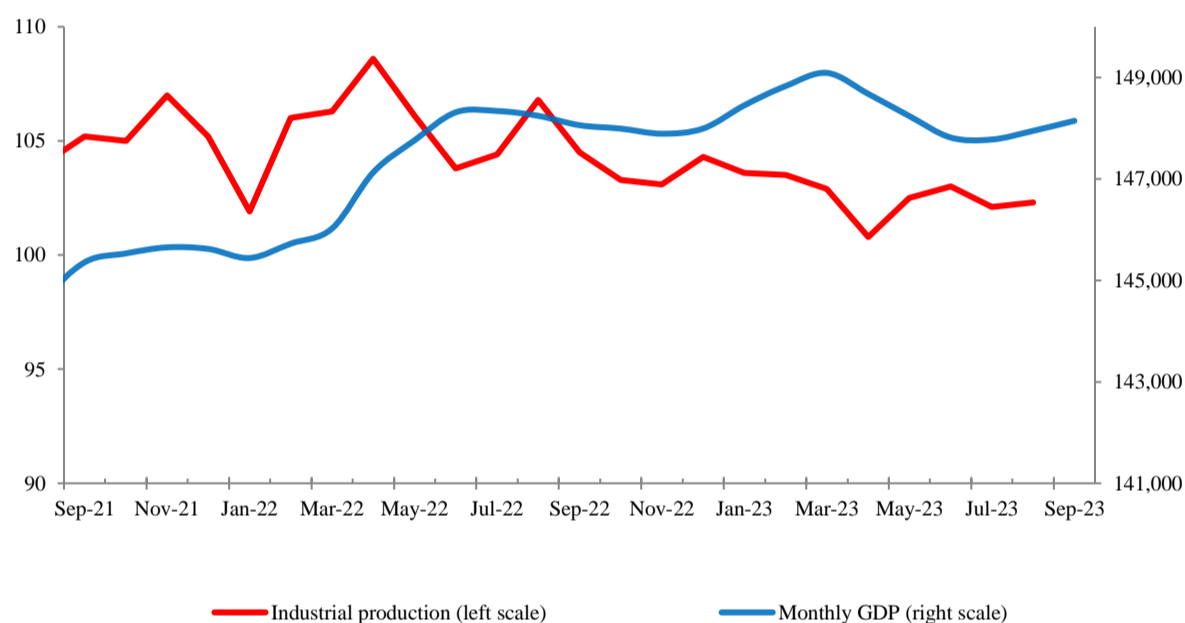


Monthly GDP: September 2023

Real GDP slightly increases in September (0.1% m-o-m) for the second consecutive month.

The September update of the monthly real GDP estimate points to a slight increase in m-o-m GDP (0.1%), in line with the August data and such as to determine a positive change also on annual basis (0.1%, from -0.2% in August). Compared to the previous estimate, the monthly dynamics has been revised marginally upwards. In the September update, the forecast is positively affected by the evolution of some economic indicators. In addition to August's industrial production figure, which marked an increase (0.2% m-o-m), high-frequency quantitative indicators relating to September also contributed to the GDP dynamic. In that month, the increase in industrial gas demand (3.6% m/m) went hand in hand by a new rise in electricity production (0.4% m/m) and the strengthening of the growth in electricity consumption of energy-intensive companies. There is also an increase in motorway freight traffic and a remarkable acceleration in car registrations. On the other hand, the information stemming from the qualitative surveys tends to resize the upward revision, as the latter continue to provide signs of a slowdown. In fact, in September the deterioration in business confidence continued, common to all sectors but particularly significant for industry. In this context, only the manufacturing PMI index bucked the trend and, although remaining below the expansion threshold, posted a new improvement (46.8, from 45.4 in August); the gradual recovery in production and the drop in raw material prices favoured the resumption. Having passed the low point in June, it is realistic to expect that the gradual return of the index towards expansion territory will continue in the months to come. At the same time, after the loss of momentum marked in the summer months, the services sector stabilized in September: the related PMI index stood at 49.9 (from 49.8 in August); on the other hand, the confidence climate in market services and retail trade experienced a worsening. Even as inflation decelerates, household expectations are affected by future uncertainty: in fact, confidence climate worsened for the third consecutive month in September, accompanying the decline in retail sales in August.

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)
Mar-21	0.3	0.8	0.7
Apr-21	1.6	0.8	0.9
May-21	-1.6	0.9	0.9
Jun-21	1.8	1.1	1.1
Jul-21	0.9	1.0	1.0
Aug-21	-1.5	0.8	0.8
Sep-21	1.2	0.5	0.5
Oct-21	-0.2	0.1	0.1
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	0.1
Apr-22	2.2	0.8	0.7
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	2.3	-0.1	0.0
Sep-22	-2.2	-0.1	-0.1
Oct-22	-1.1	0.0	0.0
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	0.3
Mar-23	-0.6	0.2	0.2
Apr-23	-2.0	-0.3	-0.3
May-23	1.7	-0.3	-0.3
Jun-23	0.5	-0.3	-0.3
Jul-23	-0.9	0.0	-0.1
Aug-23	0.2	0.1	0.0
Sep-23		0.1	

(*) 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.