



Mexico NCI™

Now-Casting Index

Released: 17:00 GMT, 11th May, 2018

Next release: 17:00 GMT, 11th June, 2018

www.now-casting.com

Bloomberg: NCIXMX

Mexican growth starts to decelerate

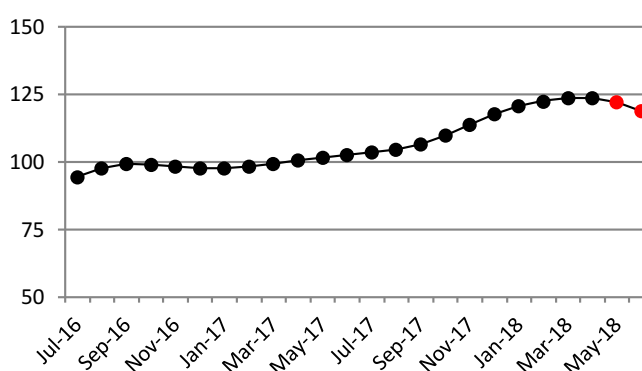
- The Mexico NCI™ is at 121.89 for May, down from 123.64 in April, and is forecast at 118.62 for June, confirming that the acceleration which began last June came to an end at the end of the first quarter.
- There have been no big surprises in the recent data flow, although the balance of news has been positive, causing the level of the NCI™ series to be revised slightly upwards.

NCI™ release data

reference period	NCI™ Release Dates	
	11/04/2018	11/05/2018
Apr-18	122.00 (A)	123.64 (U)
May-18	120.77 (F)	121.89 (A)
Jun-18	--	118.62 (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	
						Mexico NCI™ April	Mexico NCI™ May
11/05/2018	Industrial Production	Mar-18	MoM %	-0.04	0.59	-0.19	-0.25
07/05/2018	Consumer Confidence	Apr-18	Index	86.50	0.16	0.26	0.38
04/05/2018	Change in Nonfarm Payrolls	Apr-18	Thousands	164.00	178.05	0.08	0.15
03/05/2018	Producer Confidence Index	Apr-18	Index	100.79	1.58	-0.04	-0.25
02/05/2018	IMEF Business Climate Index: Mfg	Apr-18	Index	52.20	52.99	-0.12	-0.21
02/05/2018	IMEF Business Climate Index: Non-mfg	Apr-18	Index	53.00	53.29	-0.04	-0.06
02/05/2018	Opinion Survey: Manufacturing Orders	Apr-18	Index	52.01	52.45	-0.21	-0.37
01/05/2018	ISM Mfg: PMI Composite Index	Apr-18	Index	57.30	58.99	-0.42	-1.17
30/04/2018	Gross Domestic Product	Q1'18	QoQ %	1.10	0.96	-0.01	-0.01
27/04/2018	Imports	Mar-18	MoM %	3.19	2.51	0.27	0.36
27/04/2018	Exports	Mar-18	MoM %	2.61	1.88	0.23	0.30
25/04/2018	Retail Sales	Feb-18	MoM %	1.61	0.12	0.05	0.06
19/04/2018	Manufacturing Employment	Feb-18	Index	116.20	0.40	-0.21	-0.23
18/04/2018	Capacity Utilisation: Industry	Mar-18	Rate %	78.00	77.91	0.83	1.03
18/04/2018	Industrial Production	Mar-18	MoM %	0.56	0.49	0.78	0.96
						1.26	0.69

Note: Released values are expressed in Model Units
Source: Now-Casting Economics Ltd and Official Data Sources



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For further information, please contact:

Now-Casting Economics Limited

Jasper McMahon

+44 (0)7802 485904

jasper.mcmahon@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 Mexico 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 Mexico 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).

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