



Released: 12:00 GMT, 14th June, 2016

Next release: 12:00 GMT, 13th July, 2016

www.now-casting.com

Bloomberg: NCIXEA

Euro Area growth weak but stable

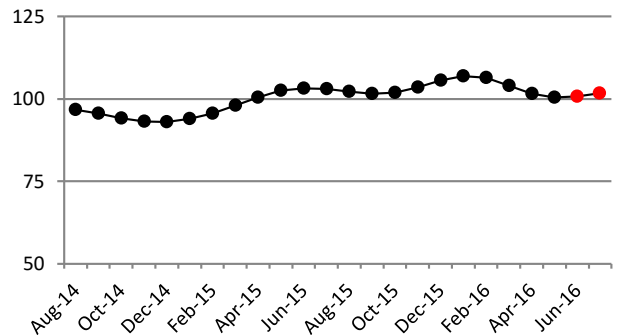
- The Euro Area NCI™ is at 100.65 for June, compared to 100.35 for May, and is forecast at 100.67 for June, indicating little change in the rate of activity, consistent with annual GDP growth around 1%.
- Although there have been no big surprises in the economic data published over the past month, a balance of small positive surprises has caused the level of the NCI™ series to be revised upwards.

NCI™ release data

reference period	NCI™ Release Dates	
	12/05/2016	14/06/2016
May-16	99.51 (A)	100.35 (U)
Jun-16	99.16 (F)	100.65 (A)
Jul-16	--	101.67 (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™ May	EA NCI™ June
14/06/2016	Industrial Production Excl Construction	Apr-16	MoM %	1.15	0.29	0.64	0.86
03/06/2016	Retail Sales	Apr-16	MoM %	-0.05	0.25	-0.05	-0.06
30/05/2016	Business Climate Indicator	May-16	Index	0.26	0.10	-0.09	0.05
26/05/2016	Industrial Turnover: Manufacturing	Mar-16	MoM %	-0.96	-0.10	-0.35	-0.40
25/05/2016	Orders	Mar-16	MoM %	-0.81	-0.47	-0.05	-0.06
23/05/2016	Consumer Confidence Indicator	May-16	Index	-7.00	-9.62	0.22	0.36
23/05/2016	Consumer Confidence Indicator	May-16	Index	-7.00	-9.62	0.22	0.36
23/05/2016	PMI: Manufacturing	May-16	Index	51.51	51.76	-0.07	-0.23
23/05/2016	PMI: Services	May-16	Index	53.08	53.22	-0.03	-0.06
19/05/2016	Construction Output	Mar-16	MoM %	-0.95	-0.04	-0.09	-0.11
17/05/2016	Exports	Mar-16	MoM %	-1.33	-0.13	-0.14	-0.17
17/05/2016	Imports	Mar-16	MoM %	-2.71	-0.68	-0.26	-0.30
13/05/2016	New Passenger Car Registrations	Apr-16	YoY %	9.14	2.92	0.10	0.16
						0.05	0.40

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 May	EA NCITM June
10/06/2016	Construction Output	Apr-16	MoM %	0.66	-2.07	0.22	0.30
10/06/2016	Industrial Production Excl Construction	Apr-16	MoM %	1.26	-0.08	0.33	0.42
08/06/2016	BdF Business Sentiment Indicator	May-16	Index	97.46	99.60	-0.19	-0.46
07/06/2016	Exports	Apr-16	MoM %	1.78	1.10	0.05	0.07
07/06/2016	Imports	Apr-16	MoM %	4.09	1.88	0.23	0.30
01/06/2016	New Passenger Car Registrations	May-16	YoY %	22.30	2.48	0.05	0.08
31/05/2016	Retail Sales	Mar-16	MoM %	-0.34	-0.03	-0.01	-0.01
31/05/2016	Industrial Turnover: Manufacturing	Mar-16	MoM %	-0.19	-0.58	0.06	0.07
30/05/2016	Household Consumption: Manuf Goods	Apr-16	MoM %	-0.47	-0.13	-0.03	-0.04
27/05/2016	Household Confidence Indicator	May-16	Index	98.31	94.56	-0.07	-0.10
25/05/2016	Registered Unemployed	Apr-16	Thousands	3,511.10	3,523.81	0.24	0.27
24/05/2016	Business Climate Indicator: Industry	May-16	Index	102.00	100.17	0.07	0.42
23/05/2016	PMI: Manufacturing	May-16	Index	48.34	48.49	-0.04	-0.10
23/05/2016	PMI: Services	May-16	Index	51.81	51.28	0.06	0.16
						0.97	1.38

Releases for Germany						Impact of Data Releases	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCITM May	EA NCITM June
09/06/2016	Exports	Apr-16	MoM %	0.00	-0.76	0.03	0.04
09/06/2016	Imports	Apr-16	MoM %	-0.24	1.64	-0.07	-0.09
07/06/2016	Construction Output	Apr-16	MoM %	-3.57	3.11	-0.04	-0.11
07/06/2016	Industrial Production	Apr-16	MoM %	0.82	0.55	0.06	0.08
06/06/2016	Industrial Turnover: Manufacturing	Apr-16	MoM %	0.82	0.18	0.12	0.16
06/06/2016	Orders	Apr-16	MoM %	-1.95	-1.35	-0.06	-0.08
02/06/2016	New Passenger Car Registrations	May-16	YoY %	11.91	4.22	0.00	0.01
31/05/2016	Job Vacancies	May-16	MoM %	2.35	0.37	0.10	0.16
31/05/2016	Retail Sales	Apr-16	MoM %	-0.94	0.56	-0.06	-0.07
25/05/2016	GfK Consumer Climate Indicator	Jun-16	Index	9.70	9.65	0.00	0.00
23/05/2016	PMI: Services	May-16	Index	55.23	54.27	0.06	0.14
13/05/2016	Gross Domestic Product	Q1'16	QoQ %	0.66	0.28	0.07	0.06
						0.21	0.30

Releases for Italy						Impact of Data Releases	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCITM May	EA NCITM June
10/06/2016	Industrial Production Excl Construction	Apr-16	MoM %	0.54	-0.54	0.25	0.34
03/06/2016	PMI: Services	May-16	Index	49.81	52.10	-0.12	-0.25
01/06/2016	New Passenger Car Registrations	May-16	YoY %	27.29	6.39	0.10	0.15
01/06/2016	PMI: Manufacturing	May-16	Index	52.43	53.50	-0.23	-0.43
27/05/2016	ISTAT Consumer Confidence Indicator	May-16	Index	112.70	115.10	0.02	0.03
27/05/2016	ISTAT Business Confidence Indicator	May-16	Index	102.10	102.41	-0.02	-0.07
26/05/2016	Retail Sales	Mar-16	MoM %	-0.63	-0.03	-0.07	-0.07
25/05/2016	Industrial Turnover	Mar-16	MoM %	-1.64	-0.43	-0.10	-0.11
25/05/2016	Orders	Mar-16	MoM %	-3.31	-1.12	-0.07	-0.08
18/05/2016	Construction Output	Mar-16	MoM %	-0.74	-0.60	0.00	0.00
17/05/2016	Exports	Mar-16	MoM %	-1.50	-1.08	-0.03	-0.03
17/05/2016	Imports	Mar-16	MoM %	-2.39	-0.10	-0.17	-0.19
13/05/2016	Gross Domestic Product	Q1'16	QoQ %	0.30	0.09	0.13	0.12
						-0.31	-0.59

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 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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