



Euro Area NCI™ Now-Casting Index

Released: 12:00 GMT, 13th January, 2016

Next release: 12:00 GMT, 12th February, 2016

www.now-casting.com

Bloomberg: NCIXEA

Improvement in Euro Area growth continues

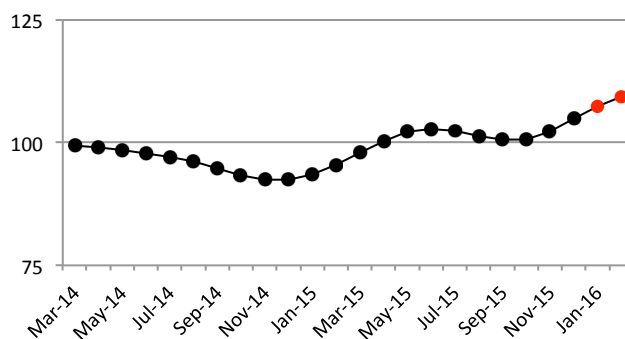
- The NCI™ is at 107.44 for January, compared to 104.83 for December, and is forecast to rise to 109.35 in February. This indicates a further strengthening in Euro Area growth.
- Data released over the past month have had little effect on the level of the NCI series, as the data have been in line with the model's expectations.

NCI™ release data

reference period	NCI™ Release Dates	
	14/12/15	13/01/16
Dec-15	103.00 (A)	104.83 (U)
Jan-16	105.19 (F)	107.44 (A)
Feb-16	--	109.35 (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

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCI™ December	EA NCI™ January
13/01/16	Industrial Production Excl Construction	Nov-15	MoM %	-0.66	-0.12	-0.32	-0.42
07/01/16	Business Climate Indicator	Dec-15	Index	0.41	0.37	-0.02	0.01
07/01/16	Retail Sales	Nov-15	MoM %	-0.29	0.13	-0.07	-0.08
23/12/16	Industrial Turnover: Manufacturing	Oct-15	MoM %	1.12	0.26	0.34	0.37
21/12/16	Consumer Confidence Indicator	Dec-15	Index	-5.70	-11.06	-0.02	-0.04
18/12/16	Orders	Oct-15	MoM %	1.56	0.70	0.14	0.16
17/12/16	Construction Output	Oct-15	MoM %	0.52	-0.71	0.19	0.22
16/12/16	Exports	Oct-15	MoM %	0.33	-0.31	0.08	0.09
16/12/16	Imports	Oct-15	MoM %	0.42	0.08	0.04	0.05
16/12/16	PMI: Manufacturing	Dec-15	Index	53.08	52.84	0.07	0.22
16/12/16	PMI: Services	Dec-15	Index	53.91	54.22	-0.06	-0.13
15/12/16	New Passenger Car Registrations	Nov-15	YoY %	13.73	1.16	0.22	0.33
						0.59	0.78

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources

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Releases for France

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM December	EA NCITM January
12/01/16	BdF Business Sentiment Indicator	Dec-15	Index	99.37	98.63	0.06	0.15
08/01/16	Industrial Production Excl Construction	Nov-15	MoM %	0.50	0.36	0.04	0.04
08/01/16	Imports	Nov-15	MoM %	2.05	-0.52	0.24	0.32
08/01/16	Exports	Nov-15	MoM %	2.96	0.36	0.16	0.22
08/01/16	Construction Output	Nov-15	MoM %	0.23	0.80	-0.05	-0.06
06/01/16	Household Confidence Indicator	Dec-15	Index	96.23	88.24	0.02	0.02
04/01/16	New Passenger Car Registrations	Dec-15	YoY %	12.47	4.44	0.02	0.03
24/12/16	Registered Unemployed	Nov-15	Thousands	3,574.80	3,592.96	0.33	0.39
23/12/16	Household Consumption: Manufactured Goods	Nov-15	MoM %	-0.40	0.48	-0.07	-0.11
22/12/16	Industrial Turnover: Manufacturing	Oct-15	MoM %	-1.00	-0.11	-0.15	-0.16
22/12/16	Retail Sales	Oct-15	MoM %	-0.55	0.25	-0.03	-0.04
17/12/16	Business Climate Indicator: Industry	Dec-15	Index	101.00	102.67	-0.07	-0.36
16/12/16	PMI: Manufacturing	Dec-15	Index	51.61	50.98	0.16	0.44
16/12/16	PMI: Services	Dec-15	Index	50.01	52.07	-0.23	-0.62
						0.43	0.26

Releases for Germany

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM December	EA NCITM January
08/01/16	Exports	Nov-15	MoM %	0.40	1.41	-0.04	-0.06
08/01/16	Construction Output	Nov-15	MoM %	2.27	-1.30	0.03	0.07
08/01/16	Industrial Production Incl Construction	Nov-15	MoM %	-0.28	0.07	-0.07	-0.09
07/01/16	Industrial Turnover: Manufacturing	Nov-15	MoM %	-2.27	-0.35	-0.36	-0.50
07/01/16	Orders	Nov-15	MoM %	1.46	-0.28	0.16	0.23
07/01/16	Retail Sales	Nov-15	MoM %	0.19	0.06	0.01	0.01
06/01/16	New Passenger Car Registrations	Dec-15	YoY %	7.69	4.19	0.00	0.01
05/01/16	Job Vacancies	Dec-15	MoM %	1.64	1.53	0.00	0.01
22/12/16	GfK Consumer Climate Indicator	Jan-16	Index	9.70	-0.12	0.00	0.00
17/12/16	Ifo Business Climate Index	Dec-15	Index	108.70	109.04	0.00	-0.06
						-0.27	-0.38

Releases for Italy

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM December	EA NCITM January
06/01/16	PMI: Services	Dec-15	Index	55.31	53.59	0.08	0.17
04/01/16	New Passenger Car Registrations	Dec-15	YoY %	18.65	11.73	0.03	0.04
04/01/16	PMI: Manufacturing	Dec-15	Index	55.63	54.10	0.34	0.65
29/12/16	ISAE Business Confidence Indicator	Dec-15	Index	104.10	104.47	-0.02	-0.08
29/12/16	ISAE Consumer Confidence Indicator	Dec-15	Index	117.60	97.81	0.01	0.01
23/12/16	Retail Sales	Oct-15	MoM %	-0.31	0.13	-0.07	-0.07
23/12/16	Industrial Turnover	Oct-15	MoM %	2.05	-0.25	0.19	0.20
23/12/16	Orders	Oct-15	MoM %	4.61	0.11	0.15	0.17
18/12/16	Construction Output	Oct-15	MoM %	-0.15	-0.29	0.00	0.00
17/12/16	Imports	Oct-15	MoM %	0.03	-0.53	0.05	0.05
17/12/16	Exports	Oct-15	MoM %	-0.39	-1.04	0.04	0.04
						0.80	1.18

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources



For further information, please contact:

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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).

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