Data and comment

Monthly GDP: The growth rate increases

According to the preliminary estimate by ISTAT, GDP increased more than expected in 1Q15 (0.3% q/q) due to the positive contribution of internal demand. Industrial production increased for the second consecutive month in March (0.4% m/m) primarily driven by consumption goods; on average industrial activity increased by 0.3% t/t in 1Q15, with a positive statistical carry-over of 0.5% on 2Q15. Favorable signals come also from the business climate in the manufacturing sector, paper and paperboard production and long-term real interest rate. The new estimate of GDP foresees an increase of monthly GDP by 0.14% m/m in March, and the annual growth rate is estimated at 0.2% y/y, from 0.0% y/y in February.

(*) 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.