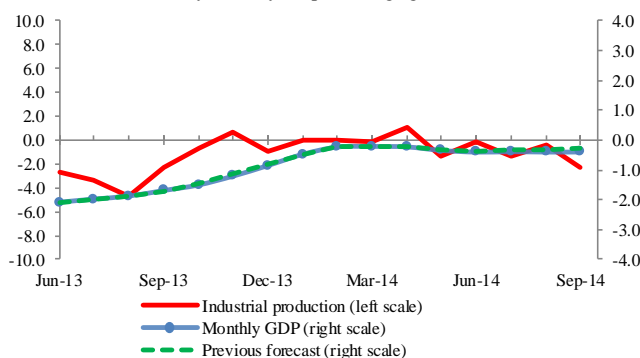


Data and comment

Monthly GDP: Stagnation continues

According to the preliminary estimate, GDP fell by 0.1% q/q in 3Q14 (-0.4% y/y), as a consequence of value added reductions in agriculture and in the industrial sector, only partially compensated by an increase of activity levels in services. Industrial production diminished at a sustained pace in September (-0.9% m/m), for the second time in three months, and paper and paperboard consumptions registered negative tendencies. Moderately favorable signals come from October data on electricity consumption and business confidence. The current projection of GDP, foresees a further contraction of activity levels in September (by -0.05% m/m) and the annual growth rate is estimated at -0.4% 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)
Jul-13	0.0	-0.03	-0.02
Aug-13	-0.7	0.01	0.00
Sep-13	1.0	-0.05	-0.05
Oct-13	0.2	-0.05	-0.07
Nov-13	0.1	-0.02	-0.03
Dec-13	-0.9	0.02	0.04
Jan-14	1.0	0.04	0.06
Feb-14	-0.5	-0.03	-0.02
Mar-14	-0.5	-0.10	-0.10
Apr-14	0.5	-0.05	-0.08
May-14	-1.3	-0.08	-0.09
Jun-14	0.9	-0.03	-0.03
Jul-14	-1.1	-0.01	-0.01
Aug-14	0.2	0.01	-0.01
Sep-14	-0.9	0.01	-0.05