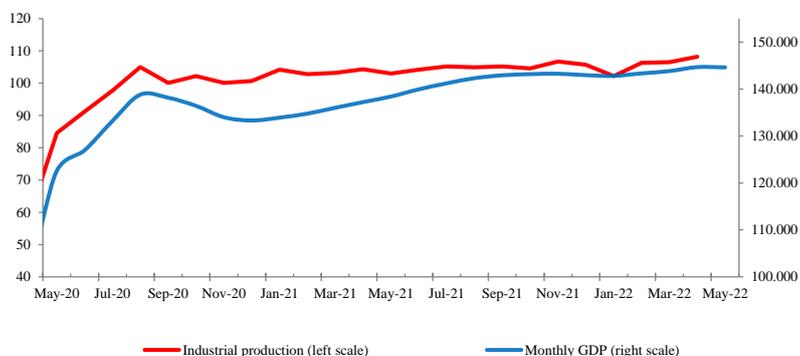


GDP growth stalls in May

The updated monthly real GDP estimate for May points to a marginal decline (-0.04% m-o-m from 0.6% in April), with year-on-year growth slowing to 4.4% from 5.4% in April. The robust monthly gains estimated for the February-April period reflect an upward revision of the 0.3 pp carried out by ISTAT with the publication of the Q1 quarterly National Account, as well as a new acceleration in April. Looking ahead, the persistence of a macroeconomic framework characterized by inflationary tensions and obstacles to production, worsened by the war in Ukraine, could affect activity. However, in April the Italian industrial production, contrary to the expectations of the Consensus, posted growth of 1.6% m-o-m, higher than what could have been foreseen on the base of improvement in the production expectations of the manufacturing companies detected in the ISTAT survey on operator's confidence. Among the branches, intermediate goods show the largest increase (2.0%) against a less marked increase for consumer goods (1.6%) and energy (1.4%); capital goods are stationary. The increase in production also coincided with the upward revision of the March figure (+ 0.2% m-o-m from 0.0% of the previous release), an element that would bring the change acquired for Q2 to 3.1% q-o-q. After the marked recovery in February (4.0% m / m), then continued in March (0.2% m / m), at the start of Q2 the seasonally adjusted index is 5 p.p above the level of February 2020. The ISTAT surveys of May show declining confidence among manufacturing companies, confirmed by the fall in the Markit manufacturing PMI (51.9 from 54.5 in April), caused by weaker foreign demand and production. On the services side, a decline in the PMI was recorded in April (53.7 from 55.7 previously), whereas the ISTAT confidence index rose to 103.6 (from the previous 97.0 points).

GDP and industrial production
(values in billions of euros and index 2015=100)



(*) 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	0,4	0,9	0,9
Apr-21	1,1	0,9	0,9
May-21	-1,2	0,9	0,9
Jun-21	1,2	1,1	1,1
Jul-21	1,0	0,9	0,8
Aug-21	-0,3	0,8	0,7
Sep-21	0,3	0,4	0,5
Oct-21	-0,6	0,2	0,2
Nov-21	2,0	0,1	0,0
Dec-21	-0,9	-0,2	-0,2
Jan-22	-3,3	-0,1	-0,2
Feb-22	4,0	0,4	0,1
Mar-22	0,2	0,3	0,2
Apr-22	1,6	0,6	0,5
May-22		0,0	