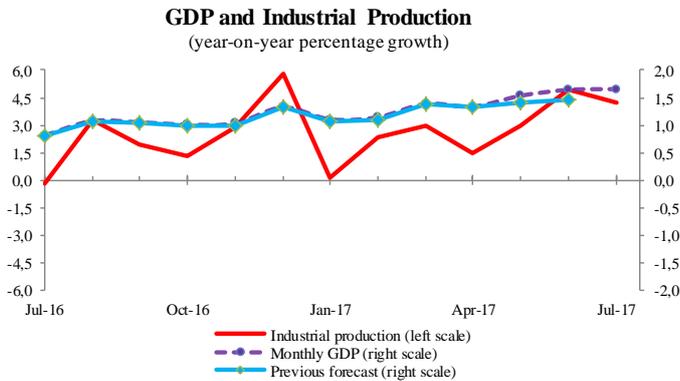


## Monthly GDP: July 2017

### Industrial production looks promising in July

The new estimate of monthly real GDP points to 0.18% month-on-month and 1.66% year-on-year growth in July. In the same month, industrial production surprised on the upside, rising by 0.1% m/m versus consensus expectations of a decline (-0,4%). Growth was broadly based and strongest in capital goods (1,6% m/m), followed by consumption goods (0,5% m/m) and intermediate goods (0,3% m/m). Only energy production declined by -3,6% m/m, after surging 5.6% m/m in June, due to weak commodity prices. On a year-on-year basis, industrial production growth (seasonal adjusted) posted an increase of 4.23% y/y in July. The strength in industrial production is consistent with the ongoing rise in PMI output: in August manufacturing sentiment was up 1.2 points to 56.3, the highest level since 2011. The increase was broad based across components, with stronger production and new orders and better hiring intentions.



(\*) 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 (previous monthly estimate) | Monthly GDP (revised estimate) |
|--------|-------------------------------|---|--------------------------------|
|        | (1)                           | (2)                                     | (3)                            |
| Jul-16 | 0,9                           | 0,14                                    | 0,17                           |
| Aug-16 | 2,0                           | 0,21                                    | 0,21                           |
| Sep-16 | -0,8                          | 0,02                                    | 0,03                           |
| Oct-16 | 0,1                           | 0,08                                    | 0,07                           |
| Nov-16 | 0,9                           | 0,13                                    | 0,14                           |
| Dec-16 | 1,5                           | 0,29                                    | 0,27                           |
| Jan-17 | -2,3                          | 0,02                                    | 0,03                           |
| Feb-17 | 1,1                           | 0,17                                    | 0,17                           |
| Mar-17 | 0,5                           | 0,22                                    | 0,20                           |
| Apr-17 | -0,4                          | 0,06                                    | 0,05                           |
| May-17 | 0,6                           | 0,08                                    | 0,17                           |
| Jun-17 | 1,1                           | 0,08                                    | 0,14                           |
| Jul-17 | 0,1                           |   | 0,18                           |