

**Euro Area NCI™**  
Now-Casting Index



Released: 12:00 GMT, 14<sup>th</sup> March, 2016

Next release: 12:00 GMT, 13<sup>th</sup> April, 2016

www.now-casting.com

Bloomberg: NCIXEA

**Euro Area growth slows .. moderately**

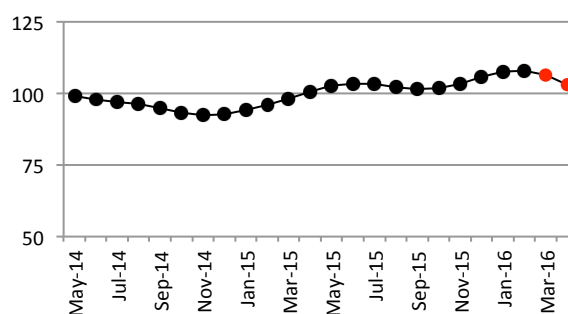
- The Euro Area NCI™ is at 106.29 for March, compared to 107.98 for February, and is forecast at 103.00 for April, indicating that the acceleration seen in Q4 2015 came to an end in January & February
- However, positive surprises in the most recent data have caused the level of the NCI™ series to be revised upwards, and suggest that the extent of the slow-down is limited

**NCI™ release data**

reference period	NCI™ Release Dates	
	12/2/16	14/3/16
Feb-16	104.67 (A)	107.98 (U)
Mar-16	102.74 (F)	106.29 (A)
Apr-16	--	103.00 (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™ February	EA NCI™ March	
14/3/16	Industrial Production Excl Construction	Jan-16	MoM %	2.11	0.41	0.95	1.26	
3/3/16	Retail Sales	Jan-16	MoM %	0.40	-0.04	0.07	0.08	
26/2/16	Industrial Turnover: Manufacturing	Dec-15	MoM %	0.16	0.36	-0.08	-0.09	
26/2/16	Business Climate Indicator	Feb-16	Index	0.07	0.09	0.01	-0.01	
24/2/16	Orders	Dec-15	MoM %	-0.15	-0.47	0.05	0.06	
22/2/16	PMI: Manufacturing	Feb-16	Index	51.03	51.79	-0.21	-0.70	
22/2/16	PMI: Services	Feb-16	Index	52.99	53.22	-0.05	-0.10	
19/2/16	Consumer Confidence Indicator	Feb-16	Index	-8.80	-6.17	-0.28	-0.55	
17/2/16	Construction Output	Dec-15	MoM %	-0.59	-1.14	0.06	0.07	
16/2/16	New Passenger Car Registrations	Jan-16	YoY %	6.20	7.84	-0.03	-0.05	
15/2/16	Imports	Dec-15	MoM %	0.77	0.58	0.02	0.03	
15/2/16	Exports	Dec-15	MoM %	-0.27	-0.17	-0.01	-0.01	
						<b>0.50</b>	<b>-0.01</b>	

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources



Releases for France						Impact of Data Releases	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCITM February	EA NCITM March
10/3/16	Construction Output	Jan-16	MoM %	7.35	0.51	0.54	0.73
10/3/16	Industrial Production Excl Construction	Jan-16	MoM %	0.83	0.38	0.11	0.14
9/3/16	BdF Business Sentiment Indicator	Feb-16	Index	98.31	99.26	-0.09	-0.20
8/3/16	Exports	Jan-16	MoM %	0.54	1.09	-0.04	-0.06
8/3/16	Imports	Jan-16	MoM %	0.57	1.64	-0.11	-0.15
1/3/16	New Passenger Car Registrations	Feb-16	YoY %	12.98	0.82	0.03	0.05
26/2/16	Industrial Turnover: Manufacturing	Dec-15	MoM %	-1.09	-0.26	-0.13	-0.14
26/2/16	Retail Sales	Dec-15	MoM %	1.40	0.61	0.03	0.03
26/2/16	Household Consumption: Manufactured Goods	Jan-16	MoM %	-0.29	-0.58	0.03	0.04
24/2/16	Registered Unemployed	Jan-16	Thousands	3,552.60	2.83	0.58	0.67
24/2/16	Household Confidence Indicator	Feb-16	Index	95.38	96.61	0.03	0.04
23/2/16	Business Climate Indicator: Industry	Feb-16	Index	100.00	100.38	-0.02	-0.09
22/2/16	PMI: Manufacturing	Feb-16	Index	50.28	49.83	0.11	0.31
22/2/16	PMI: Services	Feb-16	Index	49.84	50.90	-0.12	-0.32
						<b>0.95</b>	<b>1.05</b>
Releases for Germany						Impact of Data Releases	
10/3/16	Imports	Jan-16	MoM %	1.21	2.39	-0.04	-0.05
10/3/16	Exports	Jan-16	MoM %	-0.53	2.20	-0.10	-0.14
8/3/16	Construction Output	Jan-16	MoM %	-1.71	-0.53	-0.01	-0.02
8/3/16	Industrial Production	Jan-16	MoM %	3.34	0.76	0.53	0.72
7/3/16	Industrial Turnover: Manufacturing	Jan-16	MoM %	1.09	-0.67	0.32	0.45
7/3/16	Orders	Jan-16	MoM %	-0.09	0.40	-0.04	-0.06
2/3/16	New Passenger Car Registrations	Feb-16	YoY %	12.12	2.21	0.00	0.02
1/3/16	Job Vacancies	Feb-16	MoM %	0.32	1.35	-0.05	-0.08
29/2/16	Retail Sales	Jan-16	MoM %	0.65	-0.25	0.04	0.04
25/2/16	GfK Consumer Climate Indicator	Mar-16	Index	9.40	9.04	0.00	-0.01
23/2/16	Ifo Business Climate Index	Feb-16	Index	105.70	105.99	0.01	-0.05
22/2/16	PMI: Services	Feb-16	Index	55.12	54.11	0.06	0.14
						<b>0.72</b>	<b>0.96</b>
Releases for Italy						Impact of Data Releases	
11/3/16	Industrial Production Excl Construction	Jan-16	MoM %	1.85	0.06	0.42	0.55
3/3/16	PMI: Services	Feb-16	Index	53.78	52.96	0.04	0.09
1/3/16	New Passenger Car Registrations	Feb-16	YoY %	27.29	7.58	0.09	0.14
1/3/16	PMI: Manufacturing	Feb-16	Index	52.20	51.91	0.06	0.12
25/2/16	Retail Sales	Dec-15	MoM %	-0.10	0.00	-0.01	-0.01
25/2/16	ISTAT Consumer Confidence Indicator	Feb-16	Index	114.50	117.83	0.04	0.04
25/2/16	ISTAT Business Confidence Indicator	Feb-16	Index	102.00	100.40	0.10	0.34
24/2/16	Industrial Turnover	Dec-15	MoM %	-1.63	0.41	-0.17	-0.19
24/2/16	Orders	Dec-15	MoM %	-2.76	-1.07	-0.05	-0.06
18/2/16	Construction Output	Dec-15	MoM %	-0.58	-1.82	0.02	0.02
16/2/16	Imports	Dec-15	MoM %	-3.49	0.08	-0.26	-0.29
16/2/16	Exports	Dec-15	MoM %	-2.24	-1.08	-0.07	-0.08
14/1/16	Industrial Production Excl Construction	Nov-15	MoM %	-0.54	-0.17	-0.11	-0.13
						<b>0.21</b>	<b>0.67</b>

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 McMahon

+44 (0)7802 485904

jasper.mcmahon@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 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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