

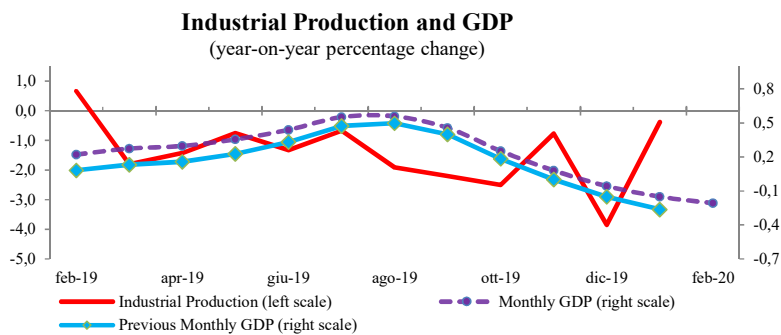
## Monthly GDP: February 2020

### Flat GDP in February as Coronavirus hit Italy

The monthly estimate of the real GDP points to broadly stable economic activity in February (0.01% m/m, -0.21% y/y), interrupting the contractionary phase of the previous months. However, this estimate does not take into account the effects by the Covid-19, because they are not yet captured on February data but should show up in those related to March.

At the beginning of the year hard data show a marked rebound of the industrial production (3,7% m/m) which more than offsets the severe decline recorded in december 2019. The same dynamic has been observed among the other main European economies. The rebound was widespread to all sectors, with a remarkable increase in capital goods (4,1%) and intermediate goods (3,3%) and a less intense increase in consumption goods (2,6%) and energy (1,3%).

Surveys do not point out promising signs: the PMI index for the manufacturing sector as well as the expectations in production provided by ISTAT point to a slight decline in production in the forthcoming month. As for the service sector, the PMI index strengthened its expansion in February (a 52,1) but other soft indicators, such as car registrations, resulted less encouraging.



(\*) The monthly GDP estimate is based on the methodology published 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. 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)
Feb-19	1,1	0,07	0,06
Mar-19	-1,1	0,04	0,03
Apr-19	-0,7	0,02	0,00
May-19	0,8	0,03	0,02
Jun-19	-0,3	0,04	0,04
Jul-19	-0,8	0,05	0,06
Aug-19	0,3	-0,02	-0,01
Sep-19	-0,4	-0,08	-0,09
Oct-19	-0,3	-0,15	-0,17
Nov-19	0,0	-0,11	-0,12
Dec-19	-2,6	-0,06	-0,07
Jan-20	3,7	0,00	-0,02
Feb-20		0,01	