



High Frequency Model for Eurozone

Monthly rates of economic activity

SUMMARY

Zero growth in the Eurozone's GDP in the first quarter

Although we'll have to wait until Mayo 15th, to get the flash estimate for the GDP growth rate in the first quarter of 2019, it is quite clear that these figures won't be too optimistic.

In fact, our High Frequency Model, which is currently including knowing information for the first three months of the year of almost half of the indicators, yields a null QoQ rate for the Eurozone's GDP growth.

It means that, in YoY rates, the slowdown path has kept on track during this first quarter,

being fourth tenths lower than the fourth quarter last year. So, the GDP growth rate would be around 0,8% (YoY), which is one third of the rate shown in the first quarter of 2018, when the Eurozone was growing at a 2,4%.

For coming quarters, forecasts are a bit less pessimistic, and the qoq rates would slightly strength in second and third quarters, rebounding during the last quarter, drawing a quarterly growth path recovering some upward trend in the second half of the year.

As far as specific indicators

"Deceleration path would remain during the first half of the year"

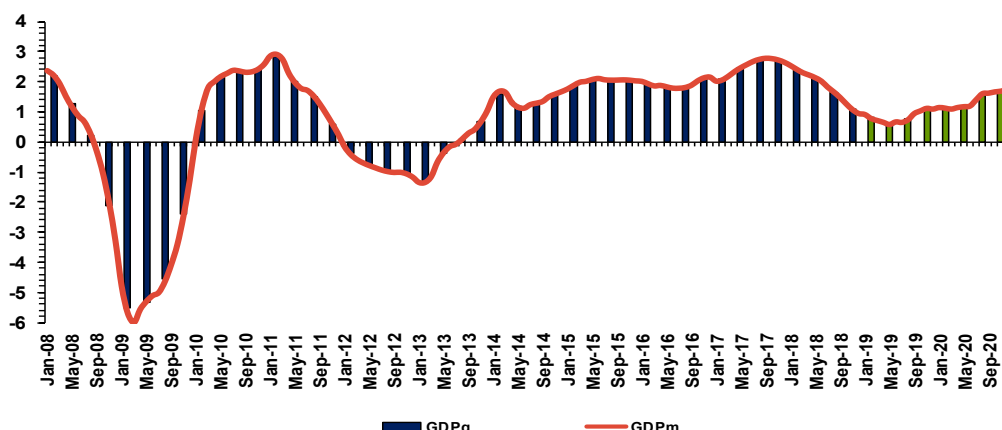
concerns, climate indicators keeps in deceleration paths for Germany and Italy, as well as the Eurozone's aggregate, while Spain and France, remains more stable. Whereas from the sectoral viewpoint, industry climate indicator aggravates its deceleration, construction keeps at its tops levels, and services shows slightly deceleration but with quite high levels.

April 2019

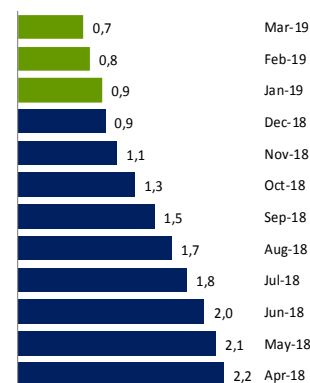
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Euro Area GDP growth rate (yoy)
Euren/CEPREDE High Frequency Model



GDP growth (yoy)



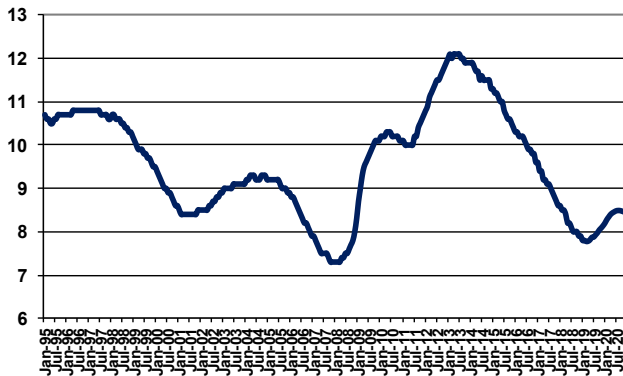
Source: CEPREDE. April-2019

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.

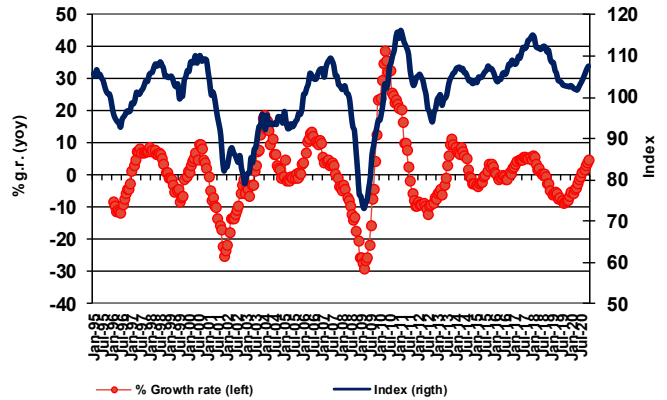
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

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
Apr 29	Economic Sentiment Indicator & Business Climate Indicator April 2019
Apr 30	Preliminary flash estimate GDP - euro area and EU Q1/2019
Apr 30	Unemployment March 2019
May 14	Industrial production March 2019
May 17	Inflation (HICP) April 2019

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

Closing date: Apr 23, 2019

Publication date in 2019	
January 28	July 22
February 25	September 23
March 25	October 21
April 29	November 25
May 27	December 20
June 24	

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