

Monthly GDP: September 2018

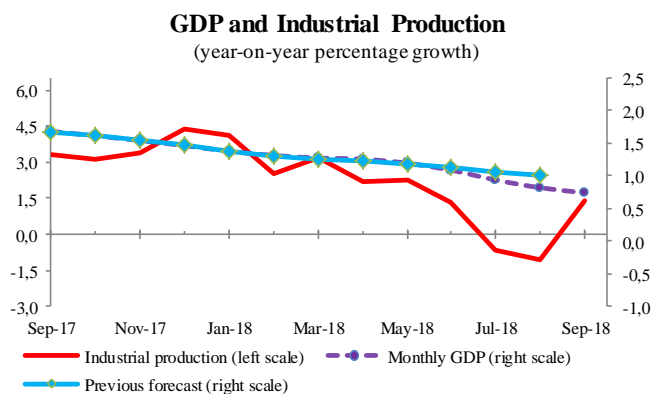
Growth momentum remains weak

According to ISTAT preliminary estimate, real GDP came in flat in the 3Q18, as the contribution from both domestic and (net) external demand was null. This, combined with the easing of hard and soft indicators, leads to a downward revision of economic growth expectations.

Real GDP is estimated virtually unchanged in September (+0.04% m/m), pointing to a y-o-y expansion of 0.74%.

Industrial production declined 0.2% m/m in September, following an increase of 1.7% m/m in August, but the y-o-y growth rate resulted again positive (+1.4%).

Soft data suggest economic weakness could have extended in Q4 as well. Final composite PMIs entered contractionary territory in October (49.3) for the first time since December 2014 and both business confidence and production expectations worsened compared to the previous month.



(*) Monthly GDP estimate is based on the model documented in Frale C. et al. "EUROMIND: A Monthly Indicator of the Euro Area Economic Conditions", Journal of the Royal Statistical Society: Series A, 174, 439- 470. GDP figures incorporate monthly forecasts of the Italian industrial production index obtained by bridge models.

	Industrial production (ISTAT)	Monthly GDP (previous monthly estimate)	Monthly GDP (revised estimate)
	(1)	(2)	(3)
Sep-17	-2,6	0,12	0,11
Oct-17	0,4	0,10	0,10
Nov-17	0,8	0,10	0,10
Dec-17	2,0	0,10	0,11
Jan-18	-1,8	0,09	0,10
Feb-18	-0,5	0,08	0,09
Mar-18	1,0	0,07	0,09
Apr-18	-1,2	0,06	0,08
May-18	0,7	0,06	0,04
Jun-18	0,3	0,07	0,01
Jul-18	-1,6	0,07	-0,02
Aug-18	1,7	0,07	0,01
Sep-18	-0,2		0,04