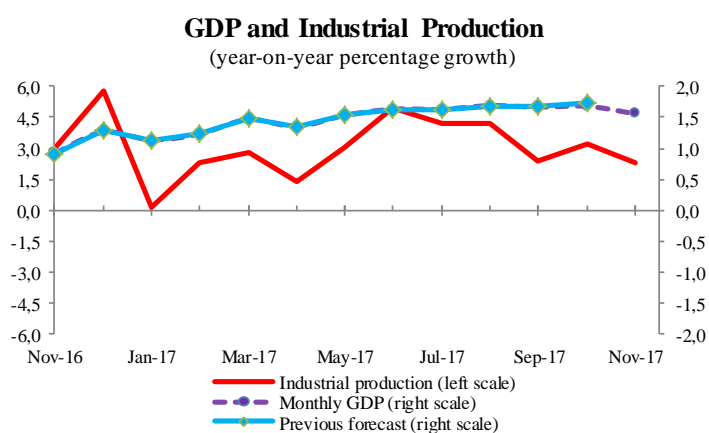


Monthly GDP: November 2017

Industrial production unexpectedly soft, but Italy's growth outlook remains solid

Industrial production came in below expectations in November, remaining unchanged from the previous month after the expansion of 0.6% m/m printed in October. The positive contribution of the energy sector (+4.0% m/m) and intermediate goods (+0.1% m/m), in fact, was offset by some moderation in consumption and instrumental goods (-0.7% and -0.3% m/m respectively). The softening of the economic activity associates with a modest slowdown of the short-term indicators, with the PMI index and business confidence that edged lower in December, albeit remaining comfortably within the expansion territory.

Consistent with this scenario, monthly real GDP is estimated to grow by 0.07% m/m and 1.56% yoy in November, suggesting that conditions remain positively oriented but that growth is unlikely to strengthen from 0.4% q/q recorded in 3Q17.



(*) 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)
Nov-16	1,0	0,18	0,19
Dec-16	1,4	0,33	0,31
Jan-17	-2,3	0,07	0,08
Feb-17	1,0	0,19	0,19
Mar-17	0,5	0,21	0,19
Apr-17	-0,4	0,00	0,02
May-17	0,7	0,17	0,15
Jun-17	1,0	0,09	0,09
Jul-17	0,1	0,09	0,10
Aug-17	1,1	0,20	0,19
Sep-17	-1,4	0,07	0,06
Oct-17	0,6	0,15	0,12
Nov-17	0,0		0,07