

## US NCI™

### Now-Casting Index

Released: 17:00 GMT, 18<sup>th</sup> February, 2015

Next release: 17:00 GMT, 16<sup>th</sup> March, 2015

www.now-casting.com

Bloomberg: NCIXUS

### US economic growth slowing down

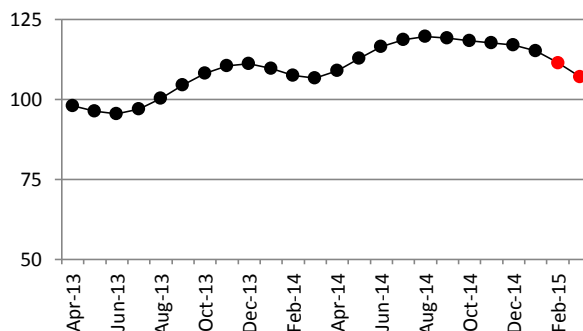
- The US NCI™ is at 111.4 in February, compared to 115.02 for January. The deceleration is expected to continue, as the forecast for March is 107.13
- Data released since last month's NCI™ have contained mostly negative surprises, causing a downwards revision in the level of the NCI™ series

#### NCI™ release data

reference period	NCI™ Release Dates	
	16/01/2015	18/02/2015
Jan-15	117.38 (A)	115.02 (U)
Feb-15	113.26 (F)	111.4 (A)
Mar-15		107.13 (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

#### Revised NCI™ history

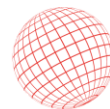


#### The newflow: macroeconomic data releases since last month's NCI™

##### Impact of Data Releases

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	US NCI™ January	US NCI™ February
18/02/2015	Industrial Production	Jan-15	MoM %	0.19	0.29	-0.12	-0.17
18/02/2015	Capacity Utilization: Industry	Jan-15	Level %	79.40	0.06	-0.07	-0.10
18/02/2015	Housing Starts	Jan-15	MoM %	-2.02	-6.51	0.01	0.08
18/02/2015	New Private Housing Units Authorized	Jan-15	MoM %	-0.66	-3.04	0.02	0.09
13/02/2015	University of Michigan: Consumer Sentiment	Feb-15	Index	93.60	98.48	0.02	0.03
12/02/2015	Retail Sales	Jan-15	MoM %	-0.99	0.54	-0.37	-0.76
06/02/2015	Change in Nonfarm Payrolls	Jan-15	Thousands	257.00	172.24	0.27	0.46
05/02/2015	Exports	Dec-14	MoM %	-1.85	0.94	-0.53	-0.65
05/02/2015	Imports	Dec-14	MoM %	2.24	1.55	0.16	0.19
04/02/2015	ISM Nonmanufacturing Composite Index	Jan-15	Index	56.70	55.56	0.24	0.51
04/02/2015	Change in ADP Nonfarm Private Payroll Employment	Jan-15	Change Thousands	213.00	184.20	0.06	0.38
02/02/2015	ISM Mfg: PMI Composite Index	Jan-15	Index	53.50	56.20	-0.18	-0.53
02/02/2015	Real Disposable Personal Income	Dec-14	MoM %	0.51	0.17	0.03	0.04
02/02/2015	Real Personal Consumption Expenditure	Dec-14	MoM %	-0.10	0.04	-0.08	-0.11
30/01/2015	MNI Chicago Business Barometer	Jan-15	Index	59.40	56.95	0.44	1.03
30/01/2015	Real Gross Domestic Product	Q4'14	QoQ %	0.65	0.58	-0.21	-0.19
27/01/2015	Conference Board: Consumer Confidence Index	Jan-15	Index	102.90	5.47	0.17	0.27
27/01/2015	Manufacturers' Inventories: Durable Goods	Dec-14	MoM %	0.49	0.55	-0.06	-0.08
27/01/2015	Manufacturers' New Orders: Durable Goods	Dec-14	MoM %	-3.41	1.58	-0.62	-0.73
27/01/2015	Manufacturers' Unfilled Orders: Durable Goods	Dec-14	MoM %	-0.76	0.69	-0.56	-0.72
23/01/2015	PMI: Manufacturing	Jan-15	Index	53.69	52.91	0.08	0.34
22/01/2015	Kansas City Fed Mfg Survey	Jan-15	Index	3.00	6.38	-0.43	-0.88
21/01/2015	Housing Starts	Dec-14	MoM %	4.41	-2.35	0.01	0.08
21/01/2015	New Private Housing Units Authorized	Dec-14	MoM %	-1.90	-1.08	-0.01	-0.03
						<b>-0.46</b>	<b>-0.43</b>

Note: Released values are expressed in Model Units



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#### Notes

**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.

**How to read the NCI™?** The NCI™ is normalized to have a mean value of 100 and a standard deviation of 25 calculated over the estimation sample, which starts in 1995. 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 release value and model-based now-cast for each input indicator. The weights attached to each *news* are also model-based.

**Impact of data releases** 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. 'News' is defined in this context as the difference between the actual value of a release and the model's expectation of that value.

**Impact of revisions** The difference between the value of the NCI™ released today and the forecast of it made a month ago may be more or less than the total impact of all the releases listed in the table on page 1, because of the impact of any revisions to prior data releases made during this period.

**Source of data** The Now-Casting Index for the US is produced by Now-Casting Economics Limited and is based on a model built on monthly and quarterly economic indicators covering production, labour, construction, domestic and international trade, services and surveys. Raw data are supplied by Haver Analytics. Now-Casting Economics releases the US 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.

**Now-Casting model** The NCI™ is an output 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 conditions in different countries in real time, taking into account non-synchronous data sampled at mixed frequency. The NCI™ and its revisions are produced automatically, without judgment or other intervention. 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. Normalization is updated at the beginning of every year in concomitance with updates of deep parameters.

**Now-Casting Economics Limited** is a company 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](http://www.now-casting.com)).

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