



EUROPEAN HIGH FREQUENCY MODEL

Monthly estimates of economic growth



Moderate Growth and Inflationary Risks on the Horizon

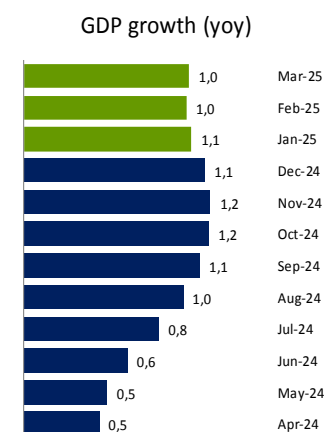
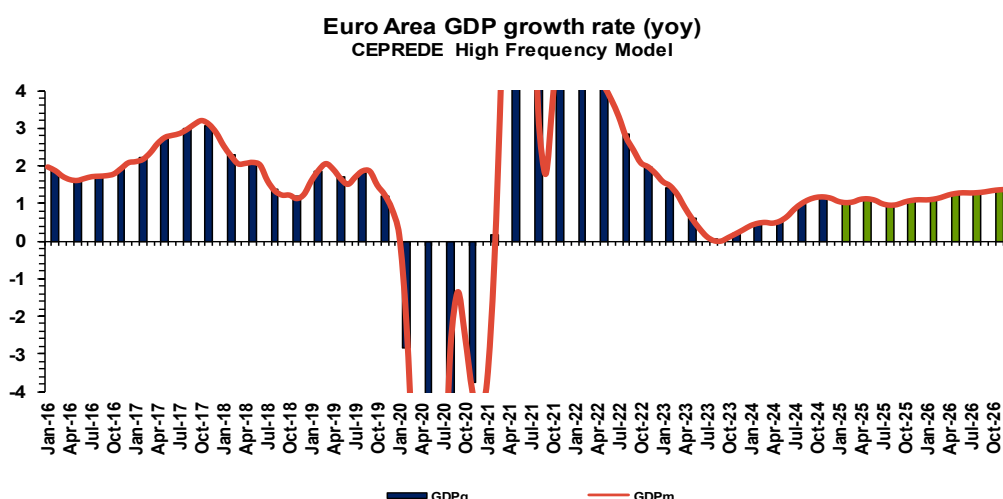
The Eurozone economy grew by 0,8% in 2024, exceeding the 0,6% recorded the previous year. This increase was driven by a 1,2% increase in GDP during the fourth quarter, compared to the same period in 2023, and quarterly growth of 0,2%. Recent data suggest moderate growth driven by services in early 2025, but held back by significant uncertainty around domestic and trade policies. In this context, growth estimates for the current year have been slightly moderated by one tenth downwards, with growth of 1,0% now expected for the Eurozone as a whole in 2025. In the medium term, a strengthening of real GDP growth is expected, driven by consumption growth, improved investment and external demand, and the disappearance of the moderating effects of the previous tightening of monetary policy; estimates for 2026 have remained unchanged at 1,3%. The global landscape is becoming increasingly fragmented. Rising tariffs and the reconfiguration of supply chains, in response to the declining attractiveness of the US market, are leading us toward a future of lower economic growth and a high risk of inflation.

"Persistently high geopolitical and political uncertainty implies a slower recovery"- ECB

MARCH 2025

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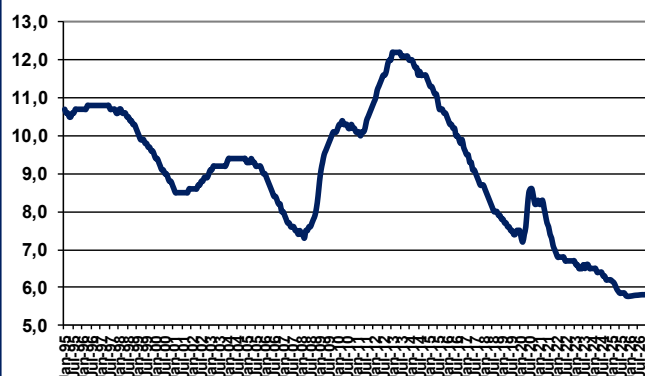
Source: CEPREDE. Mar-2025

The High Frequency Model analyses the main trends shared by a group of selected business indicators which recent evolution is displayed in following tables and graphs.

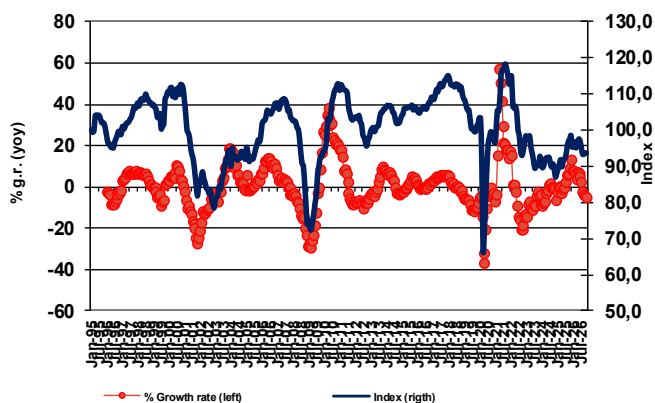
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

After that, those forecasts are used both, to get specific forecasts on individual indicators (Dynamic Factor analysis), and to get a monthly GDP growth rate through temporal desegregation techniques (Chow-Lin).

Harmonised Unemployment Rate



Economic Sentiment Indicator: Germany



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Upcoming relevant data	Euro Area
Mar 28	Economic Sentiment Indicator & Business and Consumer Sur-
Apr 01	Flash estimate inflation euro area. March 2025
Apr 01	Unemployment. February 2025
Apr 15	Industrial production. February 2025
Apr 22	General government deficit and debt. 2024

The programming publications High Frequency Model for Eurozone during this year is included in the table at right.

Closing date: Mar 20, 2025

Publication date in 2025

January 27	July 21
February 24	-
March 24	September 22
April 28	October 27
May 26	November 24
June 23	December 22

Economic Forecasting Center (CEPREDE in Spanish language) begins in 1981 as a result of work of a group of professors from the Autonomous University of Madrid (UAM) and the unconditional support of the Chamber of Commerce and Industry of Madrid and the University-Enterprise Foundation. Five years later in 1986, establishing the Economic Forecasting Center Association (CEPREDE in Spanish). The Association counts among its partners, private corporations, business associations and governments of the autonomous administrations. CEPREDE is now a permanent Center for Economic Research, a reality created and shared by everyone, Sponsors, Founders, Partners and a group of university professors and researchers.

A reality which numerically is summarized in decades of history, with hundreds of prediction, continuous analysis of approximately 1.000 macroeconomic variables and 200 short-term indicators, permanent consultation with a hundred experts panel.

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