



# High Frequency Model for Eurozone

## Monthly rates of economic activity

### SUMMARY

#### Eurostat confirms the second quarter as historical worst perform

Sep 2020

Last September 8th, Eurostat published detailed figures for Eurozone's growth rate, confirming a qoq GDP fall of 11,8%, which is, by far, the worst historical figure; even when it is a little bit lower than the fall down advanced in flash estimate of August 14th.

Country detailed figures ranges from -18,5% for Spain to -4,5% for Finland, with most of countries showing a two digit fall rates.

As the expenditure compo-

nents regards, exports, as well as imports, leads the largest contractions, around -18%, followed by investment (-17,0%) and private consumption (-12,4%).

Looking forward, our High Frequency Model advances a significant recovery for the third quarter, a 7,6% in QoQ terms, which means that the annual rate would recover to around -8,5%, from the -14,7% registered in Q2.

Almost all the indicators

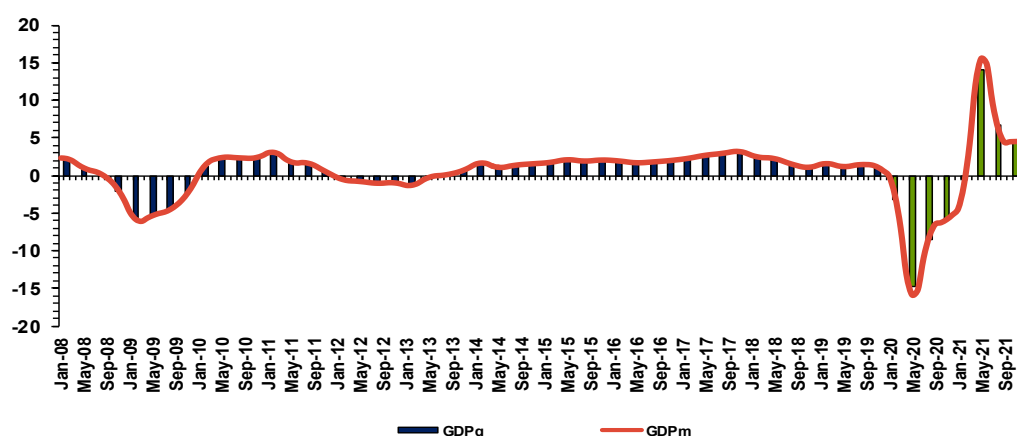
*"GDP growth expected to recover in the third quarter... if the pandemic won't get worse"*

already available for this third quarter points towards this recovery, although we should wait for the effect of the rebound of the pandemic during this month of September.

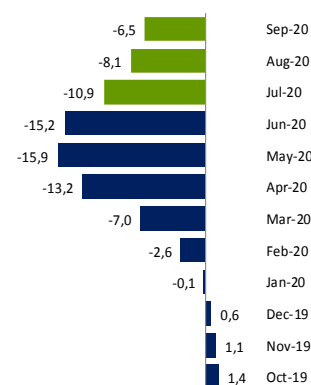
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**Euro Area GDP growth rate (yoy)**  
Euren/CEPREDE High Frequency Model



**GDP growth (yoy)**



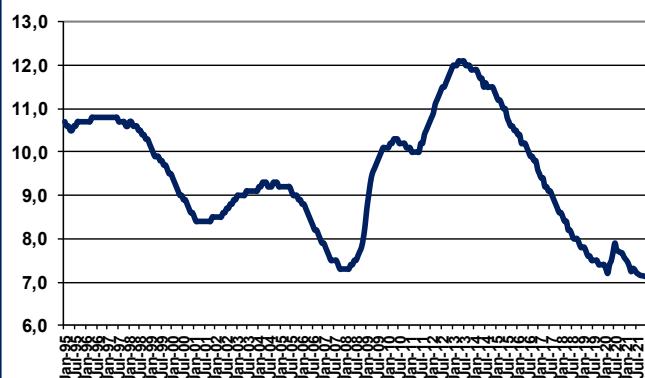
Source: CEPREDE. Sep-2020

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.

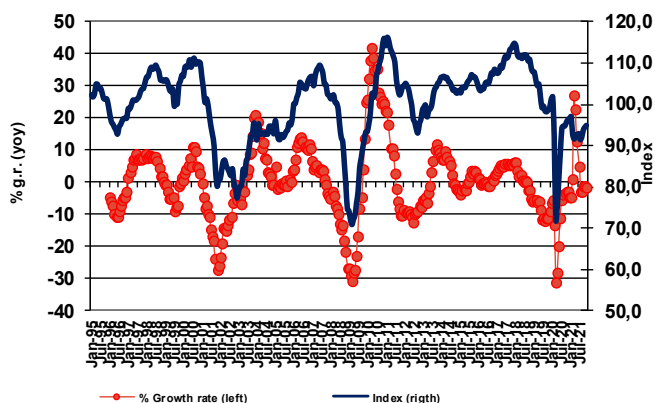
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

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
Sep 29	Economic Sentiment Indicator & Business Climate Indicator September 2020
Sep 30	Flash Estimate inflation euro area September 2020
Oct 01	Unemployment August 2020
Oct 05	Quarterly balance of payments Q2/2020
Oct 14	Industrial production August 2020

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

Closing date: Sep 17, 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	

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