

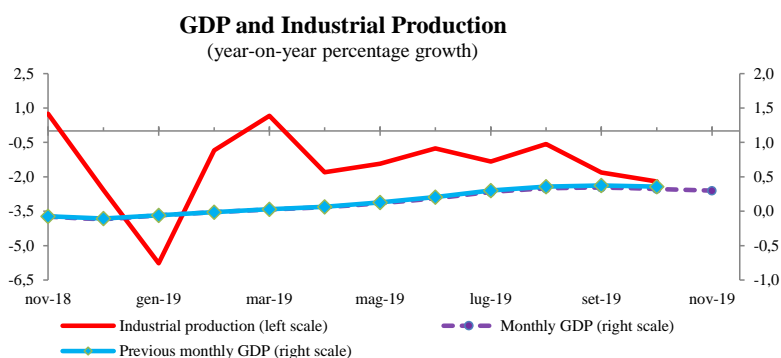
Monthly GDP: November 2019

Some stabilization in sight despite weakness in industry

According to Istat final print for 3Q19, economic activity continued to grow modestly (0.1% q/q), in line with the path of the previous four quarters. The q-o-q growth was supported by the positive contribution of private consumption and inventories (following a marked destocking process in 1H2019), while the one of investment was nil; net exports subtracted 0.4 points to growth. On the supply side, the rise of the value added in services and construction sectors was partially offset by a decrease in industry and agriculture.

The monthly estimate of real GDP remains broadly stable in November (0.02% m/m). More recent information outlines a weakness picture for the industry sector, as pointed out by the second in a row decrease of the industrial production index (-0.3% m/m in October). The rise in non-durable goods production was not strong enough to counterbalance the reduction of instrumental goods and energy.

For the coming months, surveys highlight the absence of growth momentum but simultaneously point at overall resilience. Manufacturing PMI is still in contraction area (47.6 in November), while expansion in services slows down (at 50.4).



(*) The monthly GDP estimate is based on the methodology published in Fralle C. et al. "EUROMIND: A Monthly Indicator of the Euro Area Economic Conditions", Journal of the Royal Statistical Society: Series A, 174, 439- 470. The GDP estimate takes into account the forecasts of the industrial production made through a bridge model.

	Industrial Production (ISTAT)	Monthly GDP (updated estimate)	Monthly GDP (previous estimate)
	(1)	(2)	(3)
Oct-18	-0,1	0,04	0,05
Nov-18	-1,8	0,04	0,04
Dec-18	-0,8	0,04	0,04
Jan-19	1,8	0,05	0,04
Feb-19	0,7	0,04	0,03
Mar-19	-1,1	0,02	0,03
Apr-19	-0,7	0,01	0,02
May-19	0,9	0,02	0,02
Jun-19	-0,3	0,02	0,03
Jul-19	-0,8	0,02	0,03
Aug-19	0,4	0,02	0,03
Sep-19	-0,4	0,02	0,03
Oct-19	-0,3	0,02	0,03
Nov-19		0,02	