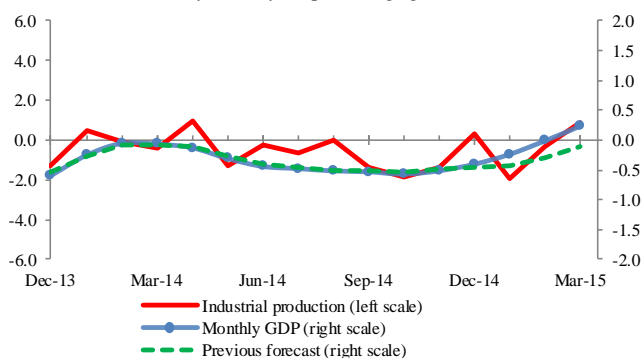


Data and comment

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.

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)
Jan-14	1.6	-0.03	-0.04
Feb-14	-1.0	-0.07	-0.09
Mar-14	-0.8	-0.10	-0.10
Apr-14	0.9	-0.02	-0.01
May-14	-1.2	-0.09	-0.09
Jun-14	0.9	-0.06	-0.06
Jul-14	-0.7	-0.04	-0.04
Aug-14	0.2	-0.02	-0.03
Sep-14	-0.7	-0.02	-0.03
Oct-14	0.1	-0.03	-0.04
Nov-14	0.3	0.01	0.03
Dec-14	0.6	0.01	0.08
Jan-15	-0.7	0.02	0.13
Feb-15	0.7	0.04	0.14
Mar-15	0.4	0.10	0.14