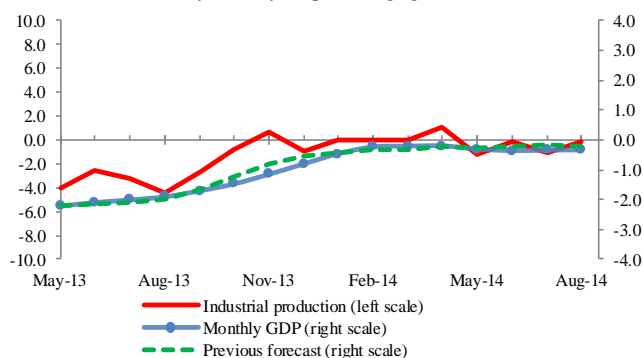


Data and comment

Monthly GDP: Activity levels stabilize

Industrial production partially recovered in August (0.3% m/m) following a significant decrease in July (-1.0% m/m). The increase has been led by durables and capital goods. However, main short-term indicators on the Italian economy signal persistent weakness in the business cycle. In Germany business confidence declined in September for the second consecutive month. The only positive signal comes from international trade data (1.4% m/m in July in real terms). The current projection of GDP, computed with the new ESA 2010 accounting system, foresees a substantial stability of activity levels in August (0.01% m/m) and the annual growth rate is estimated at -0.3% a/a, unchanged from previous month.

GDP and Industrial Production
(year-on-year percentage growth)



(*) Monthly GDP is an average of results obtained from different models as documented in Frale, C., and Monteforte, L., "FaMIDAS: A mixed frequency factor model with MIDAS structure", MEF and Department of the Treasury Working Paper Series n. 3/2010.

	Monthly GDP (month-on-month percentage growth)		
	Industrial production (ISTAT)	Monthly GDP (monthly estimate)	Monthly GDP (revised estimate)
	(1)	(2)	(3)
Jun-13	-0.2	-0.04	0.02
Jul-13	0.0	-0.09	-0.03
Aug-13	-0.5	0.03	0.01
Sep-13	0.3	0.02	-0.05
Oct-13	0.5	0.08	-0.05
Nov-13	0.2	0.05	-0.02
Dec-13	-0.9	0.02	0.02
Jan-14	1.0	-0.03	0.04
Feb-14	-0.5	-0.07	-0.03
Mar-14	-0.4	-0.11	-0.10
Apr-14	0.5	-0.04	-0.05
May-14	-1.2	-0.06	-0.08
Jun-14	0.9	-0.01	-0.03
Jul-14	-1.0	-0.02	-0.01
Aug-14	0.3	-0.03	0.01