



# High Frequency Model for Eurozone

## Monthly rates of economic activity

### SUMMARY

#### Uneven recovery among countries

Last November 16th, Eurostat published the flash estimate for the third quarter 2021. GDP growth rate which has been, once again, better than expected. In fact, according to this estimate, Eurozone's advances an 2,2% compared to previous quarter, that means the greatest rate in many years, except of the third quarter last year. It means that the yoy rate reaches a 3,7% almost one point above our previous esti-

mation, coming back the annual average to 5%. Looking at the country specific estimations it is easy to see that the recovery remains quite uneven, with countries clearly accelerating their growth rates (France, Spain) while others remain stable (Germany, Italy), or in clear deceleration trend (Austria, Netherlands, or Portugal). Having in mind the recent resurgence of the pandemic in some countries that have

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Nov 2021

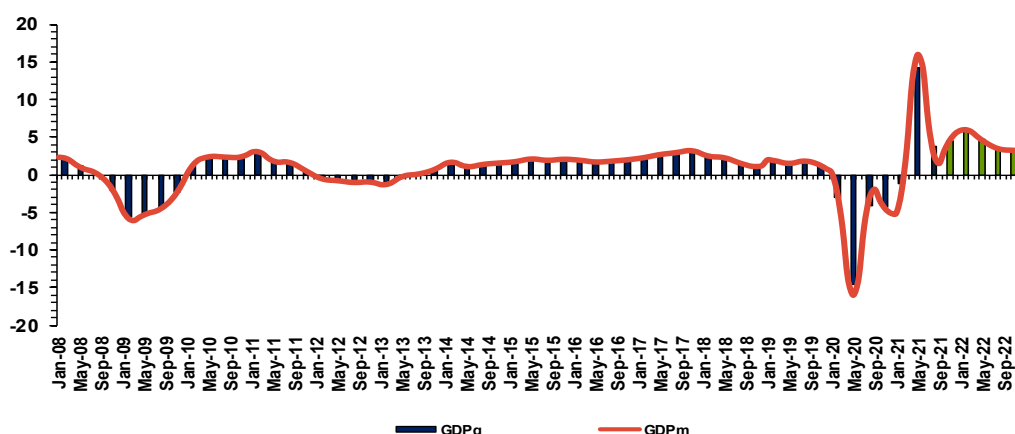
*"The new wave of the pandemic will condition the strength of the recovery"*

#### Full Content:

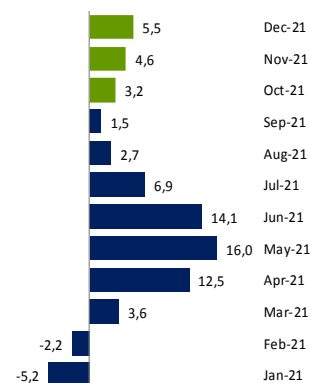
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already announced new lockdowns, it is highly feasible that the last quarter will enlarge discrepancies among members.

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



GDP growth (yoy)



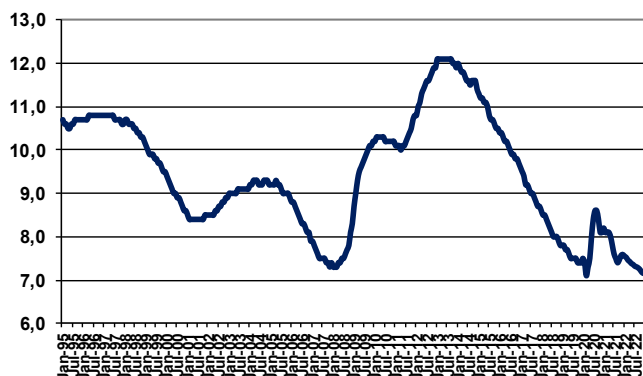
Source: CEPREDE. Nov-2021

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.

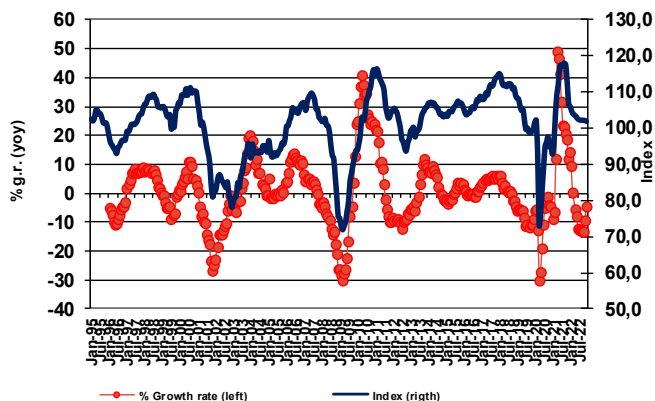
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

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
Nov 29	Economic Sentiment Indicator & Business Climate Indicator.
Nov 30	Flash Estimate inflation euro area. November 2021
Dec 02	Unemployment. October 2021
Dec 07	GDP and main aggregates/Employment Q3/2021
Dec 14	Industrial production. October 2021

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

Closing date: Nov 17, 2021

Publication date in 2021	
January 25	July 19
February 22	September 20
March 22	October 25
April 26	November 22
May 24	December 20
June 21	

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