



## Now-Cast for fourth quarter of 2013

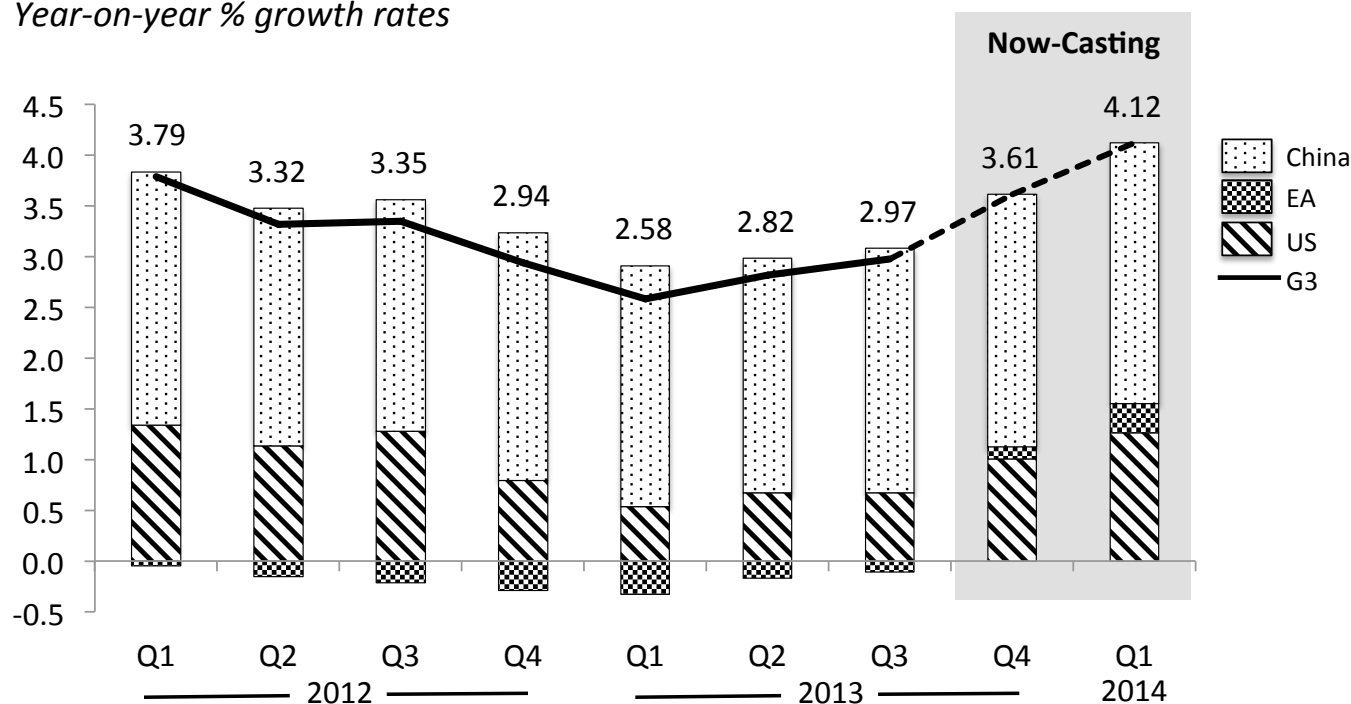
### G3 growth to reach 3.6% in Q4; strengthening further in Q1

Despite the negative surprise of yesterday's flash estimate of Q3 growth in the Eurozone, the information in the economic data flow is positive: the worldwide recovery is under way and gaining strength. The economies of the G3 – the US, Euro Area, and China – are growing by 3.6% in the current quarter relative to the same quarter of last year, according to a new growth monitor launched today by Now-Casting Economics. The G3 economies accounted for nearly 50% of world GDP in 2012 according to the IMF, and their growth has historically been closely correlated with total world growth.

Growth is strengthening in all three of the G3 economies. In Q4 US GDP will be 2.5% higher than in the same quarter last year. Year-on-year growth is expected to rise to 3.1% in Q1. In Q4 Chinese GDP will be 8.1% higher than in the same quarter last year. Again, year-on-year growth is expected to rise to 8.3% in Q1. And in Q4 Eurozone GDP will be 0.4% higher than in the same quarter last year. This will be the first quarter of positive year-on-year growth since Q3 2011, and year-on-year growth in the Eurozone is expected to strengthen to 1.0% in Q1.

### GDP GROWTH FOR THE G3 – US, EURO AREA & CHINA

Year-on-year % growth rates



Contributions to G3 growth weighted by share of 2012 GDP from IMF World Economic Outlook, October 2013

Sources: US Bureau of Economic Analysis; Eurostat; National Bureau of Statistics of China; IMF World Economic Outlook, October 2013; Now-Casting Economics Ltd.



