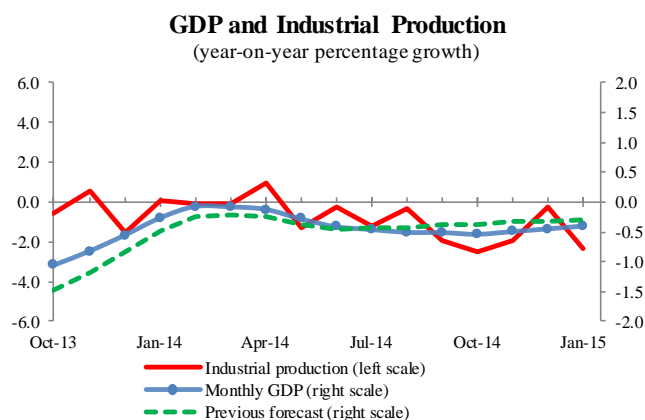


## Data and comment

### Monthly GDP: The business cycle improves

The second reading has confirmed the preliminary estimate of GDP (0.0% q/q in 4Q14). Positive contributions to GDP growth from net external demand (0.4%) and domestic demand (0.2%) have been completely compensated by a remarkable reduction of inventories (-0.6%). Industrial production fell in January (-0.7% m/m) but the figure is probably biased by calendar effects. Positive signals on the economic cycle come from the business confidence indicator in the manufacturing sector, real interest rate and business confidence in Germany. The new estimate of GDP, foresees a further slight increase of monthly GDP in January (by 0.02% m/m) and the annual growth rate is estimated at -0.4% y/y, from -0.5% y/y in December.



(\*) 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)
Nov-13	-0.2	-0.04	-0.03
Dec-13	-1.3	0.02	-0.03
Jan-14	1.5	0.04	-0.03
Feb-14	-0.7	-0.03	-0.06
Mar-14	-0.4	-0.10	-0.10
Apr-14	0.5	-0.07	-0.03
May-14	-1.3	-0.09	-0.08
Jun-14	0.9	-0.05	-0.06
Jul-14	-1.0	-0.01	-0.05
Aug-14	0.3	0.00	-0.02
Sep-14	-0.9	-0.01	-0.02
Oct-14	0.0	-0.03	-0.03
Nov-14	0.3	0.01	0.01
Dec-14	0.4	0.02	0.02
Jan-15	-0.7	0.04	0.02