



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

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

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Bloomberg: NCIXEA

Euro Area growth decelerating

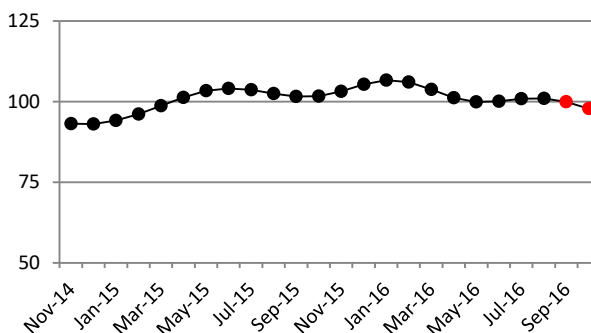
- The Euro Area NCI™ is at 99.93 for September, compared to 100.97 for August, and is forecast to fall further to 97.82 for October, indicating a deceleration in growth.
- There have been no significant surprises in the economic data published over the past month and consequently the level of the NCI series has remained fairly constant, with a minor downward revision.

NCI™ release data

reference period	NCI™ Release Dates	
	12/08/2016	14/09/2016
Aug-16	100.92 (A)	100.97 (U)
Sep-16	101.24 (F)	99.93 (A)
Oct-16	--	97.82 (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™ August	EA NCI™ September
14/09/2016	Industrial Production Excl Construction	Jul-16	MoM %	-1.15	-0.57	-0.34	-0.46
05/09/2016	Retail Sales	Jul-16	MoM %	1.06	0.04	0.17	0.20
23/08/2016	Consumer Confidence Indicator	Aug-16	Index	-8.50	-8.23	-0.02	-0.04
23/08/2016	PMI: Manufacturing	Aug-16	Index	51.80	51.96	-0.04	-0.15
23/08/2016	PMI: Services	Aug-16	Index	53.13	53.03	0.02	0.04
18/08/2016	Construction Output	Jun-16	MoM %	0.00	0.13	-0.01	-0.01
17/08/2016	Orders	Jun-16	MoM %	-0.53	-0.53	0.00	0.00
16/08/2016	Imports	Jun-16	MoM %	1.48	0.62	0.10	0.11
16/08/2016	Exports	Jun-16	MoM %	0.55	0.75	-0.02	-0.03
12/08/2016	Industrial Turnover: Manufacturing	Jun-16	MoM %	-0.83	0.04	-0.42	-0.48
						-0.56	-0.82

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 August	EA NCITM September
09/09/2016	Construction Output	Jul-16	MoM %	4.79	0.66	0.33	0.44
09/09/2016	Industrial Production Excl Construction	Jul-16	MoM %	-0.33	0.53	-0.21	-0.27
08/09/2016	BdF Business Sentiment Indicator	Aug-16	Index	97.81	97.53	0.03	0.06
07/09/2016	Imports	Jul-16	MoM %	2.44	-0.01	0.26	0.34
07/09/2016	Exports	Jul-16	MoM %	-0.19	0.88	-0.08	-0.12
01/09/2016	New Passenger Car Registrations	Aug-16	YoY %	6.70	-4.51	0.03	0.05
26/08/2016	Household Confidence Indicator	Aug-16	Index	96.84	95.55	-0.02	-0.03
25/08/2016	Business Climate Indicator: Industry	Aug-16	Index	101.00	101.72	-0.03	-0.17
24/08/2016	Registered Unemployed	Jul-16	Thousands	3,506.60	3,527.60	0.38	0.44
23/08/2016	PMI: Services	Aug-16	Index	51.99	51.29	0.08	0.21
23/08/2016	PMI: Manufacturing	Aug-16	Index	48.53	49.06	-0.13	-0.36
						0.64	0.59

Releases for Germany

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM August	EA NCITM September
09/09/2016	Exports	Jul-16	MoM %	-2.63	-0.55	-0.08	-0.11
09/09/2016	Imports	Jul-16	MoM %	-0.74	-1.19	0.02	0.02
07/09/2016	Construction Output	Jul-16	MoM %	0.26	-2.49	0.01	0.04
07/09/2016	Industrial Production	Jul-16	MoM %	-1.46	-0.96	-0.11	-0.15
06/09/2016	Industrial Turnover: Manufacturing	Jul-16	MoM %	-1.47	-0.02	-0.27	-0.38
06/09/2016	Orders	Jul-16	MoM %	0.18	-0.48	0.06	0.09
02/09/2016	New Passenger Car Registrations	Aug-16	YoY %	8.29	-1.73	0.00	0.02
26/08/2016	GfK Consumer Climate Indicator	Sep-16	Index	10.20	9.81	0.00	-0.01
25/08/2016	Ifo Business Climate Index	Aug-16	Index	106.20	107.83	0.05	-0.26
23/08/2016	PMI: Manufacturing	Aug-16	Index	53.58	53.44	0.02	0.06
23/08/2016	PMI: Services	Aug-16	Index	53.26	54.04	-0.05	-0.11
						-0.35	-0.79

Releases for Italy

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM August	EA NCITM September
13/09/2016	Industrial Production Excl Construction	Jul-16	MoM %	0.44	-0.15	0.15	0.19
05/09/2016	PMI: Services	Aug-16	Index	52.31	51.57	0.04	0.08
01/09/2016	New Passenger Car Registrations	Aug-16	YoY %	20.12	0.35	0.10	0.15
01/09/2016	PMI: Manufacturing	Aug-16	Index	49.75	50.65	-0.19	-0.36
30/08/2016	Retail Sales	Jun-16	MoM %	0.21	-0.02	0.03	0.03
29/08/2016	ISTAT Business Confidence Indicator	Aug-16	Index	101.10	102.53	-0.09	-0.30
29/08/2016	ISTAT Consumer Confidence Indicator	Aug-16	Index	109.20	110.85	0.02	0.02
						0.06	-0.19

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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