## GDP GROWTH FOR THE G3 – US, EA AND CHINA

*year-on-year % growth rates*

	2012		2013				2014	2012	2013	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Year	Year	
<b>Growth rates</b>										
<b>US</b>	3.13	1.95	1.32	1.64	1.65	2.45	3.10	2.78	1.76	
<b>Euro Area</b>	-0.74	-1.03	-1.16	-0.59	-0.37	0.43	1.01	-0.62	-0.42	
<b>China</b>	7.40	7.90	7.70	7.50	7.80	8.07	8.32	7.75	7.77	
<b>Contribution to G3 growth rate</b>										
	<u>Weight*</u>									
<b>US</b>	40.8%	1.28	0.80	0.54	0.67	0.67	1.00	1.27	1.14	0.72
<b>Euro Area</b>	28.3%	-0.21	-0.29	-0.33	-0.17	-0.11	0.12	0.29	-0.18	-0.12
<b>China</b>	30.8%	2.28	2.44	2.37	2.31	2.40	2.49	2.57	2.39	2.39
<b>G3 growth rate</b>		3.35	2.94	2.58	2.82	2.97	3.61	4.12	3.35	3.00

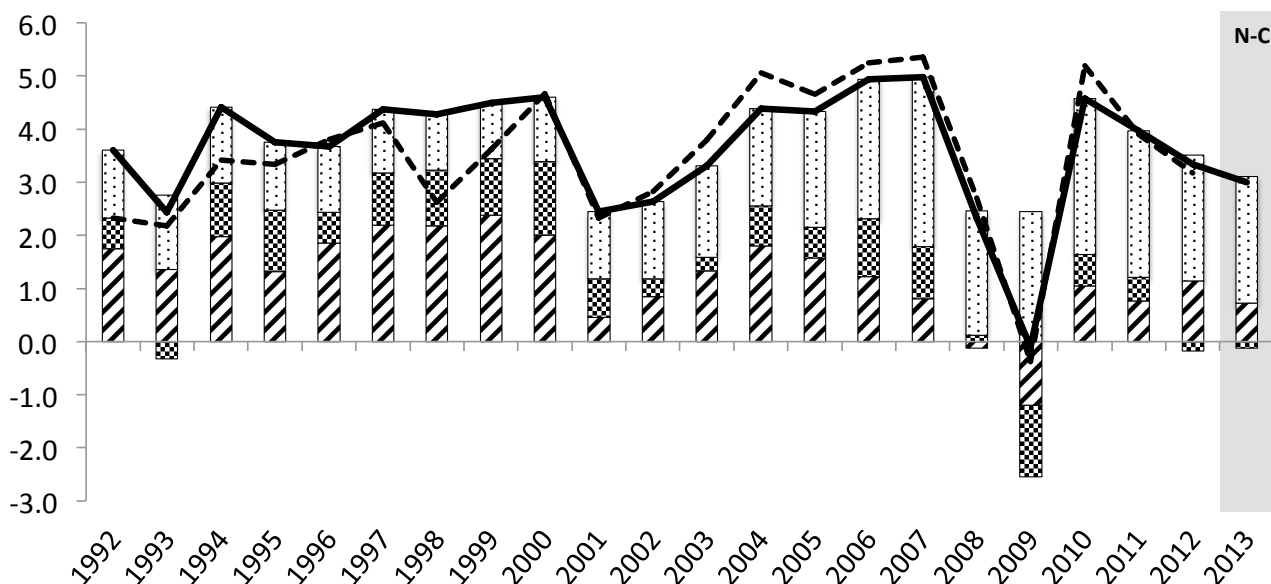
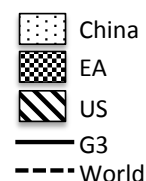
\* Weights are shares of 2012 G3 GDP from IMF World Economic Outlook, October 2013

Sources: US Bureau of Economic Analysis; Eurostat; National Bureau of Statistics of China; IMF World Economic Outlook, October 2013 Database; Now-Casting Economics Ltd.



### HISTORIC COMPOSITION OF G3 GROWTH

Year-on-year % growth rates



Contributions to G3 growth weighted by share of G3 GDP growth in each year.

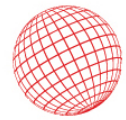
Sources: IMF World Economic Outlook, October 2013; Now-Casting Economics Ltd

### 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
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	1.1	0.7
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
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	2.4	2.4
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	3.3	3.0
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 G3 growth in each year.

Sources: 2013 figures from Now-Casting Economics Ltd; other figures from IMF World Economic Outlook, October 2013



## Press Release

**Now-Casting.com**  
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The next estimate of G3 GDP growth will be published on Monday, 16<sup>th</sup> December, 2013. G3 GDP estimates will be published on the 15<sup>th</sup> of each month or the first working day thereafter, except in February, May, August and November, when they will be published on the same day as the flash estimate of Euro Area GDP growth from Eurostat.

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### **Notes to editors:**

Now-Casting.com is a new, 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](http://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.