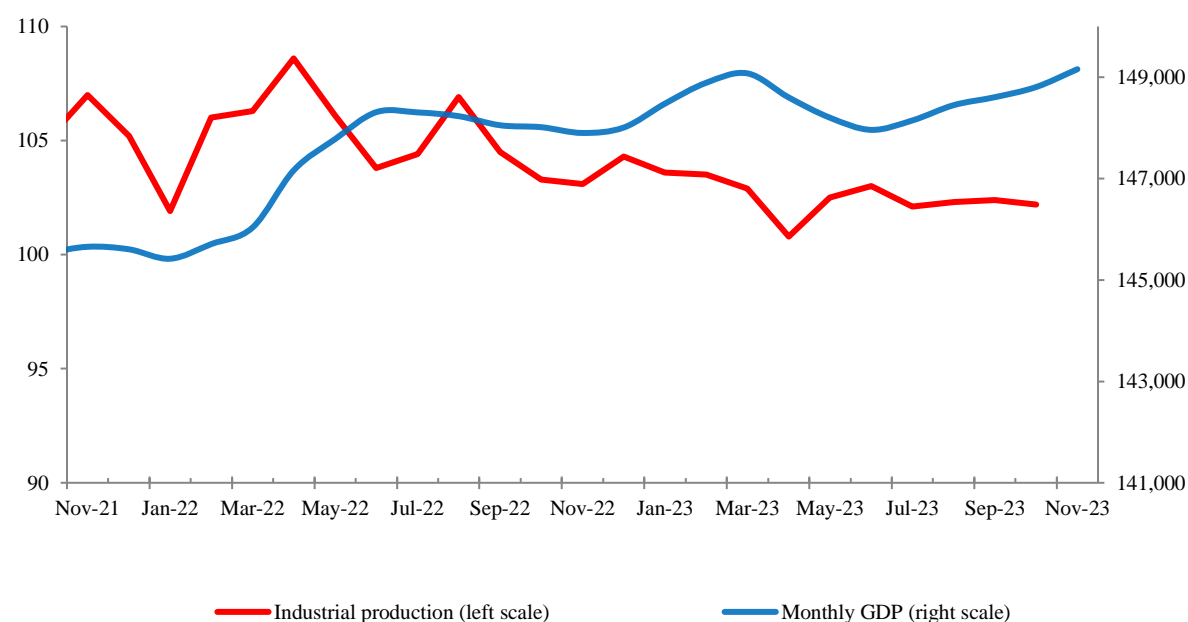


Monthly GDP: November 2023

The growth phase of activity continues in November, with GDP marking the fifth monthly increase in a row.

The update of the monthly real GDP estimate for November points to a slight increase in activity (0.2% m-o-m). This increase consolidates the expansionary phase underway since July, confirmed by ISTAT's upward revision of the Q3 2023 GDP estimate (+0.1% q-o-q). The positive dynamic on a monthly basis has entailed a rise in economic activity also on an annual basis (0.9%). Concerning this forecast update, despite the decline - smaller than expected - in industrial production in October (-0.2% m-o-m) after two months of increase, the monthly GDP dynamics reflects the recovery in manufacturing, captured by the improvement of some high-frequency indicators. In fact, in November the strengthening of industrial electricity consumption was accompanied by that of motorway and goods traffic - the latter having been growing since September. In parallel, signs of improvement come from soft indicators. In the same month, even though business confidence marginally decreased (103.4, from 103.9), the sentiment of manufacturing companies marked a slight gain (96.6, from 96.1): this figure interrupted the decline recorded since March, led by the higher production and order expectations. On the services side there are mixed signals, due to the overall uncertainty. In November, the worsening of the confidence climate in market services was offset by the rapid recovery (49.5) of the sector's PMI from the October level (47.7); the latter posted a fluctuating evolution during the summer months, showing a discontinuity - however - with the previous downward phase. On the other hand, in the same month there was an improvement in consumer and retail business confidence. In line with the outcome of the qualitative surveys on the sector, in October - in line with the progressive reduction of inflation - the volume of retail sales marked the first increase (0.3% m/m) after a period of decline which had begun in June.

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



	Industrial Production (ISTAT)	Monthly GDP (updated estimate)	Monthly GDP (previous estimate)
	(1)	(2)	(3)
Nov-21	1.9	0.1	0.1
Dec-21	-1.7	0.0	0.0
Jan-22	-3.1	-0.1	-0.1
Feb-22	4.0	0.2	0.2
Mar-22	0.3	0.2	0.2
Apr-22	2.2	0.8	0.8
May-22	-2.3	0.4	0.4
Jun-22	-2.2	0.4	0.4
Jul-22	0.6	0.0	0.0
Aug-22	2.4	0.0	0.0
Sep-22	-2.2	-0.1	-0.1
Oct-22	-1.1	0.0	-0.1
Nov-22	-0.2	-0.1	-0.1
Dec-22	1.2	0.1	0.1
Jan-23	-0.7	0.3	0.3
Feb-23	-0.1	0.3	0.2
Mar-23	-0.6	0.1	0.1
Apr-23	-2.0	-0.3	-0.3
May-23	1.7	-0.3	-0.3
Jun-23	0.5	-0.2	-0.2
Jul-23	-0.9	0.1	0.1
Aug-23	0.2	0.2	0.2
Sep-23	0.1	0.1	0.1
Oct-23	-0.2	0.1	0.1
Nov-23		0.2	

(*) 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.