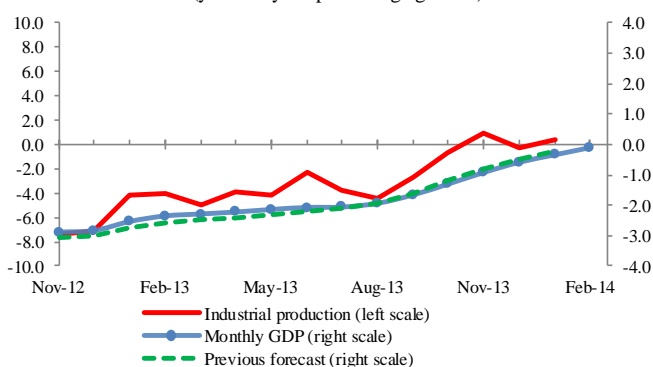


## Data and comment

### Monthly GDP: The business cycle improves

Quarterly national accounts for 4Q13 confirmed the preliminary estimate of a 0.1% q/q GDP growth. Positive signals come from industrial production, which rebounded in January (1.0% m/m) following a consistent fall in December (-0.8% m/m). Activity levels increased in all the industry groups with the only exception of the energy sector. Favourable signals come also from the business climate indicator, from paper and paperboard consumption and from data on loans to the business sector. With regard to the international economy, world trade volume continue to exhibit a positive momentum net of short-term volatility. The current projection foresees a fifth consecutive monthly increase of GDP for February (0.08% m/m) and the annual growth rate is estimated at -0.1% y/y, increasing from -0.3% y/y in January.

**GDP and Industrial Production**  
(year-on-year percentage growth)



(\*) Monthly GDP is an average of results obtained from different models as documented in Frale, C., and Monteforte, L., "FaMIDAS: A mixed frequency factor model with MIDAS structure", MEF and Department of the Treasury Working Paper Series n. 3/2010.

**Monthly GDP**  
(month-on-month percentage growth)

	Industrial production (ISTAT)	Monthly GDP (current forecast)	Monthly GDP (previous forecast)
Nov-12	-1.3	-0.34	-0.35
Dec-12	0.5	-0.25	-0.26
Jan-13	0.3	-0.16	-0.17
Feb-13	-0.3	-0.18	-0.20
Mar-13	-0.7	-0.12	-0.14
Apr-13	-0.1	-0.10	-0.12
May-13	0.2	-0.04	-0.04
Jun-13	0.5	-0.04	-0.02
Jul-13	-0.9	-0.09	-0.04
Aug-13	-0.1	0.01	0.05
Sep-13	0.4	-0.01	0.02
Oct-13	0.7	0.02	0.05
Nov-13	0.3	0.04	0.05
Dec-13	-0.8	0.08	0.06
Jan-14	1.0	0.08 <i>f</i>	0.08
Feb-14	-	0.06 <i>f</i>	-

*f=forecast*