

Released: 12:00 GMT, 12<sup>th</sup> February, 2016

Next release: 12:00 GMT, 14<sup>th</sup> February, 2016

www.now-casting.com

Bloomberg: NCIXEA

**Euro Area growth faltering – following earlier US slowdown**

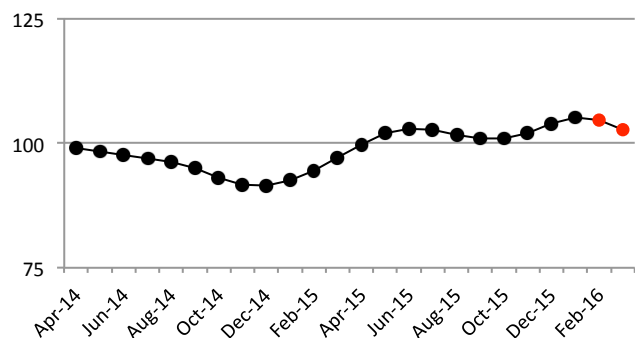
- The NCI™ is at 104.67 for February, down from 105.11 for January, and forecast to fall to 102.74 in March. This shows that Euro Area growth is now decelerating, following the earlier slowdown in the US.
- Data released in the past month – both hard data for December and survey data for January – have had a balance of negative surprises, causing the level of the NCI™ series to be revised downwards.

**NCI™ release data**

reference period	NCI™ Release Dates	
	13/01/16	12/02/16
Jan-16	107.70 (A)	105.11 (U)
Feb-16	109.67 (F)	104.67 (A)
Mar-16	--	102.74 (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™ January	EA NCI™ February
12/02/16	Industrial Production Excl Construction	Dec-15	MoM %	-1.04	0.47	-0.80	-1.08
12/02/16	Gross Domestic Product	Q4'15	QoQ %	0.27	0.28	-0.16	-0.16
03/02/16	Retail Sales	Dec-15	MoM %	0.27	0.30	-0.01	-0.01
29/01/16	Industrial Turnover: Manufacturing	Nov-15	MoM %	-0.64	-0.01	-0.25	-0.27
28/01/16	Business Climate Indicator	Jan-16	Index	0.29	0.30	0.01	0.00
25/01/16	Orders	Nov-15	MoM %	0.99	-0.46	0.23	0.26
22/01/16	PMI: Services	Jan-16	Index	53.60	54.08	-0.09	-0.18
21/01/16	Consumer Confidence Indicator	Jan-16	Index	-6.30	0.54	-0.13	-0.27
19/01/16	Construction Output	Nov-15	MoM %	0.84	0.50	0.05	0.06
15/01/16	Imports	Nov-15	MoM %	-0.18	0.69	-0.12	-0.14
15/01/16	Exports	Nov-15	MoM %	1.53	0.62	0.11	0.13
15/01/16	New Passenger Car Registrations	Dec-15	YoY %	16.66	6.72	0.16	0.25
						<b>-1.00</b>	<b>-1.41</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 January	EA NCITM February
10/02/16	Industrial Production Excl Construction	Dec-15	MoM %	-0.82	0.13	-0.23	-0.29
08/02/16	BdF Business Sentiment Indicator	Jan-16	Index	100.89	98.68	0.20	0.47
05/02/16	Exports	Dec-15	MoM %	-0.89	0.19	-0.08	-0.11
05/02/16	Imports	Dec-15	MoM %	-2.16	0.56	-0.28	-0.37
01/02/16	New Passenger Car Registrations	Jan-16	YoY %	3.47	4.05	0.00	0.00
29/01/16	Household Consumption: Mfd Goods	Dec-15	MoM %	1.70	0.52	0.09	0.14
29/01/16	Gross Domestic Product	Q4'15	QoQ %	0.25	0.46	-0.22	-0.23
28/01/16	Retail Sales	Nov-15	MoM %	-0.65	0.46	-0.04	-0.04
28/01/16	Industrial Turnover: Manufacturing	Nov-15	MoM %	1.29	1.20	0.01	0.01
27/01/16	Registered Unemployed	Dec-15	Thousands	3,590.60	3,482.98	-0.36	-0.41
27/01/16	Household Confidence Indicator	Jan-16	Index	97.47	-0.15	-0.04	-0.05
22/01/16	PMI: Manufacturing	Jan-16	Index	50.03	51.78	-0.35	-0.88
22/01/16	PMI: Services	Jan-16	Index	50.57	51.22	-0.06	-0.14
21/01/16	Business Climate Indicator: Industry	Jan-16	Index	101.80	101.38	0.07	0.22
						<b>-1.29</b>	<b>-1.68</b>
Releases for Germany						Impact of Data Releases	
12/02/16	Gross Domestic Product	Q4'15	QoQ %	0.27	0.36	0.00	0.00
09/02/16	Construction Output	Dec-15	MoM %	0.08	-2.22	0.03	0.06
09/02/16	Industrial Production	Dec-15	MoM %	-1.20	0.35	-0.31	-0.42
09/02/16	Imports	Dec-15	MoM %	-1.61	-0.05	-0.06	-0.08
09/02/16	Exports	Dec-15	MoM %	-1.60	0.73	-0.09	-0.12
05/02/16	Orders	Dec-15	MoM %	-0.72	0.01	-0.06	-0.08
05/02/16	Industrial Turnover: Manufacturing	Dec-15	MoM %	1.76	1.33	0.08	0.11
02/02/16	New Passenger Car Registrations	Jan-16	YoY %	3.33	3.43	0.00	0.00
02/02/16	Job Vacancies	Jan-16	MoM %	2.10	1.17	0.04	0.07
29/01/16	Retail Sales	Dec-15	MoM %	-0.19	-0.13	0.00	0.00
27/01/16	GfK Consumer Climate Indicator	Feb-16	Index	9.30	9.77	0.00	0.01
25/01/16	Ifo Business Climate Index	Jan-16	Index	107.30	108.07	0.02	-0.11
						<b>-0.35</b>	<b>-0.56</b>
Releases for Italy						Impact of Data Releases	
12/02/16	Gross Domestic Product	Q4'15	QoQ %	0.11	0.36	-0.05	-0.04
10/02/16	Industrial Production Excl Construction	Dec-15	MoM %	-0.65	0.41	-0.26	-0.33
03/02/16	PMI: Services	Jan-16	Index	53.61	54.18	-0.03	-0.06
01/02/16	New Passenger Car Registrations	Jan-16	YoY %	17.44	7.77	0.05	0.07
01/02/16	PMI: Manufacturing	Jan-16	Index	53.20	54.26	-0.19	-0.35
27/01/16	ISTAT Business Confidence Indicator	Jan-16	Index	103.20	103.53	-0.02	-0.07
27/01/16	ISTAT Consumer Confidence Indicator	Jan-16	Index	118.90	0.17	-0.01	-0.01
25/01/16	Retail Sales	Nov-15	MoM %	0.32	0.21	0.02	0.02
25/01/16	Orders	Nov-15	MoM %	1.60	-1.55	0.11	0.13
25/01/16	Industrial Turnover	Nov-15	MoM %	-1.10	-0.45	-0.06	-0.06
19/01/16	Construction Output	Nov-15	MoM %	2.86	0.81	0.07	0.08
18/01/16	Imports	Nov-15	MoM %	1.44	0.73	0.06	0.06
18/01/16	Exports	Nov-15	MoM %	3.51	0.78	0.16	0.18
14/01/16	Industrial Production Excl Construction	Nov-15	MoM %	-0.54	-0.17	-0.11	-0.13
						<b>-0.26</b>	<b>-0.51</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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