



# High Frequency Model for Eurozone

## Monthly rates of economic activity

### SUMMARY

#### Eurozone GDP grew above estimates until March

Jun 2022

The Gross Domestic Product of the euro zone registered an expansion of 0,6% in the first quarter of 2022 compared to the fourth quarter of the previous year, when its growth was 0,2%, according to the latest data published by Eurostat. In its initial projections, the statistical office had estimated a growth of 0,3%. Compared to the first quarter of 2021, the GDP of the euro zone grew by 5,4%, which represents an acceleration of seven tenths compared to the year-on-year rise of the previous three months. However, this upward revision of the figures for the first quarter has not been enough to compensate for the drop caused by the update of the indicators corresponding to the month of May, which has caused a new downward revision in the aggregate figures for both this year and for 2023. Thus, a GDP growth of 2,7% is expected in 2022 and 2,2% in 2023 (one tenth less in both periods). The main risk that the European economy continues to face is the war in Ukraine; which will have a significant impact, increasing the number and duration of

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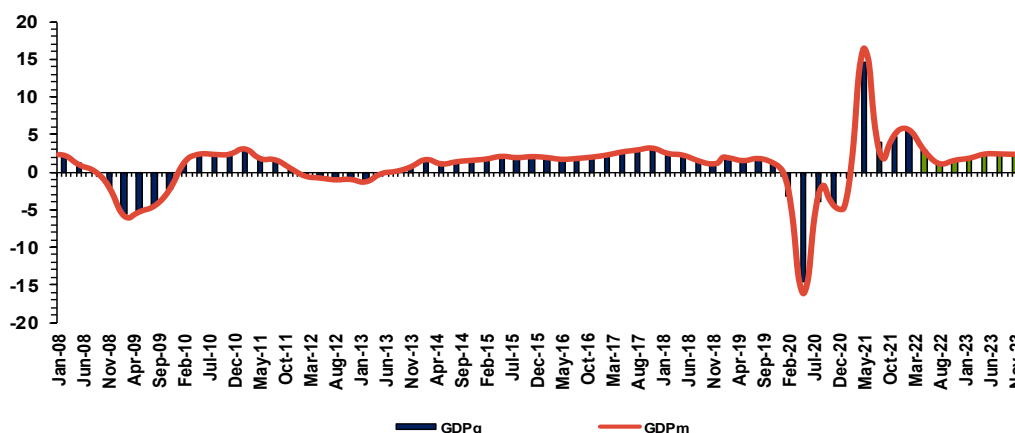
*"Solving supply chain problems will be essential for competitiveness and growth in Europe" OCDE*

supply chain disruptions, while continuing to drive up inflation. Thus, the shortage of semiconductors, a problem that was expected to be resolved in the second half of this year, is expected to persist until 2023. In terms of GDP, a prolonged war could lead to an additional loss of up to €318 billion in 2022 and €602 billion in 2023.

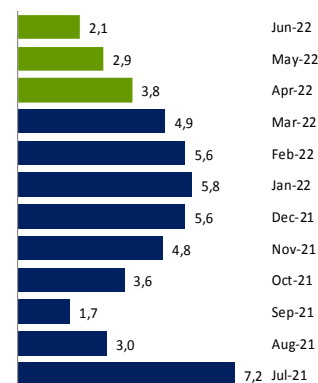
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**Euro Area GDP growth rate (yoy)**  
Euren/CEPREDE High Frequency Model



GDP growth (yoy)



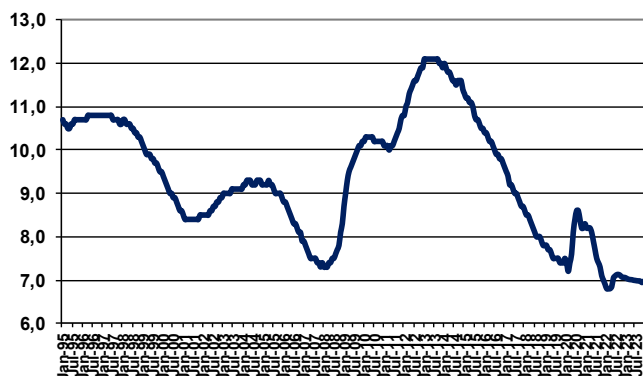
Source: CEPREDE. Jun-2022

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.

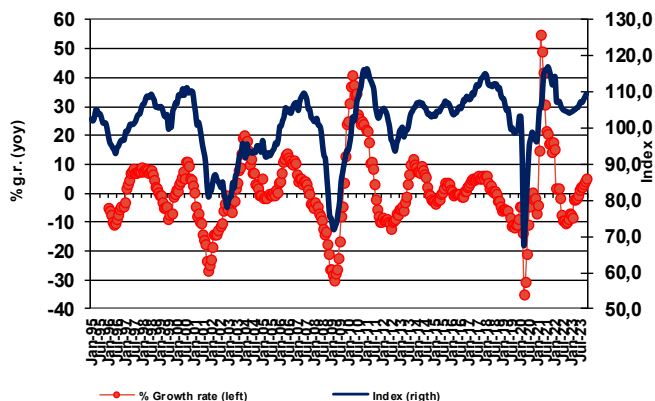
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

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
Jun 29	Economic Sentiment Indicator & Business Climate Indicator. Jun 2022
Jun 30	Unemployment. May 2022
Jul 01	Flash Estimate inflation euro area June 2022
Jul 12	Interest rates (3 months) and Long term gvt bond yield. Jun
Jul 13	Industrial production May 2022

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

Closing date: Jun 16, 2022

Publication date in 2022	
January 24	July 26
February 21	September 26
March 21	October 24
April 25	November 21
May 23	December 19
June 20	

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