

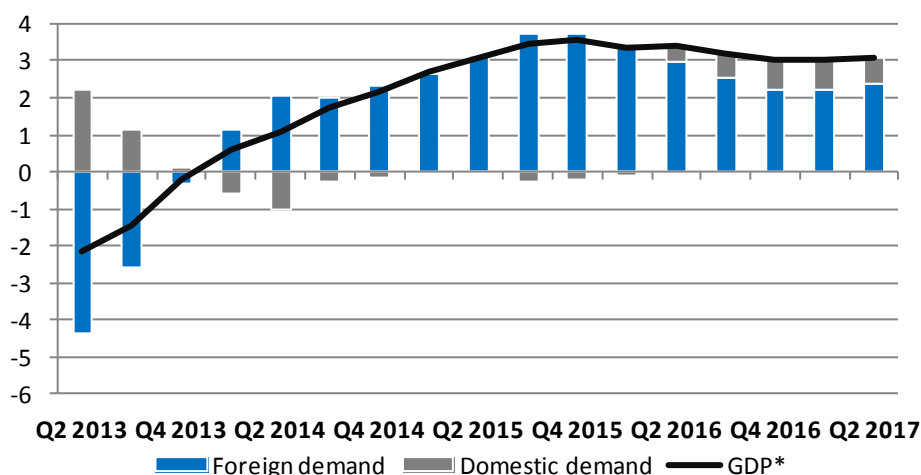
Quick Note 24/8/2017

Spain · GDP grew 3.1% YoY in Q2 2017
Data

- GDP growth was confirmed at **0.9% QoQ** and **3.1% YoY** in Q1 2017.
- Domestic demand contributed 2.4 p.p. of YoY GDP growth, with foreign demand contributing 0.7 p.p.

Valuation

- **Spanish economic growth accelerated** to 0.9% QoQ in Q2, one tenth faster than the growth posted in Q1 2017.
- The **contribution made by domestic demand** to YoY GDP growth stood at 2.4 p.p., 1 tenth higher than Q1 figure and in line with CaixaBank Research estimates. As it was expected, Private Consumption accelerated (0.7% QoQ) after the slowing shown in Q1. However, Investment decelerated its growth (0.8% QoQ) due to lower Investments in equipment which is typical and doesn't make us review our medium term view of positive evolution. Construction maintained a similar growth as in Q1.
- **Foreign demand contributed 0.7 p.p. to growth as expected.** However, all export and import data were weaker than expected.
- Employment in terms of full-time equivalent (FTE) jobs was up 0.9% QoQ in Q2 (0.7% in Q1), putting the YoY rate at 2.8%. In the last 12 months 480,000 jobs have been created (ETC).
- After this release, risks to our **GDP growth forecast for 2017 of 3.1%, are balanced.**

Spain: GDP


Note: * YoY change (%).

Source: CaixaBank Research, based on INE data.

Spain: GDP breakdown

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	
				Data	Forecast
<i>QoQ change (%)</i>					
Private consumption	0,6	0,7	0,4	0,7	0,6
Public consumption	0,5	-0,2	0,8	0,2	0,3
Investments (GFCF)	-0,1	0,5	2,1	0,8	1,3
GFCF - equipment	0,1	0,0	3,5	0,5	1,5
GFCF - construction	0,1	0,7	1,1	1,1	1,1
Exports	-1,2	2,0	3,0	0,7	1,5
Imports	-2,0	1,8	3,1	-0,2	1,0
GDP	0,7	0,7	0,8	0,9	0,9
<i>YoY change (%)</i>					
Private consumption	3,0	3,0	2,5	2,5	2,4
Public consumption	0,8	0,0	0,5	1,3	1,0
Investments (GFCF)	2,6	2,2	3,9	3,4	3,7
GFCF - equipment	4,2	2,6	5,4	4,1	4,6
GFCF - construction	1,6	1,9	2,9	3,0	3,0
Exports	2,9	4,4	7,3	4,5	6,3
Imports	1,0	2,3	5,7	2,8	4,7
Domestic demand (contribution)	2,5	2,2	2,3	2,4	2,4
Foreign demand (contribution)	0,6	0,8	0,7	0,7	0,7
GDP	3,2	3,0	3,0	3,1	3,1
Employment (full-time equivalent)	2,9	2,7	2,5	2,8	2,6
UCL	-0,3	-0,2	0,0	-0,4	0,3

Source: CaixaBank Research, based on INE data.

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