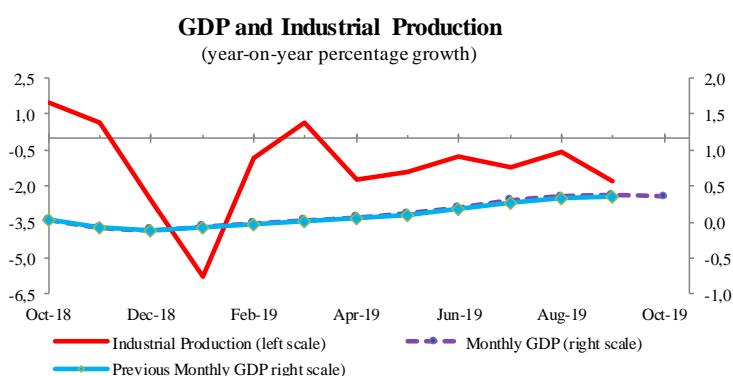


Monthly GDP: October 2019

Stable growth in October although weak conditions in the manufacturing sector

The economy activity still points out a modest growth in 3Q, in line with the developments in the first semester. The flash estimate provided by Istat indicates an expansion of 0.1% q/q in 3Q, underpinned by an increase in the value added of services and industry. The real monthly GDP estimate in October remains slightly positive (0,03% m/m). Recent information about the industrial production in September provides a weak picture in the manufacturing sector. The result in September shows a decline in the industrial activity that offsets the increase recorded in the previous month. The results among sectors remain heterogeneous: capital goods and non-durable consumption goods still grow whereas intermediate goods and energy decrease.

The manufacturing PMI index recorded 47,7 in October, still in contraction territory for a year. The sub-indexes about production and the one on orders continue to fall, with implications on employment. Positive signals come from the improvement of the operative conditions of consumption goods. The service sector shows a more robust development. The sectoral PMI index increases (to 52,2 from 51,4 in the previous release) for the second month in a row.



(*) La stima del PIL mensile si basa sul modello documentato in Frale C. et al. "EUROMIND: A Monthly Indicator of the Euro Area Economic Conditions", Journal of the Royal Statistical Society: Series A, 174, 439- 470. La previsione del PIL incorpora la stima mensile di produzione industriale elaborata mediante utilizzo di un modello bridge.

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