



Released: 12:00 GMT, 14<sup>th</sup> October, 2015

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

www.now-casting.com

Bloomberg: NCIXEA

### Euro Area growth steady

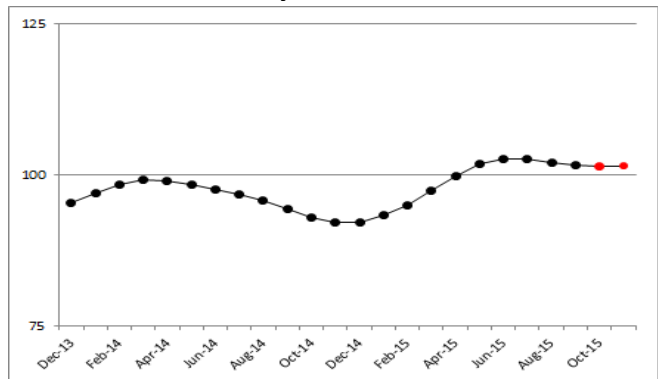
- The EA NCI™ is at 101.48 for October, compared to 101.69 for September, and is forecast at 101.55 for November indicating that growth has stabilised at close to its mean rate of the past two decades. This is consistent with annual GDP growth at approximately 1.4%.
- The NCI™ for October is slightly lower than predicted last month (103.18) reflecting some negative surprises in the data flow – particularly in Germany.

### NCI™ release data

reference period	NCI™ Release Dates			
	14/09/2015		14/10/2015	
sep-15	103.19	(A)	101.69	(U)
oct-15	103.18	(F)	101.48	(A)
nov-15	--		101.55	(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™

#### Releases for the Euro Area as a whole

						Impact of Data Releases	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCI™ September	EA NCI™ October
14/10/2015	Industrial Production Excl Construction	Aug-15	MoM %	-0,52	-0,37	-0,08	-0,11
05/10/2015	Retail Sales	Aug-15	MoM %	0,03	-0,09	0,02	0,03
29/09/2015	Business Climate Indicator	Sep-15	Index	0,34	0,17	-0,09	0,05
25/09/2015	Orders	Jun-15	MoM %	-0,86	-0,62	-0,03	-0,04
24/09/2015	Industrial Turnover: Manufacturing	Jul-15	MoM %	1,19	0,46	0,30	0,33
23/09/2015	PMI: Manufacturing	Sep-15	Index	52,05	52,43	-0,10	-0,34
23/09/2015	PMI: Services	Sep-15	Index	54,00	54,32	-0,06	-0,13
22/09/2015	Consumer Confidence Indicator	Sep-15	Index	-7,10	-6,77	-0,02	-0,05
17/09/2015	Construction Output	Jul-15	MoM %	0,97	0,31	0,10	0,12
15/09/2015	Imports	Jul-15	MoM %	-1,07	0,28	-0,18	-0,21
15/09/2015	Exports	Jul-15	MoM %	-0,66	0,18	-0,11	-0,12
15/09/2015	New Passenger Car Registrations	Jul-15	YoY %	9,44	6,14	0,15	0,23
15/09/2015	New Passenger Car Registrations	Aug-15	YoY %	11,23	2,64	0,15	0,23
						<b>-0,10</b>	<b>-0,24</b>

