



MODELO DE ALTA FRECUENCIA EUROPA

Estimaciones mensuales del crecimiento económico



Technical recession on the horizon

GDP contracted marginally in the third quarter, affected by France and Germany, but supported by the high-frequency model projects that the economy will stagnate in the fourth quarter (-0,1% quarter-on-quarter), which will lead us back to a technical recession in the Eurozone (two consecutive negative quarters), although the whole of the year will be an advance of 0,5%.

Looking ahead to the year we began, the model has shifted towards a soft landing of the economy, with average growth similar to that of 2023, in which sectoral divergences and between economic regions remain. But with a totally different profile than last year, with a first semester characterized by a marked weakness in activity that will give way to an improvement in the second part of the year, as the effects of both the drop in

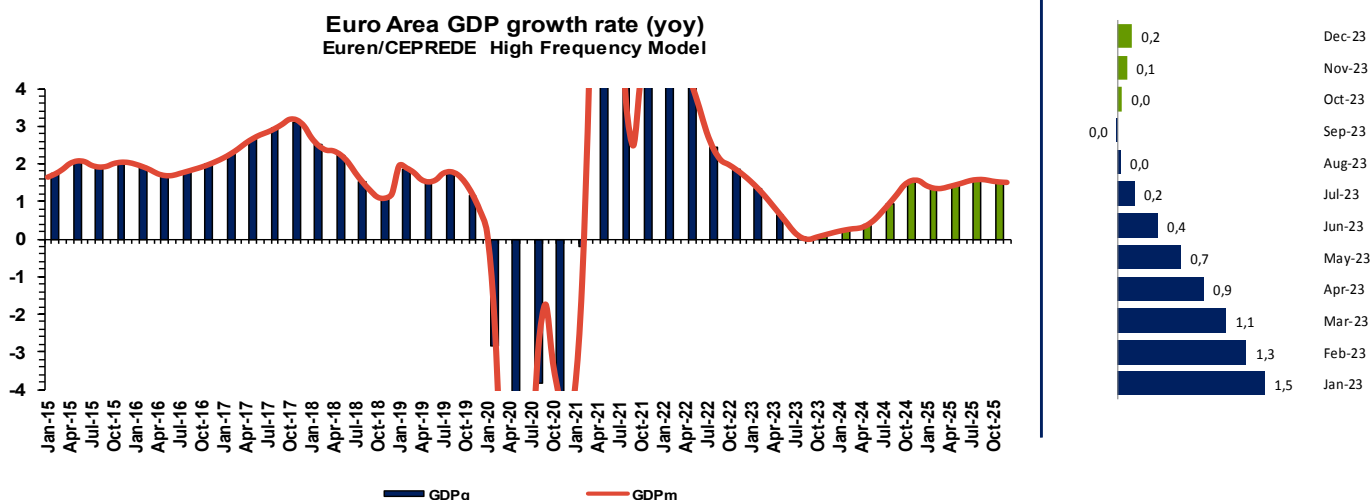
"The figures paint a disheartening picture as the Eurozone economy fails to display any distinct signs of recovery"

inflation and of the relaxation of financial conditions, and that will lead us to growth close to 1%. The first estimates for 2025 point to growth of 1,5% driven by the recovery of domestic demand, which will benefit from the decline in inflation and the increase in real wages.

Jan 2024

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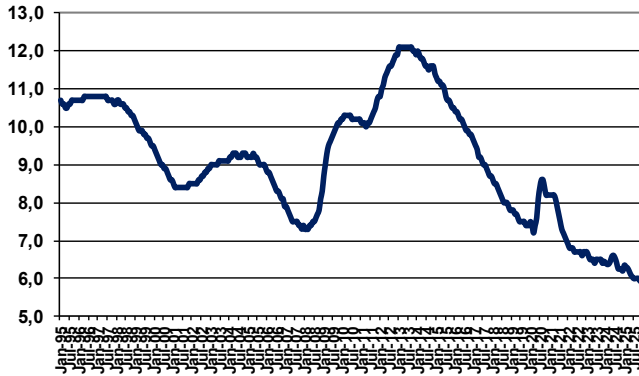
Source: CEPREDE. Jan-2024

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.

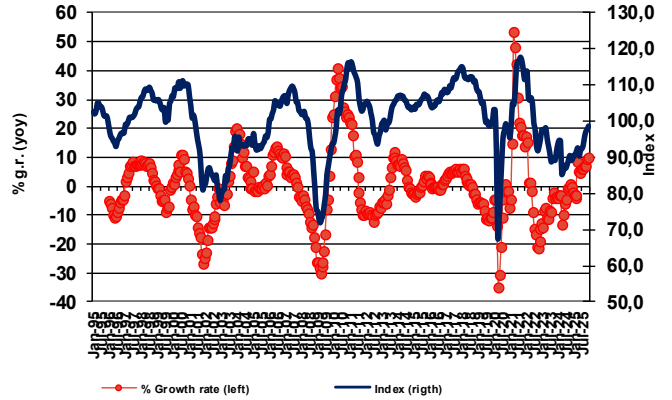
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

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
Jan 30	Economic Sentiment Indicator & Business and Consumer Survey results. January 2024
Jan 30	Preliminary Flash Estimate GDP - EU and euro area. Q4/2023
Feb 01	Flash Estimate inflation euro area. January 2024
Feb 01	Unemployment. December 2023
Feb 14	Industrial production. December 2023

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

Closing date: Jan 23, 2023

Publication date in 2024

January 29	July 22
February 26	-
March 25	September 23
April 22	October 21
May 27	November 25
June 24	December 23

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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