



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

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

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Bloomberg: NCIXEA

### Euro Area growth continues to decelerate

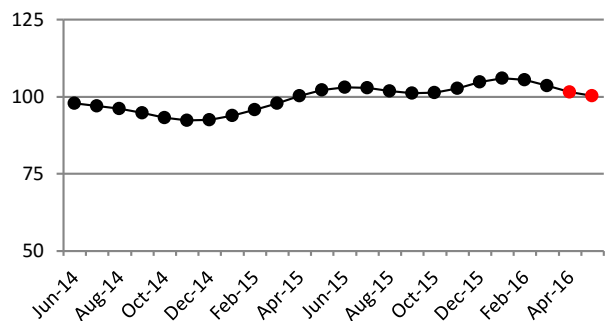
- The Euro Area NCI™ is at 101.47 for April, compared to 103.60 for March, and is forecast at 100.25 for May, indicating a continued deceleration
- More negative than positive surprises in the recent data releases caused the level of the NCI™ series to be revised downwards, but without affecting its trajectory, which has shown a slowdown since January

#### NCI™ release data

reference period	NCI™ Release Dates	
	14/03/2016	13/04/2016
Mar-16	106.29 (A)	103.60 (U)
Apr-16	103.00 (F)	101.47 (A)
May-16	--	100.25 (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™ March	EA NCI™ April
13/04/2016	Industrial Production Excl Construction	Feb-16	MoM %	-0.85	-0.82	-0.02	-0.02
05/04/2016	Retail Sales	Feb-16	MoM %	0.23	-0.09	0.05	0.05
29/03/2016	Orders	Jan-16	MoM %	-0.88	-0.01	-0.13	-0.15
25/03/2016	Industrial Turnover: Manufacturing	Jan-16	MoM %	0.06	0.35	-0.12	-0.14
21/03/2016	Consumer Confidence Indicator	Mar-16	Index	-9.70	-9.30	-0.04	-0.09
17/03/2016	Imports	Jan-16	MoM %	-1.34	0.78	-0.28	-0.31
17/03/2016	Exports	Jan-16	MoM %	-1.92	1.19	-0.39	-0.46
16/03/2016	Construction Output	Jan-16	MoM %	3.63	1.85	0.20	0.24
16/03/2016	New Passenger Car Registrations	Feb-16	YoY %	14.35	3.56	0.18	0.27
						<b>-0.55</b>	<b>-0.61</b>

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources



#### Releases for France

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM March	EA NCITM April
08/04/2016	Industrial Production Excl Construction	Feb-16	MoM %	-0.95	-0.18	-0.19	-0.24
08/04/2016	Construction Output	Feb-16	MoM %	-6.01	-2.97	-0.27	-0.36
08/04/2016	BdF Business Sentiment Indicator	Mar-16	Index	99.00	98.31	0.06	0.15
07/04/2016	Exports	Feb-16	MoM %	-0.24	0.32	-0.04	-0.06
07/04/2016	Imports	Feb-16	MoM %	2.79	0.28	0.27	0.36
01/04/2016	New Passenger Car Registrations	Mar-16	YoY %	7.48	4.27	0.01	0.01
31/03/2016	Retail Sales	Jan-16	MoM %	0.95	-0.75	0.06	0.07
31/03/2016	Industrial Turnover: Manufacturing	Jan-16	MoM %	-1.13	1.39	-0.42	-0.45
31/03/2016	Household Consumption: Manuf. Goods	Feb-16	MoM %	0.52	0.49	0.00	0.00
25/03/2016	Household Confidence Indicator	Mar-16	Index	94.00	94.54	0.01	0.02
24/03/2016	Registered Unemployed	Feb-16	Thousands	3,591.00	3,552.01	-0.75	-0.86
24/03/2016	Business Climate Indicator: Industry	Mar-16	Index	100.00	99.78	0.01	0.05
22/03/2016	PMI: Manufacturing	Mar-16	Index	49.56	49.77	-0.05	-0.14
22/03/2016	PMI: Services	Mar-16	Index	51.22	49.69	0.18	0.47
						<b>-1.12</b>	<b>-0.98</b>

#### Releases for Germany

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM March	EA NCITM April
08/04/2016	Imports	Feb-16	MoM %	0.38	0.00	0.01	0.02
08/04/2016	Exports	Feb-16	MoM %	1.33	1.22	0.00	0.01
06/04/2016	Construction Output	Feb-16	MoM %	6.43	0.28	0.03	0.10
06/04/2016	Industrial Production	Feb-16	MoM %	-0.45	-1.20	0.16	0.22
05/04/2016	New Passenger Car Registrations	Mar-16	YoY %	-0.04	5.32	0.00	-0.01
05/04/2016	Industrial Turnover: Manufacturing	Feb-16	MoM %	-0.54	0.10	-0.12	-0.17
05/04/2016	Orders	Feb-16	MoM %	-1.18	1.10	-0.22	-0.30
31/03/2016	Job Vacancies	Mar-16	MoM %	0.32	0.31	0.00	0.00
31/03/2016	Retail Sales	Feb-16	MoM %	-0.37	0.17	-0.02	-0.03
24/03/2016	GfK Consumer Climate Indicator	Apr-16	Index	9.30	9.48	0.00	0.00
22/03/2016	Ifo Business Climate Index	Mar-16	Index	106.70	105.19	-0.04	0.29
						<b>-0.20</b>	<b>0.13</b>

#### Releases for Italy

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM March	EA NCITM April
11/04/2016	Industrial Production Excl Construction	Feb-16	MoM %	-0.64	-0.96	0.08	0.10
05/04/2016	PMI: Services	Mar-16	Index	51.18	53.72	-0.13	-0.27
01/04/2016	New Passenger Car Registrations	Mar-16	YoY %	17.38	12.48	0.02	0.03
01/04/2016	PMI: Manufacturing	Mar-16	Index	53.47	51.86	0.35	0.65
29/03/2016	ISTAT Consumer Confidence Indicator	Mar-16	Index	115.00	114.14	-0.01	-0.01
24/03/2016	Retail Sales	Jan-16	MoM %	0.00	0.18	-0.02	-0.02
24/03/2016	Orders	Jan-16	MoM %	0.71	0.40	0.01	0.01
17/03/2016	Construction Output	Jan-16	MoM %	-1.46	1.79	-0.06	-0.07
17/03/2016	Imports	Jan-16	MoM %	-0.59	2.34	-0.23	-0.25
17/03/2016	Exports	Jan-16	MoM %	-2.21	1.76	-0.25	-0.29
						<b>-0.24</b>	<b>-0.12</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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