South Africa NCI™
Now-Casting Index

Released: 16:00 GMT, 10th October, 2017 Next release: 16:00 GMT, 9th November, 2017

www.now-casting.com Bloomberg: NCIXZA

## South Africa economic growth picks up pace

- The NCI™ for October is at 82.52, up from 82.17 in September, and is forecast to rise further to 85.86 in November, suggesting that the deceleration of the last quarter is coming to an end.
- Moreover, the level of the NCI™ series has been revised upward, to reflect an overall positive balance of surprises in the dataflow of the past month.

NCI™ release data

reference period	NCI™ Release Dates	
	07/09/2017	10/10/2017
Sep-17	71.75 (A)	82.17 (U)
Oct-17	65.28 (F)	82.52 (A)
Nov-17	--	85.86 (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
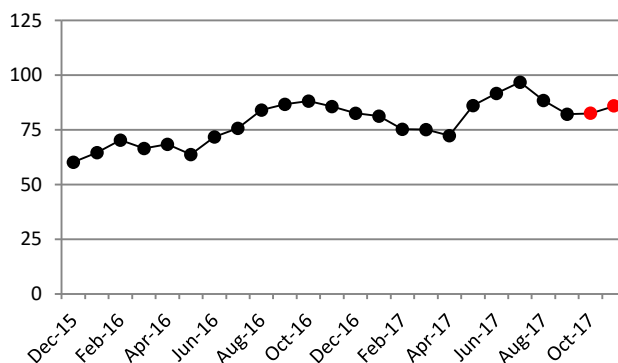
The newsflow: macroeconomic data releases since last month's NCI™

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases SA NCI™ September	SA NCI™ October
10/10/2017	Industrial Production Excl Construction	Aug-17	YoY %	1.55	1.34	0.08	0.11
05/10/2017	Electricity Production	Aug-17	YoY %	0.76	-0.13	0.84	1.82
05/10/2017	Electricity Consumed	Aug-17	YoY %	1.70	0.01	2.28	5.41
05/10/2017	SACCI Business Confidence Index	Sep-17	Index	93.00	1.55	0.23	0.35
04/10/2017	Domestic Vehicle Sales	Sep-17	YoY %	7.01	4.30	0.24	0.58
04/10/2017	PMI: Manufacturing	Sep-17	Index	44.90	46.43	-0.74	-1.55
29/09/2017	Exports	Aug-17	MoM %	19.12	1.72	3.78	4.76
13/09/2017	BER Business Confidence Index	Q3'17	Index	35.00	21.50	3.57	5.23
13/09/2017	Retail Sales	Jul-17	MoM %	-0.64	0.15	-0.52	-0.48
08/09/2017	Manufacturing Sales Volume	Jul-17	MoM %	-2.27	-0.72	-0.98	-0.90
						8.78	**15.33**

Note: Released values are expressed in Model Units

News Release

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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 South Africa 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 South Africa 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, Brazil, Mexico and South Africa 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).