



## Euro Area NCI™

### Now-Casting Index

Released: 12:00 GMT, 12<sup>th</sup> April, 2018

Next release: 12:00 GMT, 15<sup>th</sup> May, 2018

www.now-casting.com

Bloomberg: NCIXEA

### Euro Area economic growth deceleration continues

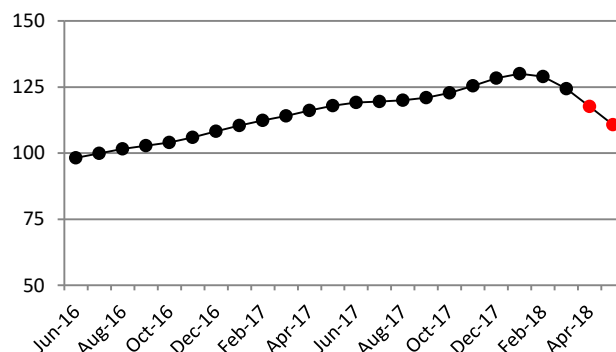
- The Euro Area NCI™ is at 117.65 for April, down from 124.40 in March, and is forecast to fall further to 110.69 in May, suggesting a continuation of the economic growth deceleration that began in February.
- Additionally, the level of the NCI™ series has been revised downward, reflecting a balance of negative surprises in the economic data flow over the past month.

#### NCI™ release data

reference period	NCI™ Release Dates	
	14/03/2018	12/04/2018
Mar-18	132.31 (A)	124.40 (U)
Apr-18	128.20 (F)	117.65 (A)
May-18	--	110.69 (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

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™ March	EA NCI™ April
12/04/2018	Industrial Production Excl Construction	Feb-18	MoM %	-0.84	0.37	-0.83	-1.10
05/04/2018	Retail Sales	Feb-18	MoM %	0.10	0.27	-0.04	-0.05
03/04/2018	Industrial Turnover: Manufacturing	Jan-18	MoM %	-0.09	0.75	-0.41	-0.46
27/03/2018	Business Climate Indicator	Mar-18	Index	1.34	1.17	-0.11	0.00
22/03/2018	PMI: Manufacturing	Mar-18	Index	56.60	57.54	-0.29	-0.93
22/03/2018	PMI: Services	Mar-18	Index	55.01	55.79	-0.19	-0.34
20/03/2018	Consumer Confidence Indicator	Mar-18	Index	0.10	-0.59	0.10	0.18
20/03/2018	Consumer Confidence Indicator	Mar-18	Index	0.10	-0.59	0.10	0.18
19/03/2018	Construction Output	Jan-18	MoM %	-2.16	-0.90	-0.22	-0.26
19/03/2018	Imports	Jan-18	MoM %	1.11	1.27	-0.03	-0.03
19/03/2018	Exports	Jan-18	MoM %	-0.70	0.70	-0.27	-0.31
15/03/2018	New Passenger Car Registrations	Feb-18	YoY %	4.36	4.68	-0.01	-0.01
						<b>-2.20</b>	<b>-3.13</b>

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	Release	Reference	Model	Release	Model	EA NCITM	EA NCITM
Date	Name	Period	Unit	Value*	Expectation	March	April
11/04/2018	BdF Business Sentiment Indicator	Mar-18	Index	102.67	103.39	-0.06	-0.15
10/04/2018	Industrial Production Excl Construction	Feb-18	MoM %	-0.61	0.38	-0.25	-0.32
10/04/2018	Construction Output	Feb-18	MoM %	2.76	3.94	-0.13	-0.16
06/04/2018	Imports	Feb-18	MoM %	-1.35	-0.03	-0.18	-0.23
06/04/2018	Exports	Feb-18	MoM %	-0.95	2.15	-0.31	-0.41
03/04/2018	New Passenger Car Registrations	Mar-18	YoY %	2.20	2.21	0.00	0.00
30/03/2018	Retail Sales	Jan-18	MoM %	-0.65	1.05	-0.03	-0.03
30/03/2018	Household Consumption: Manuf. Goods	Feb-18	MoM %	1.04	0.41	0.07	0.10
28/03/2018	Household Confidence Indicator	Mar-18	Index	100.17	99.73	-0.01	-0.02
27/03/2018	Registered Unemployed	Feb-18	Thousands	3,422.90	3,448.02	0.50	0.57
22/03/2018	PMI: Manufacturing	Mar-18	Index	53.61	55.35	-0.43	-1.09
22/03/2018	PMI: Services	Mar-18	Index	56.77	57.10	-0.03	-0.08
22/03/2018	Business Climate Indicator: Industry	Mar-18	Index	109.30	107.60	0.31	1.08
						<b>-0.55</b>	<b>-0.74</b>

