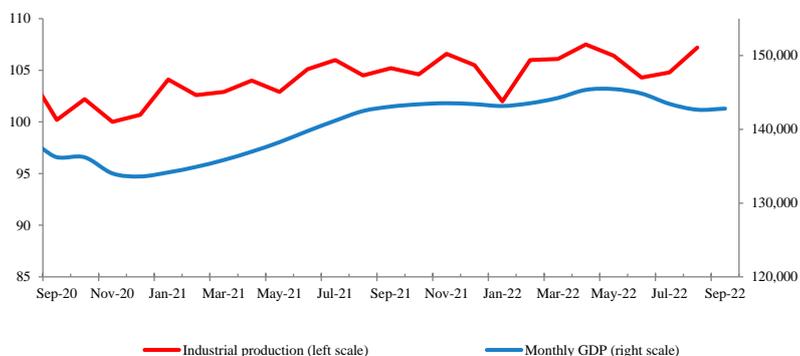


GDP indicator edges up in September

In September, the update of the monthly real GDP estimate indicates a 0.1% m-o-m increase, following three months of consecutive declines, along with a significant upward revision of the estimates for June, July and August. The new estimates take the annual change in August to -0.1% y-o-y from -1.1% of the previous estimate. The reversal of the trend in GDP is attributable to the robust and surprising increase in industrial production in August, equal to 2.3% m-o-m from 0.5% in July (revised up by 0.1pp). In September, a less pronounced reduction in electricity consumption of energy-intensive sectors and a pickup in commercial vehicle traffic contributed to bringing activity into positive territory despite the still unfavourable dynamic in the sectoral climate confidence. While qualitative surveys point to a contraction for Q3, the dynamic of industrial production, as well as that of highway traffic, suggests an overall resilience of manufacturing activity. Looking ahead, September confidence climate outline a macroeconomic scenario burdened by the deterioration in the level of expectations of operators, negatively affected by the persistence of inflation: at the sectoral level, the climate of confidence of firms in industry, market services and commerce is retreating. Construction is an exception, recording a remarkable increase. The deceleration of activity can also be deduced looking at PMI indices, which, although showing signs of improvement, are all below the expansion threshold. On the household side, after the rise in August, the consumer index declined again, reflecting a worsening in expectations.

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	0.9
Apr-21	1.1	0.8	0.9
May-21	-1.1	0.9	0.9
Jun-21	2.1	1.1	1.1
Jul-21	0.9	1.0	1.0
Aug-21	-1.4	0.9	0.9
Sep-21	0.7	0.4	0.4
Oct-21	-0.6	0.2	0.1
Nov-21	1.9	0.1	0.0
Dec-21	-1.0	-0.1	-0.1
Jan-22	-3.3	-0.2	-0.2
Feb-22	3.9	0.3	0.3
Mar-22	0.1	0.5	0.5
Apr-22	1.3	0.8	0.9
May-22	-1.0	0.1	0.1
Jun-22	-2.0	-0.4	-0.6
Jul-22	0.5	-1.0	-1.4
Aug-22	2.3	-0.6	-1.1
Sep-22		0.1	