



# High Frequency Model for Eurozone

## Monthly rates of economic activity

### SUMMARY

#### Flash estimated quite in line with expectations

Past February 14th, Eurostat quarter. published the flash estimate Just Spain, Austria and Portugal for the last quarter 2019 showing a 0,1% advance in GDP compared to previous quarter, keeping the yoy rate at 0,9%, one tenth upper our last estimation. Even when this flash estimate is slightly higher than our HFM previous estimation, that advanced an 0,0% in Qoq terms, the country by country figures are not very optimistic, as most of the members have shown some kind of deceleration compared to previous

and once included this new figures into our High Frequency Model, current forecasts draw a cyclical minimum (in YoY terms) during the first quarter of 2020, and afterwards a slightly recovery trend would start pushing up GDP growth rates to around 1,5% at the end of the year.

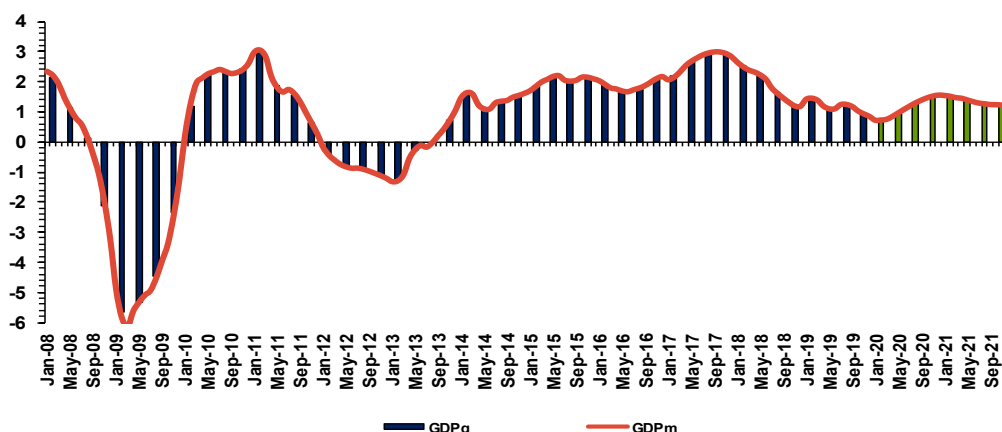
*“GDP growth rates would bottom out during the first quarter”*

February 2020

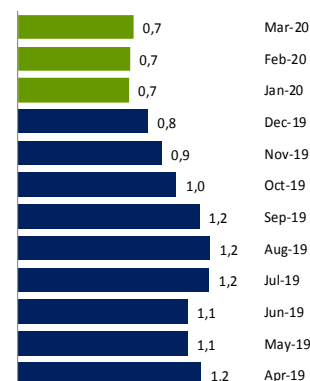
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**Euro Area GDP growth rate (yoy)**  
Euren/CEPREDE High Frequency Model



GDP growth (yoy)



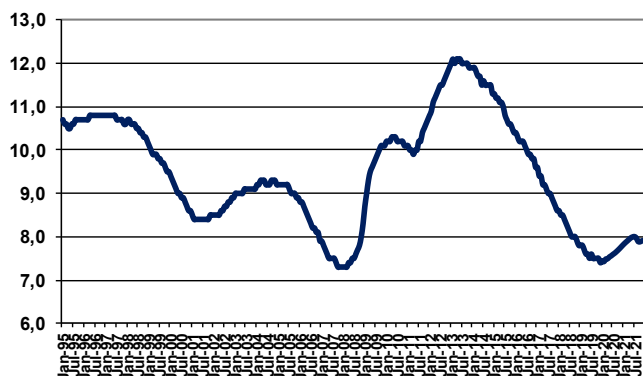
Source: CEPREDE. Feb-2020

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.

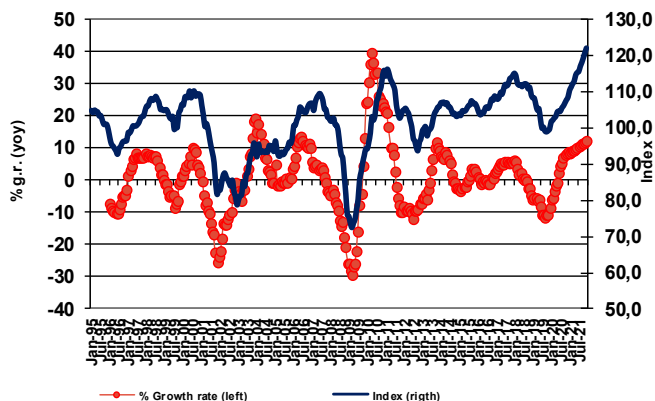
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

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
Feb 27	Economic Sentiment Indicator & Business Climate Indicator February 2020
Mar 03	Flash Estimate inflation euro area February 2020
Mar 03	Unemployment January 2020
Mar 10	GDP and main aggregates/Employment Q4/2019
Mar 12	Industrial production January 2020

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

Closing date: Feb 18, 2020

Publication date in 2020	
January 24	July 17
February 21	September 18
March 20	October 23
April 24	November 20
May 22	December 18
June 19	

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