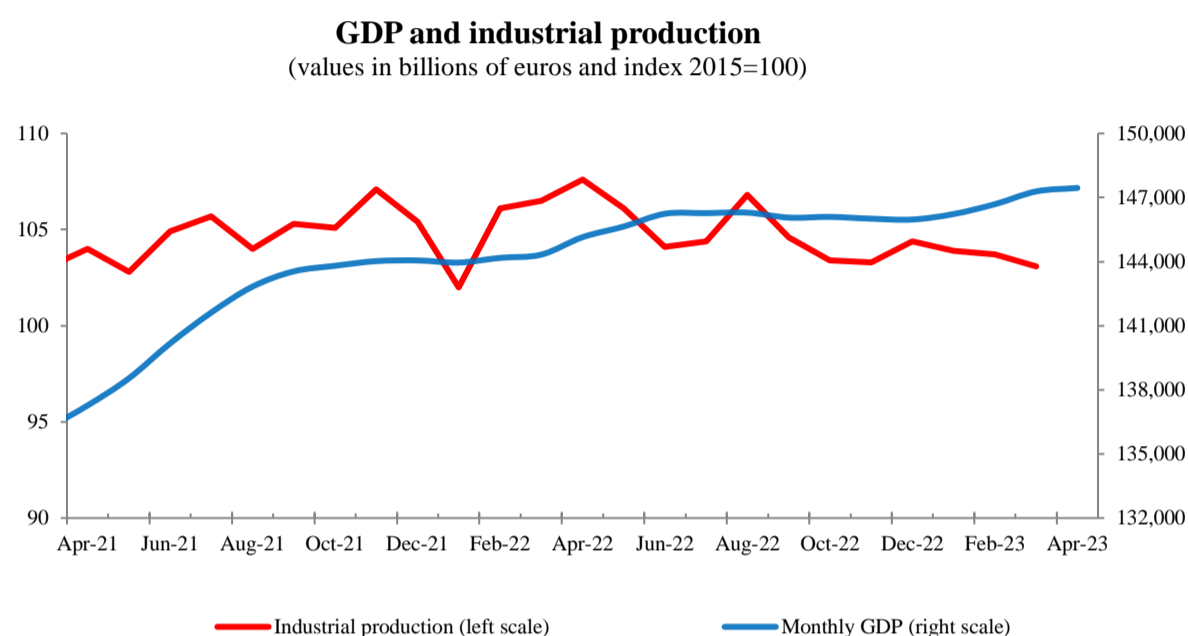


Monthly GDP: April 2023

GDP, after growing by 0.5% in Q1, is also expected to increase slightly in April

The update of monthly real GDP estimate points to a slight improvement in the economic activity in April (0.1% m-o-m from 0.4% in March), after grew by 0.5% q-o-q in Q1 according to flash estimate by ISTAT. The year on year percentage change was 1.6%, losing momentum compared to March (2.0%). Such a slowdown reflects the persistent phase of difficulty of the manufacturing: after the new, unexpected drop in industrial production in March (-0.6% m-m-; -0.1% q-o-q), in April electricity production decreased together with the slowdown in industrial electricity consumptions. In the same month, although the soft indicators pointing to an improvement in overall future scenario, they underline the weak momentum of manufacturing, captured by the retreat in the sectoral confidence climate and the worsening in PMI index, back below the expansion threshold (46.8 from 51.1 in March). On the other side, services prove to be more dynamic, as witnessed by the evolution of the latest indicators: in April, the improvement in the climate of confidence and the new, remarkable progress in PMI index (57.6 from 55,7 in March) depict a framework of liveliness of the sector. On the household side, the consumer confidence continues to increase dating back to November, benefiting from expectations of a slowdown in inflation, and standing at the highest since February 2022.



(*) The monthly GDP estimate is based on the methodology published in Fralle C. et al. "EUROMIND: A Monthly Indicator of the Euro Area Economic Conditions", Journal of the Royal Statistical Society: Series A, 174, 439- 470. The GDP estimate takes into account the forecasts of the industrial production made through a bridge model.

	Industrial Production (ISTAT)	Monthly GDP (updated estimate)	Monthly GDP (previous estimate)
	(1)	(2)	(3)
Mar-21	0.3	0.7	0.7
Apr-21	1.0	0.8	0.8
May-21	-1.2	0.9	0.9
Jun-21	2.0	1.2	1.1
Jul-21	0.8	1.0	1.0
Aug-21	-1.6	0.9	0.9
Sep-21	1.3	0.5	0.5
Oct-21	-0.2	0.2	0.2
Nov-21	1.9	0.2	0.1
Dec-21	-1.6	0.0	0.0
Jan-22	-3.2	-0.1	-0.1
Feb-22	4.0	0.2	0.2
Mar-22	0.4	0.1	0.2
Apr-22	1.0	0.6	0.6
May-22	-1.4	0.3	0.4
Jun-22	-1.9	0.4	0.4
Jul-22	0.3	0.0	0.1
Aug-22	2.3	0.0	0.1
Sep-22	-2.1	-0.2	-0.1
Oct-22	-1.1	0.0	0.1
Nov-22	-0.1	-0.1	-0.1
Dec-22	1.1	0.0	-0.2
Jan-23	-0.5	0.2	0.0
Feb-23	-0.2	0.3	0.2
Mar-23	-0.6	0.4	0.5
Apr-23		0.1	