



Euro Area NCI™
Now-Casting Index

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

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

www.now-casting.com

Bloomberg: NCIXEA

Euro Area growth showing modest improvement

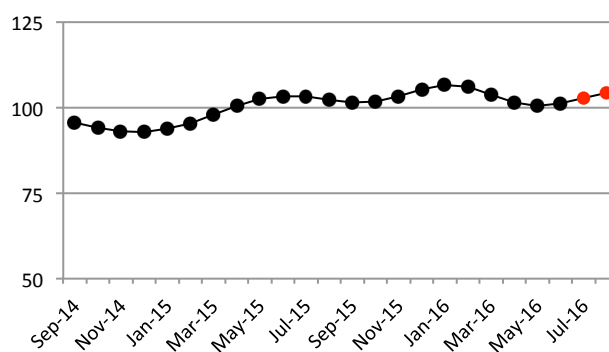
- The Euro Area NCI™ is at 102.74 for July, compared to 101.18 for June, and is forecast at 104.36 for August, indicating a moderate acceleration.
- There have been no significant surprises in the economic data published over the past month, but a balance of small positive surprises has caused the level of the NCI™ series to be revised upwards.

NCI™ release data

reference period	NCI™ Release Dates	
	14/06/2016	13/07/2016
Jun-16	100.68 (A)	101.18 (U)
Jul-16	101.69 (F)	102.74 (A)
Aug-16	--	104.36 (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™ June	EA NCI™ July
13/07/2016	Industrial Production Excl Construction	May-16	MoM %	-1.25	-0.43	-0.49	-0.64
05/07/2016	Retail Sales	May-16	MoM %	0.36	0.17	0.03	0.03
29/06/2016	Business Climate Indicator	Jun-16	Index	0.22	0.31	0.05	-0.02
27/06/2016	Industrial Turnover: Manufacturing	Apr-16	MoM %	1.14	0.46	0.28	0.32
24/06/2016	Orders	Apr-16	MoM %	-0.30	0.25	-0.09	-0.10
22/06/2016	Consumer Confidence Indicator	Jun-16	Index	-7.30	-6.46	-0.09	-0.18
22/06/2016	Consumer Confidence Indicator	Jun-16	Index	-7.30	-6.46	-0.09	-0.18
20/06/2016	Construction Output	Apr-16	MoM %	-0.15	0.81	-0.10	-0.12
16/06/2016	New Passenger Car Registrations	May-16	YoY %	16.01	4.99	0.17	0.26
15/06/2016	Imports	Apr-16	MoM %	2.63	1.18	0.19	0.21
15/06/2016	Exports	Apr-16	MoM %	4.86	0.75	0.52	0.61
						0.38	0.19

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 June	EA NCITM July
11/07/2016	BdF Business Sentiment Indicator	Jun-16	Index	97.43	98.07	-0.06	-0.14
08/07/2016	Construction Output	May-16	MoM %	-0.36	-1.43	0.09	0.12
08/07/2016	Industrial Production Excl Construction	May-16	MoM %	0.04	-0.78	0.20	0.26
07/07/2016	Imports	May-16	MoM %	-3.51	-1.35	-0.24	-0.32
07/07/2016	Exports	May-16	MoM %	1.44	-0.50	0.15	0.21
01/07/2016	New Passenger Car Registrations	Jun-16	YoY %	0.77	7.66	-0.02	-0.03
30/06/2016	Industrial Turnover: Manufacturing	Apr-16	MoM %	-1.14	0.17	-0.22	-0.23
30/06/2016	Retail Sales	Apr-16	MoM %	0.26	0.33	0.00	0.00
30/06/2016	Household Consumption: Manuf. Goods	May-16	MoM %	0.16	0.54	-0.03	-0.05
28/06/2016	Household Confidence Indicator	Jun-16	Index	96.90	98.91	0.04	0.05
24/06/2016	Registered Unemployed	May-16	Thousands	3,520.30	3,509.52	-0.20	-0.23
23/06/2016	PMI: Manufacturing	Jun-16	Index	47.93	48.61	-0.13	-0.33
23/06/2016	PMI: Services	Jun-16	Index	49.85	51.88	-0.18	-0.42
23/06/2016	Business Climate Indicator: Industry	Jun-16	Index	100.40	102.08	-0.28	-0.95
						-0.88	-2.06
Releases for Germany						Impact of Data Releases	
08/07/2016	Imports	May-16	MoM %	0.05	0.45	-0.01	-0.02
08/07/2016	Exports	May-16	MoM %	-1.84	0.27	-0.08	-0.11
07/07/2016	Construction Output	May-16	MoM %	-0.26	-1.49	0.01	0.02
07/07/2016	Industrial Production	May-16	MoM %	-1.28	-0.66	-0.13	-0.18
06/07/2016	Industrial Turnover: Manufacturing	May-16	MoM %	-0.81	-0.35	-0.09	-0.12
06/07/2016	Orders	May-16	MoM %	0.00	1.12	-0.10	-0.15
04/07/2016	New Passenger Car Registrations	Jun-16	YoY %	8.30	4.17	0.00	0.01
30/06/2016	Job Vacancies	Jun-16	MoM %	0.61	1.91	-0.06	-0.11
30/06/2016	Retail Sales	May-16	MoM %	0.95	0.25	0.03	0.04
29/06/2016	GfK Consumer Climate Indicator	Jul-16	Index	9.80	9.84	0.00	0.00
24/06/2016	Ifo Business Climate Index	Jun-16	Index	108.70	107.89	-0.03	0.13
						-0.46	-0.49
Releases for Italy						Impact of Data Releases	
11/07/2016	Industrial Production Excl Construction	May-16	MoM %	-0.65	-0.10	-0.13	-0.17
05/07/2016	PMI: Services	Jun-16	Index	51.89	50.67	0.06	0.13
01/07/2016	New Passenger Car Registrations	Jun-16	YoY %	11.88	12.81	-0.01	-0.01
01/07/2016	PMI: Manufacturing	Jun-16	Index	53.54	52.27	0.27	0.51
28/06/2016	ISTAT Business Confidence Indicator	Jun-16	Index	102.80	102.59	0.01	0.04
28/06/2016	ISTAT Consumer Confidence Indicator	Jun-16	Index	110.20	113.14	0.03	0.04
24/06/2016	Retail Sales	Apr-16	MoM %	0.11	0.33	-0.03	-0.03
23/06/2016	Orders	Apr-16	MoM %	1.04	1.54	-0.02	-0.02
20/06/2016	Construction Output	Apr-16	MoM %	2.53	0.38	0.06	0.07
17/06/2016	Imports	Apr-16	MoM %	3.91	0.99	0.21	0.24
17/06/2016	Exports	Apr-16	MoM %	2.75	0.53	0.13	0.15
						0.58	0.95

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).

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