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources



## Euro Area NCI™

### Now-Casting Index

Releases for France						Impact of Data Releases	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCITM September	EA NCITM October
09/10/2015	Industrial Production Excl Construction	Aug-15	MoM %	2,23	0,23	0,51	0,66
09/10/2015	Construction Output	Aug-15	MoM %	0,58	0,13	0,04	0,06
08/10/2015	BdF Business Sentiment Indicator	Sep-15	Index	97,38	98,68	-0,11	-0,27
07/10/2015	Imports	Aug-15	MoM %	-3,23	0,72	-0,43	-0,57
07/10/2015	Exports	Aug-15	MoM %	-3,01	1,49	-0,34	-0,47
01/10/2015	New Passenger Car Registrations	Sep-15	YoY %	9,06	3,65	0,01	0,02
30/09/2015	Retail Sales	Jul-15	MoM %	0,18	0,01	0,01	0,01
30/09/2015	Industrial Turnover: Manufacturing	Jul-15	MoM %	-0,36	0,37	-0,11	-0,12
30/09/2015	Household Consumption: Manuf. Goods	Jul-15	MoM %	0,33	0,08	0,01	0,01
30/09/2015	Household Consumption: Manuf. Goods	Aug-15	MoM %	0,27	0,19	0,01	0,01
25/09/2015	Household Confidence Indicator	Sep-15	Index	96,90	93,67	-0,09	-0,13
24/09/2015	Registered Unemployed	Aug-15	Thousands	3.571,60	3.551,39	-0,37	-0,43
24/09/2015	Business Climate Indicator: Industry	Sep-15	Index	100,00	100,23	-0,01	-0,05
23/09/2015	PMI: Manufacturing	Sep-15	Index	50,36	48,77	0,39	1,08
23/09/2015	PMI: Services	Sep-15	Index	51,24	51,41	-0,02	-0,05
						<b>-0,48</b>	<b>-0,19</b>
Releases for Germany						Impact of Data Releases	
08/10/2015	Exports	Aug-15	MoM %	-5,18	-1,51	-0,14	-0,20
08/10/2015	Imports	Aug-15	MoM %	-3,07	-1,58	-0,06	-0,08
07/10/2015	Industrial Production Incl Construction	Aug-15	MoM %	-1,18	-0,61	-0,12	-0,16
07/10/2015	Construction Output	Aug-15	MoM %	-0,84	-1,05	0,00	0,00
06/10/2015	Orders	Aug-15	MoM %	-1,80	0,54	-0,19	-0,26
06/10/2015	Industrial Turnover: Manufacturing	Aug-15	MoM %	-1,26	-0,70	-0,12	-0,16
02/10/2015	New Passenger Car Registrations	Sep-15	YoY %	4,77	2,84	0,00	0,00
30/09/2015	Job Vacancies	Sep-15	MoM %	0,87	0,60	0,01	0,02
30/09/2015	Retail Sales	Aug-15	MoM %	-0,38	-0,71	0,02	0,02
24/09/2015	Ifo Business Climate Index	Sep-15	Index	108,50	107,98	-0,01	0,07
24/09/2015	GfK Consumer Climate Indicator	Oct-15	Index	9,60	9,84	0,00	0,00
23/09/2015	PMI: Manufacturing	Sep-15	Index	52,49	53,43	-0,11	-0,37
23/09/2015	PMI: Services	Sep-15	Index	54,29	54,77	-0,03	-0,05
						<b>-0,75</b>	<b>-1,17</b>
Releases for Italy						Impact of Data Releases	
09/10/2015	Industrial Production Excl Construction	Aug-15	MoM %	-0,54	-0,61	0,02	0,02
05/10/2015	PMI: Services	Sep-15	Index	53,31	54,53	-0,06	-0,12
01/10/2015	New Passenger Car Registrations	Sep-15	YoY %	17,15	4,95	0,06	0,09
01/10/2015	PMI: Manufacturing	Sep-15	Index	52,73	53,40	-0,15	-0,28
28/09/2015	ISAE Consumer Confidence Indicator	Sep-15	Index	112,70	109,24	-0,04	-0,03
28/09/2015	ISAE Business Confidence Indicator	Sep-15	Index	104,20	102,09	0,13	0,47
24/09/2015	Retail Sales	Jul-15	MoM %	0,42	0,19	0,04	0,04
24/09/2015	Industrial Turnover	Jun-15	MoM %	0,70	-0,42	-0,11	-0,12
24/09/2015	Industrial Turnover	Jul-15	MoM %	-1,09	0,22	-0,11	-0,12
24/09/2015	Orders	Jun-15	MoM %	3,02	1,50	0,05	0,06
24/09/2015	Orders	Jul-15	MoM %	0,59	-0,75	0,05	0,06
18/09/2015	Construction Output	Jun-15	MoM %	-1,20	-0,69	0,00	0,00
18/09/2015	Construction Output	Jul-15	MoM %	0,30	0,24	0,00	0,00
17/09/2015	Imports	Jul-15	MoM %	-3,68	-0,90	-0,24	-0,27
17/09/2015	Exports	Jul-15	MoM %	-0,39	1,23	-0,10	-0,11
						<b>-0,12</b>	<b>0,07</b>

Note: Released values are expressed in Model Units Source: Now-Casting Economics Ltd and Official Data Sources



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