



Released: 12:00 GMT, 14th January, 2019

Next release: 12:00 GMT, 13th February, 2019

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Bloomberg: NCIXEA

Euro Area economic growth deceleration continues

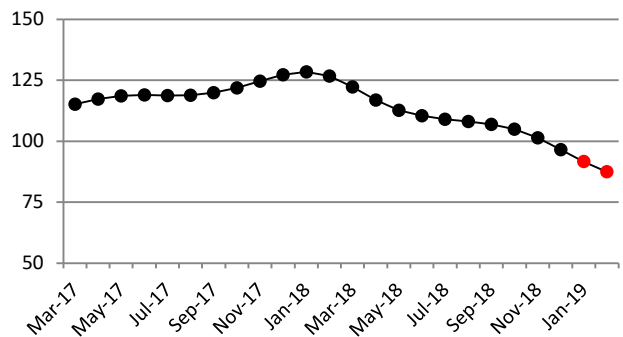
- The Euro Area NCI™ is at 91.64 for January 2019, down from 96.60 in December 2018, and is forecast to fall further to 87.41 in February.
- Additionally, the level of the NCI™ series has also been revised downward, reflecting a balance of negative surprises in the economic data flow over the past month.

NCI™ release data

reference period	NCI™ Release Dates	
	12/12/2018	14/01/2019
Dec-18	98.64 (A)	96.60 (U)
Jan-19	95.53 (F)	91.64 (A)
Feb-19	--	87.41 (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						Impact of Data Releases	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCI™ December	EA NCI™ January
21/12/2018	Consumer Confidence Indicator	Dec-18	Index	-6.20	-0.49	-0.23	-0.33
21/12/2018	Orders	Oct-18	MoM %	-0.29	0.31	-0.15	-0.17
19/12/2018	Construction Output	Oct-18	MoM %	-1.63	-2.47	0.16	0.18
17/12/2018	Imports	Oct-18	MoM %	2.57	0.37	0.41	0.45
17/12/2018	Exports	Oct-18	MoM %	2.13	1.06	0.23	0.26
14/12/2018	PMI: Manufacturing	Dec-18	Index	51.44	51.06	0.11	0.45
14/12/2018	PMI: Services	Dec-18	Index	51.37	52.83	-0.44	-0.81
14/12/2018	New Passenger Car Registrations	Nov-18	YoY %	-7.81	-4.41	-0.09	-0.13
14/01/2019	Industrial Production Excl Construction	Nov-18	MoM %	-1.69	-0.35	-1.03	-1.37
08/01/2019	Business Climate Indicator	Dec-18	Index	0.82	0.92	0.09	0.02
07/01/2019	Retail Sales	Nov-18	MoM %	0.57	-0.02	0.13	0.16
04/01/2019	Industrial Turnover: Manufacturing	Oct-18	MoM %	1.09	0.42	0.33	0.37
						-0.48	-0.92

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

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM December	EA NCITM January
27/12/2018	Registered Unemployed	Nov-18	Thousands	3,410.80	3,427.84	0.34	0.38
21/12/2018	Retail Sales	Oct-18	MoM %	1.09	0.84	0.01	0.01
21/12/2018	Industrial Turnover: Manufacturing	Oct-18	MoM %	3.16	1.46	0.45	0.49
21/12/2018	Business Climate Indicator: Industry	Dec-18	Index	102.50	102.32	0.01	0.04
21/12/2018	Household Consumption: Manuf. Goods	Nov-18	MoM %	-0.65	-0.44	-0.03	-0.04
14/12/2018	PMI: Manufacturing	Dec-18	Index	49.68	50.65	-0.33	-0.90
14/12/2018	PMI: Services	Dec-18	Index	49.63	54.82	-0.70	-1.91
11/01/2019	BdF Business Sentiment Indicator	Dec-18	Index	102.72	98.52	0.43	1.02
10/01/2019	Construction Output	Nov-18	MoM %	1.43	3.00	-0.21	-0.27
10/01/2019	Industrial Production Excl Construction	Nov-18	MoM %	-1.41	-1.17	-0.07	-0.09
09/01/2019	Household Confidence Indicator	Dec-18	Index	86.66	101.95	0.12	0.23
08/01/2019	Imports	Nov-18	MoM %	-1.78	-1.42	-0.06	-0.07
08/01/2019	Exports	Nov-18	MoM %	-4.37	-3.54	-0.10	-0.14
02/01/2019	New Passenger Car Registrations	Dec-18	YoY %	-14.47	-2.38	-0.06	-0.08
						-0.20	-1.33

Releases for Germany

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM December	EA NCITM January
21/12/2018	GfK Consumer Climate Indicator	Jan-19	Index	10.50	-0.11	0.00	0.00
18/12/2018	Ifo Business Climate Index	Dec-18	Index	101.00	101.38	0.00	-0.10
14/12/2018	PMI: Services	Dec-18	Index	52.54	52.84	-0.03	-0.05
14/12/2018	PMI: Manufacturing	Dec-18	Index	51.52	50.91	0.09	0.32
09/01/2019	Imports	Nov-18	MoM %	-1.61	-1.04	-0.03	-0.04
09/01/2019	Exports	Nov-18	MoM %	-0.37	-1.08	0.04	0.06
08/01/2019	Industrial Production	Nov-18	MoM %	-1.90	-0.14	-0.54	-0.74
08/01/2019	Construction Output	Nov-18	MoM %	-0.77	1.57	0.01	-0.01
07/01/2019	Orders	Nov-18	MoM %	-1.02	-0.02	-0.13	-0.18
07/01/2019	Industrial Turnover: Manufacturing	Nov-18	MoM %	-2.39	-0.39	-0.58	-0.80
04/01/2019	New Passenger Car Registrations	Dec-18	YoY %	-6.65	-5.04	0.00	-0.01
04/01/2019	Job Vacancies	Dec-18	MoM %	-0.12	-0.24	0.01	0.01
						-1.16	-1.54

Releases for Italy

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of Data Releases	
						EA NCITM December	EA NCITM January
21/12/2018	ISTAT Business Confidence Indicator	Dec-18	Index	99.80	99.74	0.00	0.01
21/12/2018	ISTAT Consumer Confidence Indicator	Dec-18	Index	113.10	114.15	0.00	0.01
19/12/2018	Construction Output	Oct-18	MoM %	-1.57	-1.61	0.00	0.00
17/12/2018	Imports	Oct-18	MoM %	2.14	0.75	0.10	0.10
17/12/2018	Exports	Oct-18	MoM %	2.52	1.51	0.03	0.03
14/12/2018	Industrial Turnover	Oct-18	MoM %	-0.55	0.36	-0.11	-0.11
14/12/2018	Orders	Oct-18	MoM %	-0.27	2.22	-0.07	-0.07
11/01/2019	Industrial Production Excl Construction	Nov-18	MoM %	-1.59	-0.10	-0.49	-0.60
10/01/2019	Retail Sales	Nov-18	MoM %	0.69	0.01	0.08	0.08
04/01/2019	PMI: Services	Dec-18	Index	50.52	50.37	0.01	0.02
02/01/2019	New Passenger Car Registrations	Dec-18	YoY %	1.96	-5.20	0.05	0.08
02/01/2019	PMI: Manufacturing	Dec-18	Index	49.23	48.26	0.28	0.56
						-0.12	0.11

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).

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