



## News Release

# Japan NCI™ Now-Casting Index

Released: 12:00 GMT, 13<sup>th</sup> June, 2015

Next release: 12:00 GMT, 14<sup>th</sup> July, 2015

www.now-casting.com

Bloomberg: NCIXJP

### Japan: growth improving

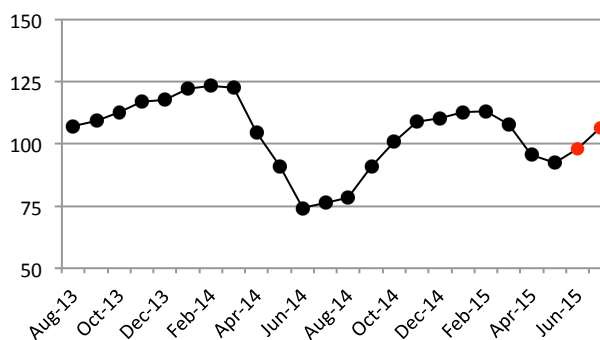
- The Japan NCI™ is at 97.97 for June, up from 92.32 for May and forecast to rise further to 106.42 for July. This represents a significant strengthening in growth in the Japanese economy
- The level of the Japan NCI™ series has also been revised upwards as a result of a number of positive surprises in the economic dataflow, particularly Industrial Production and Retail Sales for April

### NCI™ release data

reference period	NCI™ Release Dates			
	16/05/2015		13/06/2015	
May-15	87.25	(A)	92.32	(U)
Jun-15	86.80	(F)	97.97	(A)
Jul-15	--		106.42	(F)

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

### Revised NCI™ history

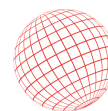


### The newsflow: macroeconomic data releases since last month's NCI™

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						Japan NCI™ May	Japan NCI™ June
12/06/2015	Capacity Utilisation: Manufacturing	Apr-15	Index	99.40	100.38	-1.99	-3.09
12/06/2015	Tertiary Industry Activity Index	Apr-15	MoM %	-0.20	0.46	-0.39	-0.66
11/06/2015	MOF Survey Large Mfg Companies	Q2'15	Index	-6.00	-0.93	-0.04	-0.29
10/06/2015	Machinery Orders	Apr-15	MoM %	3.80	-1.31	0.18	0.29
09/06/2015	Consumer Confidence	May-15	Index	41.40	41.58	-0.03	-0.08
08/06/2015	Economy Watchers' Survey	May-15	Index	53.30	52.84	0.14	0.34
02/06/2015	Average Monthly Earnings	Apr-15	MoM %	0.98	-0.22	0.15	0.24
01/06/2015	PMI: Manufacturing	May-15	Index	50.87	50.14	0.48	1.22
29/05/2015	Construction Orders: Housing Units	Apr-15	MoM %	211.96	19.42	-0.33	-0.51
29/05/2015	Passenger Car Production	Apr-15	MoM %	-5.30	0.99	-1.43	-2.41
29/05/2015	Housing Starts	Apr-15	MoM %	-0.73	-0.04	-0.02	-0.03
29/05/2015	Industrial Production	Apr-15	MoM %	1.02	-0.01	4.92	7.23
29/05/2015	Unemployed	Apr-15	Ten Thousands	219.00	221.84	0.25	0.38
28/05/2015	Retail Sales	Apr-15	MoM %	4.12	0.41	3.85	5.83
28/05/2015	Vehicle Sales	Apr-15	MoM %	6.90	-0.88	3.44	5.44
27/05/2015	Small & Medium Enterprises Survey	May-15	Index	48.10	47.44	0.33	0.97
25/05/2015	Imports	Apr-15	MoM %	1.79	0.22	0.82	1.24
25/05/2015	Exports	Apr-15	MoM %	-1.51	-1.25	-0.27	-0.41
20/05/2015	GDP	Q1'15	QoQ %	0.60	0.17	0.09	0.05
18/05/2015	Capacity Utilisation: Manufacturing	Mar-15	Index	99.80	100.77	-3.07	-2.93
18/05/2015	Tertiary Industry Activity Index	Mar-15	MoM %	-1.00	-0.38	-0.61	-0.60
18/05/2015	Machinery Orders	Mar-15	MoM %	2.92	-0.90	0.22	0.21
						<b>6.69</b>	<b>12.43</b>

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources



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Now-Casting.com  
economics in real time

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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 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, domestic and international trade, services and surveys. Raw data are supplied by Haver Analytics. Now-Casting Economics releases the Japan 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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