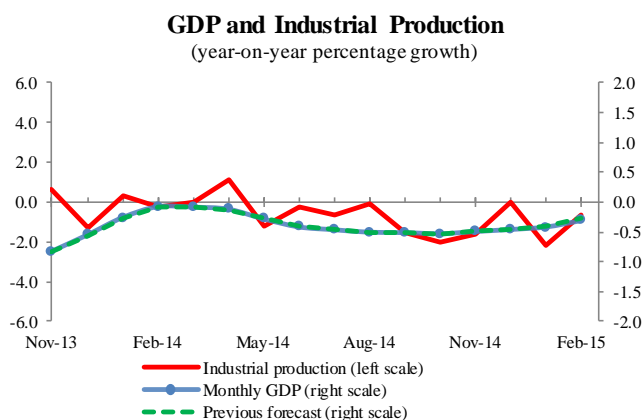


Data and comment

Monthly GDP: The business cycle improves

Industrial production increased by 0.6% m/m in February, thus offsetting the fall of January (-0.7% m/m); net of short-term volatility, industrial production shows a moderately positive tendency (0.4% q/q in the latest three months). Main economic indicators signal an improvement in the economic outlook. Business confidence remarkably increased in March, both in Italy and in Germany. Favorable signals come also from paper and paperboard production and the real long-term interest rate has further decreased. The new estimate of GDP, foresees an increase of monthly GDP in February (by 0.04% m/m) and the annual growth rate is estimated at -0.3% y/y, from 0.4% y/y in January.



(*) 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)
Dec-13	-1.2	-0.03	-0.02
Jan-14	1.5	-0.03	-0.03
Feb-14	-1.0	-0.06	-0.07
Mar-14	-0.2	-0.10	-0.10
Apr-14	0.5	-0.03	-0.02
May-14	-1.2	-0.08	-0.09
Jun-14	0.8	-0.06	-0.06
Jul-14	-0.7	-0.05	-0.04
Aug-14	0.1	-0.02	-0.02
Sep-14	-0.7	-0.02	-0.02
Oct-14	0.0	-0.03	-0.03
Nov-14	0.3	0.01	0.01
Dec-14	0.4	0.02	0.01
Jan-15	-0.7	0.02	0.02
Feb-15	0.6	0.06	0.04