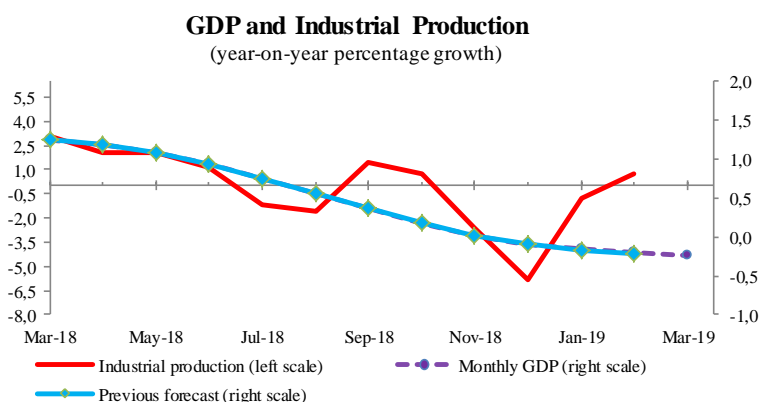


Monthly GDP: March 2019

GDP out from technical recession in 1Q19

Economic data in January and February rebounded compared to 4Q2018, but economic perspectives are still weak, as soft data rest subdued. According to the revised estimate, monthly real GDP is expected virtually unchanged in March (0.0% m/m). Together with recent encouraging PMIs, the economic activity can be considered out from technical recession in 1Q2019.

Industrial production surprised to the upside for the second month in a row in February, expanding 0.8% m/m, after rising 1.9% in January (revised up 0.2pp), against expectations. The strongest contribution came from manufacturing activity, which expanded 1.3% m/m after increasing by 1.4% m/m in January. In terms of main industrial groups, results were mixed across the board, with nondurable consumer goods and investment goods which recorded the highest expansion (3.9% m/m and 1.1% m/m respectively) and intermediate goods slightly positive (0.2% m/m). Energy component and durable consumer goods declined by 2.4% m/m and -0.1% m/m.



(*) Monthly GDP estimate is based on the model documented 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. GDP figures incorporate monthly forecasts of the Italian industrial production index obtained by bridge models.

	Industrial production (ISTAT)	Monthly GDP (previous monthly estimate)	Monthly GDP (revised estimate)
	(1)	(2)	(3)
Mar-18	1,1	0,04	0,04
Apr-18	-1,3	0,03	0,03
May-18	0,6	0,00	0,00
Jun-18	0,2	-0,03	-0,03
Jul-18	-1,8	-0,07	-0,07
Aug-18	1,9	-0,06	-0,06
Sep-18	-0,2	-0,05	-0,05
Oct-18	-0,1	-0,04	-0,04
Nov-18	-1,6	-0,03	-0,03
Dec-18	-0,7	-0,02	-0,01
Jan-19	1,9	-0,01	0,00
Feb-19	0,8	-0,01	0,00
Mar-19			0,00