

Released: 12:00 GMT, 12th December, 2015

Next release: 12:00 GMT, 18th January, 2016

www.now-casting.com

Bloomberg: NCIXJP

Japan: current quarter acceleration confirmed

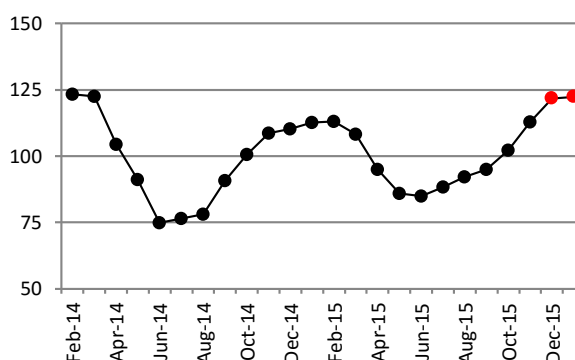
- The Japan NCI™ is at 121.75 for December, compared to 112.97 for November. The model expects a further small increase in January, which is forecast at 122.42
- The NCI™ series has been revised upward as a consequence of positive surprises in the newsflow over the past month, in particular in relation to industrial production and employment.

NCI™ release data

reference period	NCI™ Release Dates	
	13/11/2015	12/12/2015
Nov-15	106.74 (A)	112.97 (U)
Dec-15	110.94 (F)	121.75 (A)
Jan-16	--	122.42 (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™ December	Japan NCI™ January
09-Dec	MOF Survey Large Manufacturing Companies	Q4'15	Index	3.8	-0.85	0.04	0.26
08-Dec	Machinery Orders	Oct-15 MoM %		10.71	-2.16	0.45	0.71
08-Dec	Economy Watchers' Survey	Nov-15 Index		46.1	47.96	-0.55	-1.38
04-Dec	Consumer Confidence	Nov-15 Index		42.6	41.55	0.23	0.52
04-Dec	Average Monthly Earnings	Oct-15 MoM %		0.71	0.12	0.07	0.12
01-Dec	PMI: Manufacturing	Nov-15 Index		52.55	52.18	0.25	0.62
30-Nov	Construction Orders: Housing Units	Oct-15 MoM %		-29.79	-22.04	0.05	0.07
30-Nov	Passenger Car Production	Oct-15 MoM %		1.84	3.81	-0.44	-0.74
30-Nov	Housing Starts	Oct-15 MoM %		-4.25	0.87	-0.15	-0.26
30-Nov	Retail Sales	Oct-15 MoM %		0.79	0.58	0.07	0.12
30-Nov	Vehicle Sales	Oct-15 MoM %		1.99	1.47	0.07	0.13
30-Nov	Industrial Production: Mining and Manufacturing	Oct-15 MoM %		1.44	0.26	5.83	8.61
26-Nov	Unemployed	Oct-15 Ten Thousands		206	227.73	2.16	3.37
25-Nov	Small & Medium Enterprises Survey	Nov-15 Index		49.9	47.91	0.98	2.89
19-Nov	Exports	Oct-15 MoM %		0.56	1.49	-0.9	-1.36
15-Nov	GDP	Q3'15	QoQ %	-0.19	0.43	-0.08	-0.05
						8.08	13.63

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

For further information, please contact:

Now-Casting Economics Limited

Jasper McMahan

+44 (0)7802 485904

jasper.mcmahan@now-casting.com

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).

Legal 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 in this release 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 trademark of Now-Casting Economics Limited.