

News Release

Now-Casting Index
12:00 GMT 12 September 2014

Now-Casting Euro Area NCI™

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.

Reading the NCI™

The NCI™ is normalized to have a mean value of 100 and a standard deviation of 25 calculated over the estimation sample. 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 released value and model-based nowcast for each input indicator. The weights attached to each *news* are also model-based.

Next E.A. NCI™ RELEASE:

14 Oct, 2014
12:00 GMT

Eurozone economic growth continues to slide

- Eurozone growth continues on a deteriorating path: the NCI™ is at 92.32 for September, compared to 94.39 in August
- Conditions are expected to continue to worsen, as the October NCI™ is forecast at 89.59
- Following data released over the past month the NCI™ for September is revised downward from the 94.15 forecast a month ago

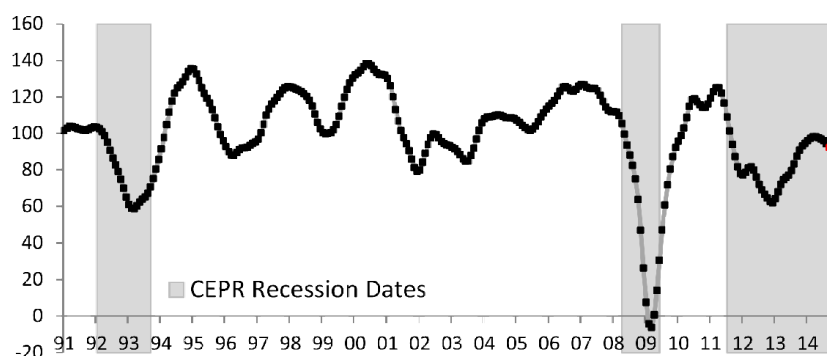
Now-Casting E.A. NCI™

reference period	NCI™ Release Dates	
	13/08/2014	12/09/2014
Aug-14	94.77 (A)	94.39 (U)
Sep-14	94.15 (F)	92.32 (A)
Oct-14	--	89.59 (F)

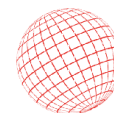
Notes: (A), ACTUAL, denotes the estimate of economic activity for the current month; (F), FORECAST, the forecast for next month; (U), UPDATED, denotes the updates reflecting data released since the last NCI publication date. Source: Now-Casting Economics Ltd

Jasper McMahon, CEO of Now-Casting Economics, commented, "Any signs of economic recovery in the Eurozone earlier this year have well and truly been wiped away. September will be the fifth straight month of deterioration for the region, which is a real worry. Through August and into September we've seen most indices come in below expectations, driven by negative GDP growth in Germany and France and poor business and consumer confidence. Some more positive data out of Germany, the area's biggest economy, in recent days is welcome, but the overall Eurozone picture remains extremely gloomy indeed."

Now-Casting E.A. NCI™



Source: Now-Casting Economics Ltd



The Real Time Data Flow

EA NCI™ for September updated to 92.32 from 94.15 in August

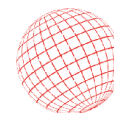
EA NCI™ for August updated to 94.39 from 94.77

						Impact of EA Data	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCI™ August	EA NCI™ September
14/08/2014	Orders	Jun-14	MoM %	-1.27	-0.09	-0.17	-0.2
14/08/2014	Gross Domestic Product	Q2'14	QoQ %	0.05	0.14	-0.26	-0.25
18/08/2014	Imports	Jun-14	MoM %	0.48	-0.49	0.12	0.14
18/08/2014	Exports	Jun-14	MoM %	-0.45	-0.4	0	0
20/08/2014	Construction Output	Jun-14	MoM %	-0.66	0.2	-0.07	-0.08
21/08/2014	Consumer Confidence Indicator	Aug-14	Index	-10	-8.2	-0.14	-0.18
21/08/2014	PMI: Manufacturing	Aug-14	Index	50.83	51.37	-0.12	-0.47
21/08/2014	PMI: Services	Aug-14	Index	53.55	53.59	-0.01	-0.02
28/08/2014	Business Climate Indicator	Aug-14	Index	0.16	0.07	-0.09	-0.02
03/09/2014	Retail Sales	Jul-14	MoM %	-0.45	-0.14	-0.06	-0.07
12/09/2014	Industrial Production Excl Construction	Jul-14	MoM %	1	-0.14	0.57	0.73
						-0.23	-0.42

