Vehicle Sales	Nov-14	MoM %	-2.39	0.21	-0.36	-0.65
26/12/2014	Industrial Production: Mining and Manufacturing	Nov-14	MoM %	-0.61	0.5	-5.41	-7.95
25/12/2014	Construction Orders: Housing Units	Nov-14	MoM %	69.05	-3.16	0.18	0.27
25/12/2014	Unemployed	Nov-14	Ten Thousands	229	234.56	0.56	0.88
25/12/2014	Housing Starts	Nov-14	MoM %	-1.77	-0.32	-0.18	-0.28
24/12/2014	Small & Medium Enterprises Survey	Dec-14	Index	46.7	47.29	-0.29	-0.86
17/12/2014	Imports	Nov-14	MoM %	-0.53	0.94	-0.79	-1.19
17/12/2014	Exports	Nov-14	MoM %	0.33	0.43	-0.1	-0.15
						-6.12	-8.33

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 Japan are scheduled on the same day of the release of the Industrial Production Index (Revised Report) at 12:00 GMT.

Next Japan NCI™ RELEASE: 12:00 GMT 17th February, 2015

- ends -

For further information, please contact:

Linstock Communications

Tom Yazdi or Keith Brookbank

Tel: +44 (0)20 7089 2080

Now-Casting Economics Limited

Jasper McMahon

Tel: +44 (0)7802 485904

Notes to Editors:

The Now-Casting Index for Japan 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).

The intellectual property rights to the Japan NCI™ provided herein are owned by Now-Casting Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Now-Casting Economics' prior consent. Now-Casting Economics shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Now-Casting Economics be liable for any special, incidental, or consequential damages, arising out of the use of the data. NCI™ is a registered trademark of Now-Casting Economics Limited. The Now-Casting.com logo is a registered trade mark of Now-Casting Economics Limited.