MODELO DE ALTA FRECUENCIA EUROPA

Estimaciones mensuales del crecimiento económico

European Economic Network

CEPREDE

The eurozone remains weak

The probabilities that the evolution of GDP will continue to moderate in the current quarter have increased. According to the PMI, total business activity in the Eurozone showed almost no growth in June, indicating renewed weakness in the economy after a brief rebound in growth in the spring. Specifically, the seasonally adjusted Flash PMI Composite Index of total activity in the euro zone fell from 52,8 in May to 50,3 in June, its lowest reading since

last January. Despite posting the sixth consecutive month of expansion in June, the latest increase was barely small and much weaker than increases seen in the previous four months, signaling a significant loss of growth momentum. The 2,5 point drop in the index was the sharpest recorded in the last twelve months.

In this context, the update of the model has led to a new downward revision in the growth estimates for
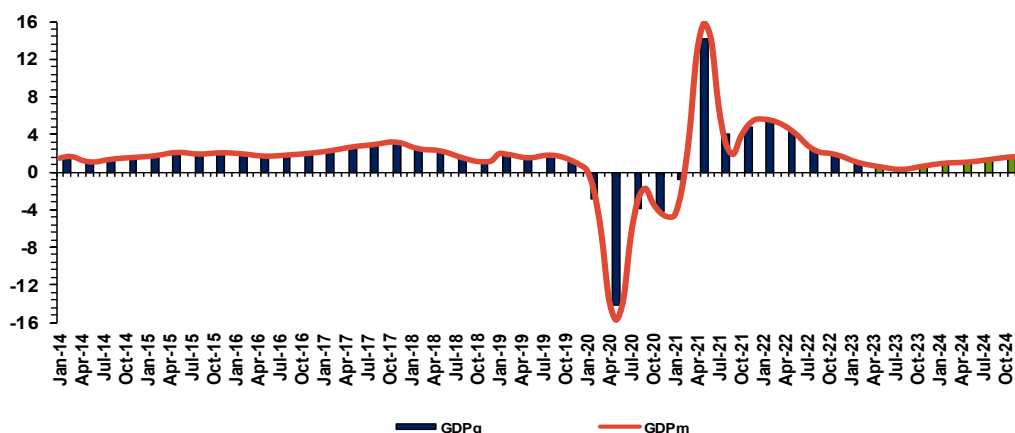
the current year, softening the quarterly profile even more in the central part of the year and picking up slightly in the last quarter, which shows a growth of 0,6% in the whole year. For 2024 the estimates have also been revised downward by one tenth, to 1,2%.
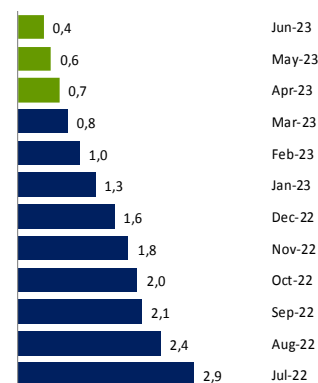
> *"Post-pandemic tailwinds are fading and higher interest rates are holding back demand"*
> *S&P Global Ratings*

Jul 2023

Full Content:

GDP growth (yoy)

Value	Month
0,4	Jun-23
0,6	May-23
0,7	Apr-23
0,8	Mar-23
1,0	Feb-23
1,3	Jan-23
1,6	Dec-22
1,8	Nov-22
2,0	Oct-22
2,1	Sep-22
2,4	Aug-22
2,9	Jul-22

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


Legend: GDPq — GDPm

Source: CEPREDE. Jul-2023

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
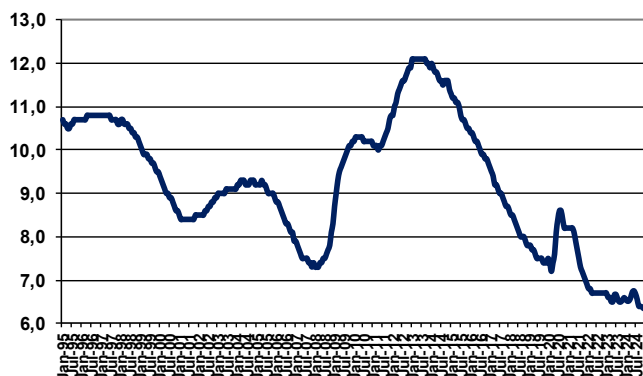
Economic Sentiment Indicator: Germany
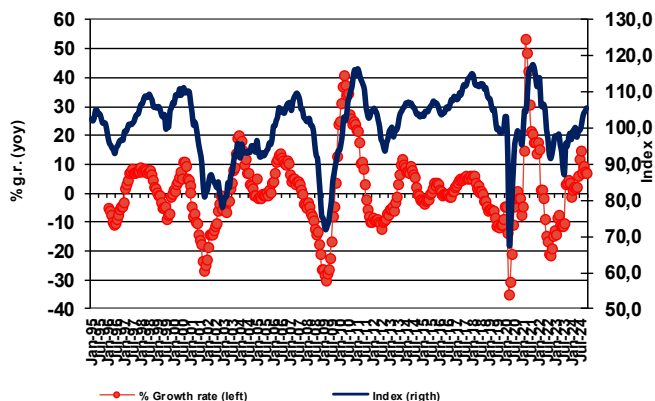
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Upcoming relevant data	Euro Area
Jul 27	Encuesta de Población Activa España Q2/2023
Jul 27	Quarterly National Accounts of EE.UU. Advance. Q2/2023
Jul 28	Quarterly National Accounts of Spain Advance. Q2/2023
Jul 31	Flash Estimate inflation euro area. July 2023
Jul 31	Quarterly National Accounts of EU and Eurozone. Advance. Q2/2023

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

Closing date: Jul 18, 2023

Publication date in 2023	
January 23	July 24
February 20	September 25
March 20	October 23
April 24	November 20
May 22	December 22
June 26	

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.

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