



High Frequency Model for Eurozone

Monthly rates of economic activity

SUMMARY

Forecasts going down as new indicators are available

Jul 2020

Since mid-march, when the first lockdown measures were adopted to fight against the pandemic caused by CORONAVIR-19, all forecast institutions started a kind of downward revision race that today seems to be still on track.

Our High Frequency Model is not out of this race, and month to month the updated estimations for the Eurozone's GDP growth rate is being downward revised. This time an additional seven tenths has been reduced from the 2020 GDP annual average, showing a fall of -7,8% followed by a recovery of 6.1% in 2021.

Looking at the specific indicators included into the HFM, it is interesting to see how the most recent indicators, those available for June, have rebound from May figures, those can be interpreted as if the worst of the crisis would have been passed in the middle of the second quarter.

Any case, departing from an -3,2% rate in the first quarter, and around -15% in the second one, it would be difficult to come back to positive rates, in yoy terms, before the first quarter 2021,

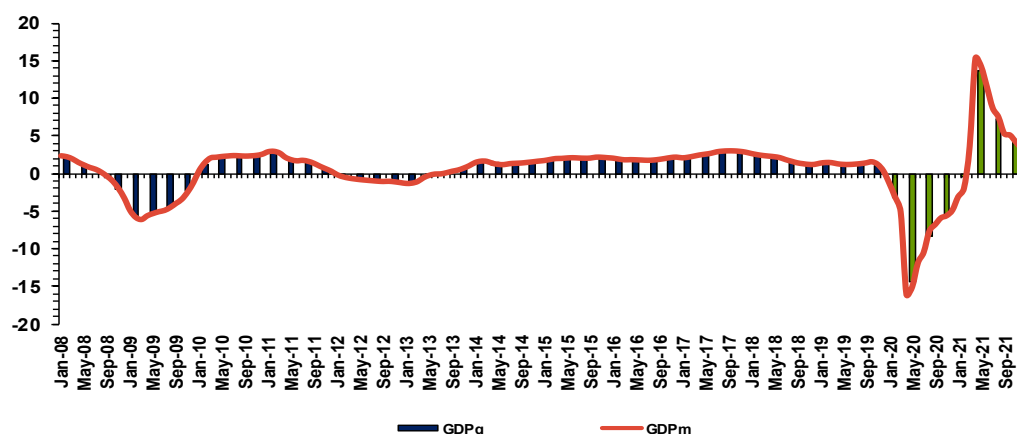
"The peak of the crisis could have passed in May"

which means that, even in a recovery trend during the second half of the year, the fall down in GDP growth rates will be huge.

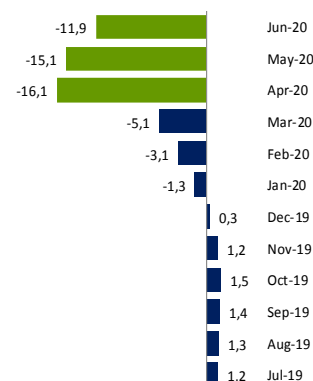
Full Content:

Euro Area GDP growth rate	1
Selected indicators	2
Forecast of the Model	2
Upcoming relevant data	6

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



GDP growth (yoy)



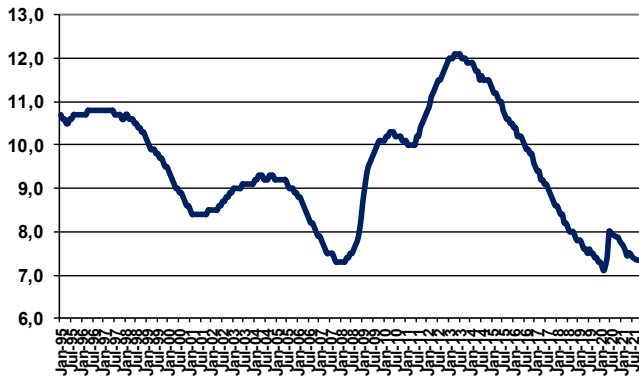
Source: CEPREDE. Jul-2020

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.

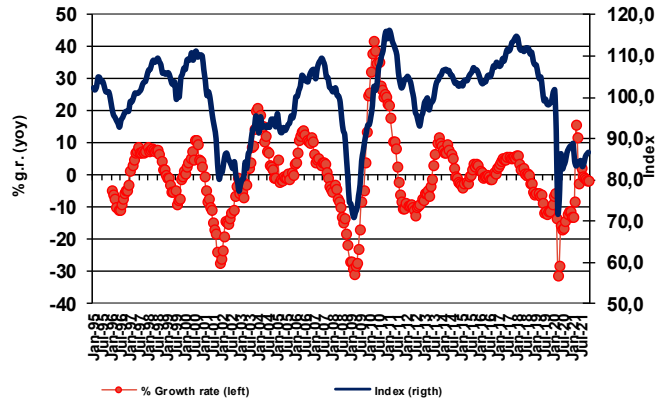
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

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



Para solicitar informe completo contactar [Aquí](#)

Para ver más novedades pincha [Aquí](#)

Upcoming relevant data	Euro Area
Jul 20	GDP and main aggregates/Employment - database update Q1/2020
Jul 22	Quarterly data on government debt and deficit Q1/2020
Jul 30	Economic Sentiment Indicator & Business Climate Indicator July 2020
Jul 30	Unemployment June 2020
Jul 31	Preliminary Flash Estimate GDP - EU and euro area Q2/2020

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

Closing date: Jul 15, 2020

Publication date in 2020	
January 27	July 20
February 24	September 21
March 24	October 26
April 27	November 23
May 25	December 21
June 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.

Asociación Centro de Predicción Económica, CEPREDE

Att. (morning hours) T. +34 91 497 86 70

WE SUGGEST YOU VISIT THE NEW SERVICES



Business Intelligence Forecasting

www.ceprede.es/ceprede_bi/business_intelligence.asp