Data and comment

Monthly GDP: August

In August industrial production was much above expectations (1.7% m/m) with the index reaching the highest level in four years. All the main industry groups scored positive month over month growth rates - intermediate goods (3.1%), investment goods (6.6%), energy (1.4%) - but consumption goods (-0.5%). The August reading posted also a very positive year on year growth number (+4.1%). Concerning the month of September high frequency indicators provided positive signals: the manufacturing sector PMI rebounded above the expansion/recession 50-threshold also due to the foreign orders component and car registration rose by 4.6% m/m; on a less positive note, the PMI of the service sector contracted from 52.3 to 50.7.

(*) Monthly GDP is an average of results obtained from different models as documented in Frate, 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.