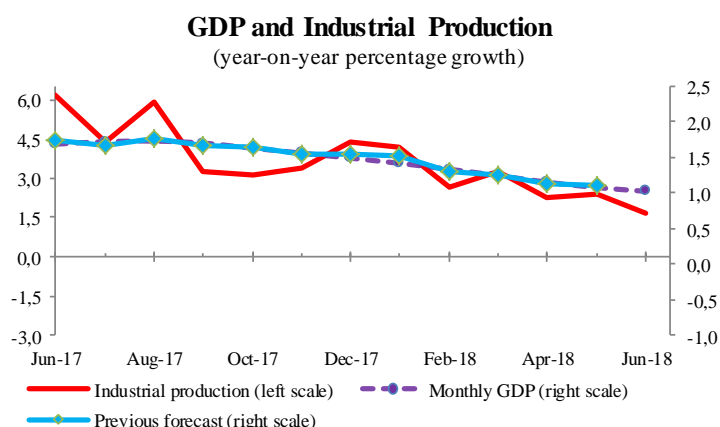


## Monthly GDP: June 2018

### Economy expands at slower pace in 2Q18

According to Istat flash unadjusted estimate, real GDP growth moderated in 2Q2018 (+0.2% q/q from 0.3% q/q in 1Q2018), consistent with business and consumer surveys indicating some softening in economic activity in the same period. Nonetheless, industrial production grew by 0.5% m/m in June, mainly underpinned by instrumental goods (+1.4% m/m), and data for April and May were both revised up by 0.1 pp from the previous estimates. In the last month of the quarter, positive signals came also from the service sector, with the PMI index printing 53.1 points (+0.5p compared to May), above expectations. Consequently, the revised estimate of monthly real GDP growth stabilizes at +0.07% m/m and the annual growth rate is estimated at 1.03/ yoy.



(\*) 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.

	Industrial production (ISTAT)	Monthly GDP (previous monthly estimate)	Monthly GDP (revised estimate)
	(1)	(2)	(3)
Jun-17	1,2	0,15	0,12
Jul-17	-0,4	0,06	0,11
Aug-17	2,9	0,22	0,11
Sep-17	-2,9	0,02	0,11
Oct-17	0,5	0,13	0,10
Nov-17	0,8	0,11	0,10
Dec-17	2,1	0,20	0,10
Jan-18	-1,8	0,07	0,10
Feb-18	-0,5	0,02	0,08
Mar-18	1,1	0,08	0,06
Apr-18	-1,2	0,00	0,04
May-18	0,8	0,06	0,05
Jun-18	0,5		0,07