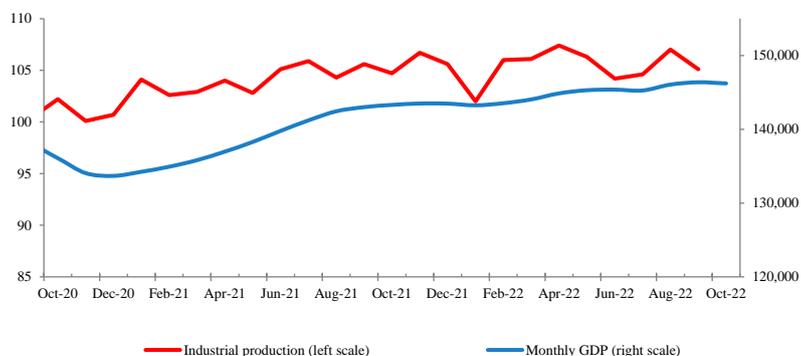


Third-quarter real GDP growth revised up, slight contraction estimated for October

In October, the update of the monthly real GDP estimate marks a fall of -0.1% m-o-m, after a higher than expected growth in third quarter (0,5% q-o-q), according to the flash estimate released by ISTAT on 31 October. In particular, the latter was higher than model estimates for the summer months, thus leading to an upward revision of the monthly profile, especially for the months of July and August, such as to revise the annual change in September to 2.4%, from -0.2% of the previous estimate. The monthly decrease of GDP in October, in addition to being affected by the contraction in industrial production occurred in September (-1.8% m-o-m) after two months of marked expansion (2.3% in August and 0.4% in July), reflects the reduction of commercial vehicle traffic and the worsening of electricity consumption by high energy-intensive firms, signs that outline a macroeconomic picture burdened by the consequences of inflation and the weakening of the international cycle. The prospective indicators seem confirm such scenario: the confidence climate of October marks a new worsening, affected by the perception of high persistence of inflation; at the sectoral level, the climate of confidence of firms in manufacturing, commerce and constructions is retreating. Services are an exception, recording a stability. The deceleration of activity can also be deduced looking at October PMI indices, still below the expansion threshold.

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	0.3	0.7	0.7
Apr-21	1.1	0.9	0.8
May-21	-1.2	1.0	0.9
Jun-21	2.2	1.1	1.1
Jul-21	0.8	1.0	1.0
Aug-21	-1.5	0.9	0.9
Sep-21	1.2	0.4	0.4
Oct-21	-0.9	0.2	0.2
Nov-21	1.9	0.1	0.1
Dec-21	-1.0	0.0	-0.1
Jan-22	-3.4	-0.2	-0.2
Feb-22	3.9	0.2	0.3
Mar-22	0.1	0.4	0.5
Apr-22	1.2	0.6	0.8
May-22	-1.0	0.3	0.1
Jun-22	-2.0	0.1	-0.4
Jul-22	0.4	-0.1	-1.0
Aug-22	2.3	0.6	-0.6
Sep-22	-1.8	0.2	0.1
Oct-22		-0.1	