### Releases for Germany

						Impact of Data Releases	
Release	Release	Reference	Model	Release	Model	EA NCITM	EA NCITM
Date	Name	Period	Unit	Value*	Expectation	March	April
09/04/2018	Imports	Feb-18	MoM %	-1.33	0.41	-0.08	-0.11
09/04/2018	Exports	Feb-18	MoM %	-3.16	0.34	-0.17	-0.24
06/04/2018	Construction Output	Feb-18	MoM %	-7.16	-2.94	0.00	-0.04
06/04/2018	Industrial Production	Feb-18	MoM %	-1.58	-0.12	-0.38	-0.53
05/04/2018	Orders	Feb-18	MoM %	0.27	2.08	-0.19	-0.26
04/04/2018	New Passenger Car Registrations	Mar-18	YoY %	-3.41	3.38	0.00	-0.02
03/04/2018	Retail Sales	Feb-18	MoM %	-0.66	0.26	-0.04	-0.06
28/03/2018	GfK Consumer Climate Indicator	Apr-18	Index	11.00	10.80	0.00	0.00
22/03/2018	PMI: Manufacturing	Mar-18	Index	58.38	59.22	-0.12	-0.32
22/03/2018	PMI: Services	Mar-18	Index	54.19	54.88	-0.05	-0.07
22/03/2018	Ifo Business Climate Index	Mar-18	Index	114.70	114.47	0.00	0.04
						<b>-1.03</b>	<b>-1.61</b>

### Releases for Italy

						Impact of Data Releases	
Release	Release	Reference	Model	Release	Model	EA NCITM	EA NCITM
Date	Name	Period	Unit	Value*	Expectation	March	April
11/04/2018	Retail Sales	Feb-18	MoM %	0.40	0.41	0.00	0.00
10/04/2018	Industrial Production Excl Construction	Feb-18	MoM %	-0.47	0.57	-0.30	-0.38
05/04/2018	PMI: Services	Mar-18	Index	52.63	53.86	-0.07	-0.14
03/04/2018	New Passenger Car Registrations	Mar-18	YoY %	-5.75	-0.80	-0.03	-0.05
03/04/2018	PMI: Manufacturing	Mar-18	Index	55.11	55.24	-0.03	-0.06
28/03/2018	Construction Output	Jan-18	MoM %	-0.10	-3.37	-0.06	-0.07
28/03/2018	Industrial Turnover	Jan-18	MoM %	-2.80	-1.33	-0.12	-0.13
28/03/2018	Orders	Jan-18	MoM %	-4.55	-4.41	0.00	0.00
27/03/2018	ISTAT Business Confidence Indicator	Mar-18	Index	106.00	106.73	-0.02	-0.07
27/03/2018	ISTAT Consumer Confidence Indicator	Mar-18	Index	117.50	115.19	-0.04	-0.07
19/03/2018	Imports	Jan-18	MoM %	-4.37	-0.09	-0.33	-0.34
19/03/2018	Exports	Jan-18	MoM %	-2.53	0.68	-0.14	-0.14
19/03/2018	Industrial Production Excl Construction	Jan-18	MoM %	-1.92	0.29	-0.75	-0.77
						<b>-1.89</b>	<b>-2.22</b>

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](http://www.now-casting.com)).

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