						Impact of GER Data	
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	EA NCI™ August	EA NCI™ September
14/08/2014	Gross Domestic Product	Q2'14	QoQ %	-0.16	0.17	-0.04	-0.04
21/08/2014	PMI: Manufacturing	Aug-14	Index	52.02	51.83	0.03	0.11
21/08/2014	PMI: Services	Aug-14	Index	56.42	55.66	0.06	0.16
25/08/2014	Ifo Business Climate Index	Aug-14	Index	106.3	107.6	-0.04	-0.32
27/08/2014	GfK Consumer Climate Indicator	Sep-14	Index	8.6	8.98	0	0.01
28/08/2014	Job Vacancies	Aug-14	MoM %	2.27	-0.06	0.09	0.16
29/08/2014	Retail Sales	Jul-14	MoM %	-1.36	-0.47	-0.04	-0.06
02/09/2014	New Passenger Car Registrations	Aug-14	YoY %	-0.44	3.49	0	-0.01
04/09/2014	Industrial Turnover: Manufacturing	Jul-14	MoM %	1.02	-0.49	0.28	0.39
04/09/2014	Orders	Jul-14	MoM %	4.63	0.51	0.37	0.53
05/09/2014	Construction Output	Jul-14	MoM %	-0.6	-2.29	0.01	0.03
05/09/2014	Industrial Production Incl Construction	Jul-14	MoM %	1.87	-0.38	0.46	0.62
08/09/2014	Imports	Jul-14	MoM %	-1.77	-2.19	0.02	0.03
08/09/2014	Exports	Jul-14	MoM %	4.74	0.06	0.21	0.28
						1.41	1.89

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources



The Real Time Data Flow

EA NCI™ for September updated to 92.32 from 94.15 in August

EA NCI™ for August updated to 94.39 from 94.77

Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of ITA Data	
						EA NCI™ August	EA NCI™ September
27/08/2014	ISAE Consumer Confidence Indicator	Aug-14	Index	101.9	104.59	-0.02	-0.03
28/08/2014	ISAE Business Confidence Indicator	Aug-14	Index	95.7	98.61	-0.25	-0.62
28/08/2014	Retail Sales	Jun-14	MoM %	0	0.33	-0.05	-0.05
01/09/2014	New Passenger Car Registrations	Aug-14	YoY %	-0.2	-0.69	0	0
01/09/2014	PMI: Manufacturing	Aug-14	Index	49.82	50.62	-0.17	-0.34
03/09/2014	PMI: Services	Aug-14	Index	49.81	51.85	-0.07	-0.19
12/09/2014	Industrial Production Excl Construction	Jul-14	MoM %	-0.98	-0.73	-0.06	-0.08
						-0.62	-1.31

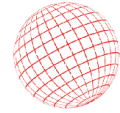
Release Date	Release Name	Reference Period	Model Unit	Release Value*	Model Expectation	Impact of FRA Data	
						EA NCI™ August	EA NCI™ September
14/08/2014	Gross Domestic Product	Q2'14	QoQ %	-0.01	0.17	-0.32	-0.28
21/08/2014	PMI: Manufacturing	Aug-14	Index	46.48	48.38	-0.45	-1.29
21/08/2014	PMI: Services	Aug-14	Index	51.11	51.69	-0.08	-0.19
27/08/2014	Registered Unemployed	Jul-14	Thousands	3424.4	3405.6	-0.31	-0.36
27/08/2014	Business Climate Indicator: Industry	Aug-14	Index	92	92.11	-0.01	-0.02
29/08/2014	Industrial Turnover: Manufacturing	Jun-14	MoM %	1.95	1.09	0.13	0.14
29/08/2014	Retail Sales	Jun-14	MoM %	0.19	-0.29	0.02	0.03
01/09/2014	New Passenger Car Registrations	Aug-14	YoY %	17.17	-3.13	0.05	0.07
05/09/2014	Household Confidence Indicator	Aug-14	Index	85.8	86.35	0	-0.01
08/09/2014	BdF Business Sentiment Indicator	Aug-14	Index	97	94.62	0.18	0.43
09/09/2014	Exports	Jul-14	MoM %	-1.45	0.24	-0.13	-0.18
09/09/2014	Imports	Jul-14	MoM %	-1.35	-0.14	-0.13	-0.17
10/09/2014	Construction Output	Jul-14	MoM %	-1.48	-0.21	-0.1	-0.13
10/09/2014	Industrial Production Excl Construction	Jul-14	MoM %	-0.3	-0.86	0.14	0.18
						-1.01	-1.78

Note: Released values are expressed in Model Units

Source: Now-Casting Economics Ltd and Official Data Sources

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. Economic news are defined in this context as the difference between the released values and model-generated expectations.

Note: the difference between the current month NCI™ released today, and the forecast of the made a month ago, may be more or less than the total impact of all the releases listed in the table above, because of the impact of any revisions to prior data releases made during this period. The same is true of the updating of the NCI™ for the previous month.



NCI™ releases for the Euro Area are scheduled on the same day of the release of the Industrial Production Index at 12:00 GMT.

Next E.A. NCI™ RELEASE: 12:00 GMT 14th October 2014

- ends -

For further information, please contact:

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Notes to Editors:

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, National and International Trade, Services and Surveys. Raw data are supplied by Haver Analytics. Now-Casting Economics releases the EA 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 on www.now-casting.com.

The NCI™ is an intermediate product 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 condition in different countries in a fully real-time fashion and accounts for data sampled at mixed frequency and the non-synchronicity of their releases. The NCI™ and its updates are produced in a fully automated judgement-free way solely as a function of economic news. 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 and is normalized to a mean value of 100 and a standard deviation equal to 25. Readings equal to 100 correspond to average growth over the estimation sample which starts in 1991. Normalization is updated at the beginning of every year in concomitance with updates of deep parameters.

Now-Casting.com is an online service 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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