

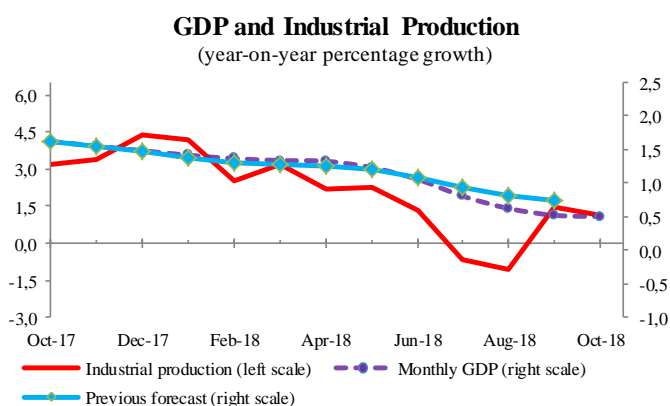
## Monthly GDP: October 2018

### Small increase for economic activity in October

Economic growth is estimated to have risen slightly in October at +0.06% m/m (from 0.01% of the revised estimate for September) leading to a 0.5% yoy expansion.

Incoming monthly indicators indicate a modest improvement in economic activity in October. Industrial production edged up 0.1% m/m, against consensus expectations for a monthly contraction, after edging down -0.1% m/m in September (revised up from -0.2%). The modest increase was broad based across industrial sectors, with the only exception being energy, which contracted sharply.

Business sentiment remains soft, though. Final composite PMI data for November remains in contractionary territory at 49.3 (the same as October), consistent with expectations for modest growth in Q4.



(\*) Monthly GDP estimate is based on the model documented in Frate 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)
Oct-17	0,5	0,10	0,08
Nov-17	0,7	0,10	0,09
Dec-17	2,0	0,11	0,11
Jan-18	-1,7	0,10	0,12
Feb-18	-0,6	0,09	0,10
Mar-18	1,0	0,09	0,09
Apr-18	-1,2	0,08	0,07
May-18	0,7	0,04	0,02
Jun-18	0,3	0,01	-0,03
Jul-18	-1,6	-0,02	-0,08
Aug-18	1,7	0,01	-0,04
Sep-18	-0,1	0,04	0,01
Oct-18	0,1		0,06