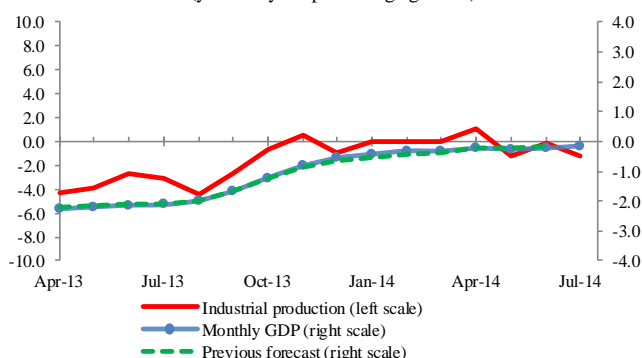


## Data and comment

### Monthly GDP: The economic cycle worsens

Industrial production fell at a rapid pace in July (-1.0% m/m) and for the second time in three months as activity levels declined significantly in the sectors of consumption and investment goods. The weakening of the business cycle is confirmed by the fall of business confidence in the manufacturing sector in the period June-July, as well as by the negative tendency of electricity consumption. With regards to the international economy, overall business confidence decreases in Germany, while world trade increased at a moderate rate in June. The current projection foresees a slight decrease of monthly GDP in July (-0.02% m/m) and the annual growth rate is estimated at -0.2% y/y, 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)
May-13	1.1	-0.04	-0.04
Jun-13	-0.3	-0.06	-0.04
Jul-13	0.1	-0.11	-0.09
Aug-13	-0.5	0.02	0.03
Sep-13	0.3	0.02	0.02
Oct-13	0.7	0.09	0.08
Nov-13	0.1	0.03	0.05
Dec-13	-0.9	0.00	0.02
Jan-14	1.0	-0.06	-0.03
Feb-14	-0.5	-0.06	-0.07
Mar-14	-0.4	-0.07	-0.11
Apr-14	0.5	0.03	-0.04
May-14	-1.2	-0.04	-0.06
Jun-14	0.8	0.00	-0.01
Jul-14	-1.0		-0.02