

## Monthly GDP: July 2018

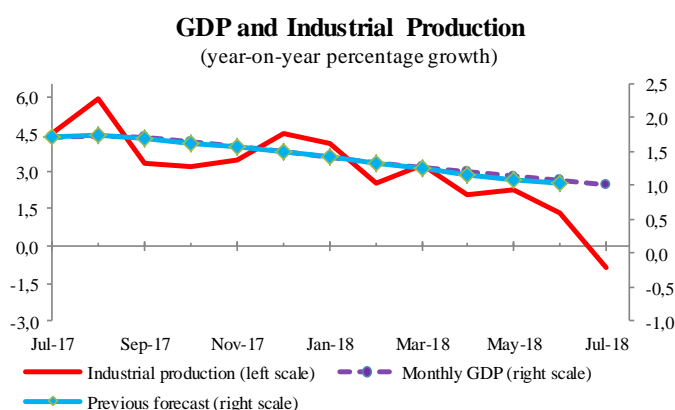
### Growth remains low in July

Monthly real GDP growth is expected to slow further in July, at +0.05% m/m and +1.01 on an annual base, due to the drop in industrial production (-1.8% m/m) and the easing of short-term indicators.

The decrease of industrial activity has been broadbased to all sectors, including instrumental goods (-2.2% m/m), which resulted the only component confirming a positive annual growth trend (+1.1% y/y). Consequently, the realized industrial production growth at the start of 3Q18 is negative (-1.4% q/q).

Incoming data, including August soft indicators, indicate that the weakening of economic activity remains in place: business climate index and foreign orders eased, as well as production expectations. Nonetheless, some positive signals came from electricity consumption and new cars registration.

Overall, taken into account the possible impact of seasonal adjustments in the following month, a rebound of economic activity is expected in August.



(\*) Monthly GDP estimate is based on the model documented in Frate C. et al. "EUROMIND: A Monthly Indicator of the Euro Area Economic Conditions", Journal of the Royal Statistical Society: Series A, 174, 439- 470. GDP figures incorporate monthly forecasts of the Italian industrial production index obtained by bridge models.

	Industrial production (ISTAT)	Monthly GDP (previous monthly estimate)	Monthly GDP (revised estimate)
	(1)	(2)	(3)
Jul-17	0,4	0,11	0,12
Aug-17	2,5	0,11	0,12
Sep-17	-2,9	0,11	0,12
Oct-17	0,5	0,10	0,11
Nov-17	0,8	0,10	0,11
Dec-17	2,0	0,10	0,10
Jan-18	-1,9	0,10	0,10
Feb-18	-0,6	0,08	0,08
Mar-18	1,1	0,06	0,06
Apr-18	-1,3	0,04	0,05
May-18	0,7	0,05	0,05
Jun-18	0,3	0,07	0,05
Jul-18	-1,8		0,06