

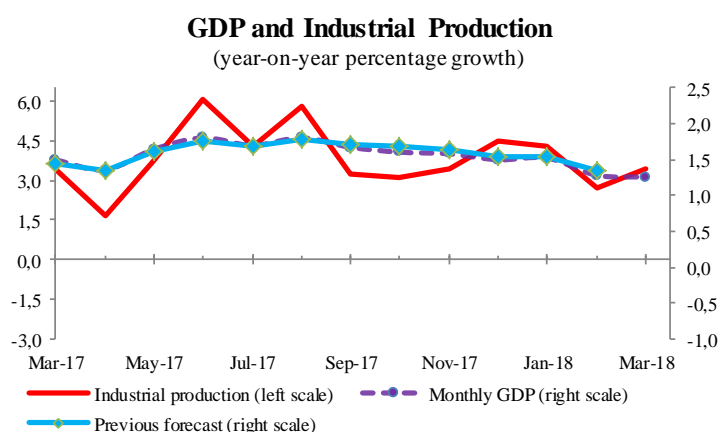
Monthly GDP: March 2018

GDP growth stabilizes at 0,3% q/q as industrial production rebounds in March

According to the first official GDP flash estimate t+30 provided by Istat, real GDP growth stabilized at 0.3% q/q in 1Q2018, supported by domestic demand, while net export brought a negative contribution. Industrial production rebounded by 1.2% m/m in March, ending a two-month contraction cycle. The expansion was broad-based and mainly driven by manufacturing sector with the positive contribution of all components: consumption goods (+2.5%), intermediate goods (0.7%), instrumental goods (0.8%) and energy (1.3%).

Despite the softness of the latest business surveys, economic activity is expected to stabilize in the following months.

Consistent with this scenario, the revised estimate for real monthly GDP points to a solid growth of 0.17% m/m in March (+1.22% yoy).



(*) 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.

	Industrial production (ISTAT)	Monthly GDP (previous monthly estimate)	Monthly GDP (revised estimate)
	(1)	(2)	(3)
Mar-17	0,5	0,21	0,19
Apr-17	-0,7	0,04	0,03
May-17	0,8	0,22	0,21
Jun-17	1,3	0,13	0,12
Jul-17	-0,4	0,09	0,05
Aug-17	2,9	0,23	0,24
Sep-17	-2,8	0,03	-0,01
Oct-17	0,5	0,09	0,07
Nov-17	0,8	0,11	0,15
Dec-17	2,1	0,17	0,20
Jan-18	-1,7	0,03	0,07
Feb-18	-0,5	0,01	-0,02
Mar-18	1,2		0,17