



MODELO DE ALTA FRECUENCIA EUROPA

Estimaciones mensuales del crecimiento económico



Modest economic outlook and downside risks

The eurozone economy has surprised by growing by 0,4% quarter-on-quarter in the third quarter of 2024, compared with the 0,2% expected, and after 0,2% in the second quarter. This remarkable result, however, is again affected by the volatility that characterises the data from Ireland, which grew by 2,0% quarter-on-quarter, after falling by 1,0% in the previous quarter. Excluding Ireland, eurozone growth would stand at 0,3%. Germany must adapt its economic model to be able to adapt to the "new times". For its part, France faces the challenge of reducing its large fiscal imbalance without penalising its growth too much in the coming years. Regarding Italy, and after two years with growth rates above the eurozone average, it now faces a phase of much more moderate rates of growth and more in line with the average growth of the eurozone as a whole. In conclusion, the eurozone faces rather modest growth prospects, which are based on the expected recovery of domestic demand, in a context of falling interest rates and moderating inflation. In this regard, the eurozone is expected to begin to recover growth rates similar

"Uncertainty and downside risks to the outlook have increased" EU

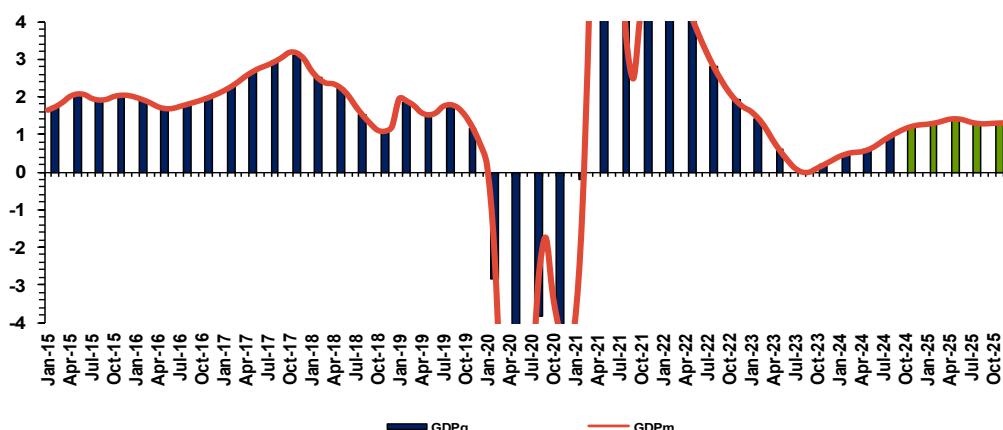
to its pre-COVID historical average (around 0,3% quarter-on-quarter) and manage to close the year with an increase of 0,8%; while by 2025 this growth will rise to 1,3%. According to the European Commission report, "Europe's recovery is not reaching its full potential. More importantly, the medium-term outlook is not better. Europe has fallen behind."

NOVEMBER 2024

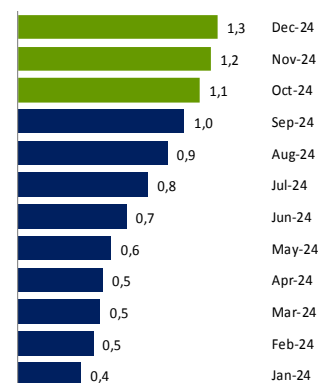
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Euro Area GDP growth rate (yoy)
Euren/CEPREDE High Frequency Model



GDP growth (yoy)



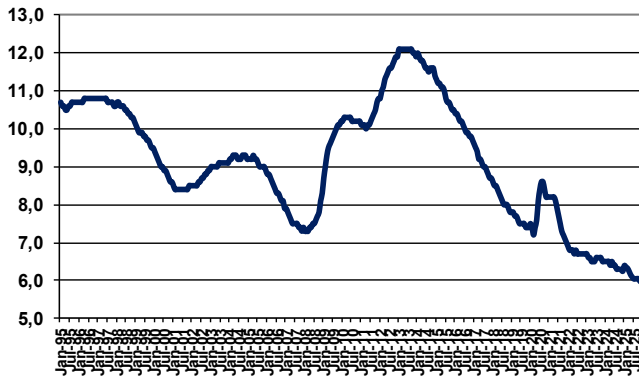
Source: CEPREDE. Nov-2024

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.

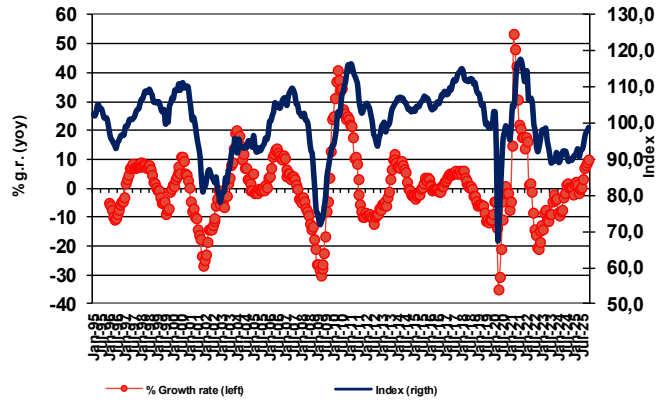
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

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
Nov 28	Economic Sentiment Indicator & Business and Consumer Survey results. November 2024
Nov 29	Flash estimate inflation euro area. November 2024
Dec 02	Unemployment. October 2024
Dec 06	GDP main aggregates and employment. Q3/2024
Dec 13	Industrial production. October 2024

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

Closing date: Nov 20, 2024

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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