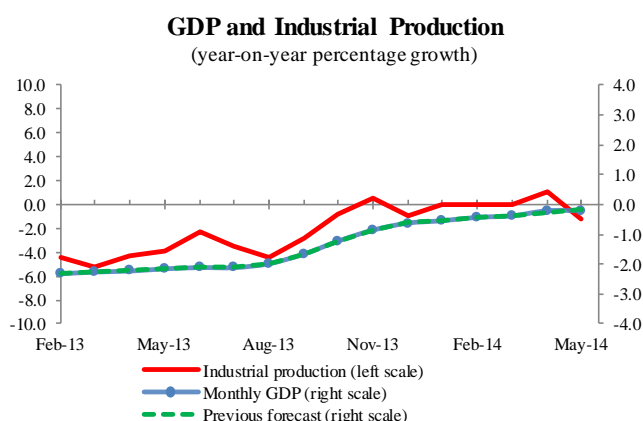


Data and comment

Monthly GDP: The business cycle weakens

Industrial production unexpectedly fell at a rapid pace in May (-1.2% m/m), declining for the third time in four months. Moderately positive signals come from business confidence in the manufacturing sector, which in June reached the highest level in three years, and from paper and paperboard consumption. With regard to the international economy, world demand shows a positive trend, while the business cycle weakens in Germany, where business confidence declined in June for the second month in a row. The current projection foresees a slight decrease of monthly GDP in May (-0.04% m/m) and the annual growth rate is estimated at -0.2% y/y, unchanged from previous month.



(*) 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 (monthly estimate)	Monthly GDP (revised estimate)
	(1)	(2)	(3)
Mar-13	-0.4	-0.11	-0.12
Apr-13	-0.5	-0.13	-0.14
May-13	1.1	-0.07	-0.04
Jun-13	0.1	-0.06	-0.06
Jul-13	-0.7	-0.10	-0.11
Aug-13	-0.2	0.02	0.02
Sep-13	0.2	0.02	0.02
Oct-13	0.7	0.08	0.09
Nov-13	0.2	0.03	0.03
Dec-13	-0.9	0.00	0.00
Jan-14	1.0	-0.06	-0.06
Feb-14	-0.5	-0.07	-0.06
Mar-14	-0.4	-0.07	-0.07
Apr-14	0.5	0.01	0.03
May-14	-1.2	0.01	-0.04