Public release note 21/03/2016

EUREN / CEPREDE

High Frequency Model for Eurozone

Monthly rates of economic activity

European Economic Network — EUREN

CEPREDE

SUMMARY

GDP growth slows down because of net exports

March 2016

Author: Julián Pérez

As we comment in our previous report, the Eurozone would have slowed its growth in the second half of 2015, reaching an annual average of 1.5% after three consecutive quarters with qoq rates of 1.6%.

Analyzing the data broken down by components, recently published by Eurostat, it is easy to see that this slowdown in growth has been induced mainly by the external trade, as the pace of export growth would have been reduced by almost two points in the second half of the year.

By contrast, the overall domestic demand has continued to improve throughout the year, especially in the investment component, which in the fourth quarter would have reached a strong annual growth to 5%, values not seen since mid 2010.

Now, this dynamic domestic demand could slow in the coming quarters in an environment of containment expectations like they are pointing the most recent data of economic climate indicators included in our high frequency model.
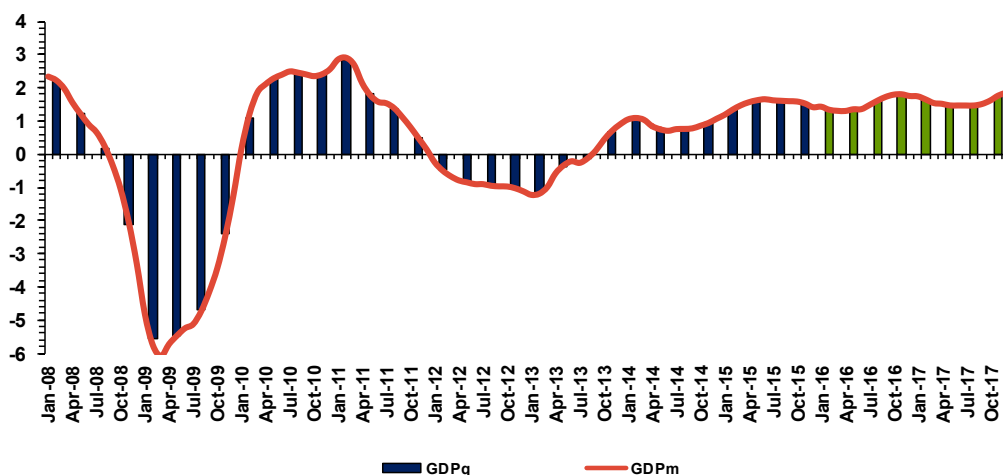
Between the months of January and February it had been reduced, virtually all, confidence indicators, except for France, prolonging thus a trend that began early in the fourth quarter of last year.
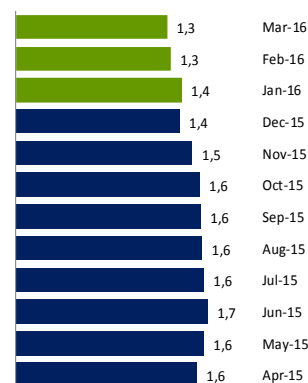
"Doubts remain about the sustainability of growth "

Full Content:

Euro Area GDP growth rate (yoy)
Euren/CEPREDE High Frequency Model

Legend: GDPq, GDPm

GDP growth (yoy)

| Value	Month
1,3	Mar-16
1,3	Feb-16
1,4	Jan-16
1,4	Dec-15
1,5	Nov-15
1,6	Oct-15
1,6	Sep-15
1,6	Aug-15
1,6	Jul-15
1,7	Jun-15
1,6	May-15
1,6	Apr-15

Source: CEPREDE. Mar-2016

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
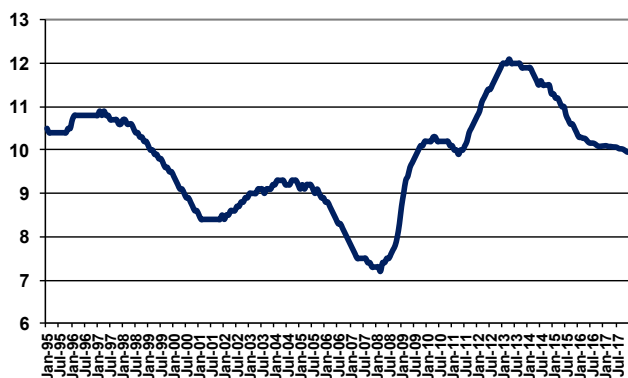
Economic Sentiment Indicator: Germany
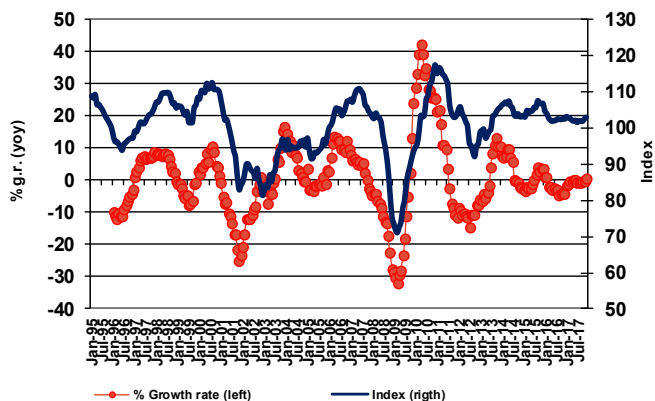
Para solicitar informe completo contactar Aquí

Para ver más novedades pincha Aquí

Upcoming relevant data	Euro Area
Nov 27	Business climate indicator for the euro area. November 2015 (EC)
Dec 1	Unemployment. October 2015 (Eurostat)
Dec 8	Composite Leading Indicator (OECD)
Dec 8	National accounts (GDP). Q3/2015 - 2nd Estimate (Eurostat)
Dec 10	Interest rate (3 months). November 2015. (ECB)

The programming publications High Frequency Model for Euro-zone during this year 2016 is included in the table at right.

Closing date: Mar 16, 2016

Publication date in 2016	
January 25	July 26
February 22	September 26
March 18	October 24
April 25	November 21
May 23	December 23
June 20	

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.

Asociación Centro de Predicción Económica, CEPREDE
Att. Mar Rodea (morning hours) T. +34 91 497 86 70

WE SUGGEST YOU VISIT THE NEW SERVICES

Business Intelligence Forecasting
CEPREDE

www.ceprede.es/ceprede_bi/business_intelligence.asp