

Quick Note 20/03/2018

Spain- GDP growth continues at a good pace

Data

- The CaixaBank Research GDP forecast model predicts **QoQ growth of 0.69%** in Q1 2018.

Assessment

- Should the model forecast prove accurate, the pace of GDP growth would be similar to that posted in Q4 2017 (0.68% QoQ).
- The overall reading of the indicators examined is mixed. On the one hand, both the industrial production index and the retail sales index saw growth ease in January, although we believe this was shaped more by the natural volatility of the mentioned series than any real trend shift. More sluggish growth from the aforementioned *hard* indicators has been offset by improvements from *soft* indicators, such as PMI indices and the consumer confidence index.
- The forecast indicated by the model is coherent with our central scenario forecast (anticipated growth of 0.7% QoQ). Looking ahead to the coming quarters, our scenario indicates GDP growth remaining robust, albeit easing somewhat due to less impetus from tailwinds (rising oil prices, stable or slightly rising interest rates).

Performance of main model indicators

YoY change (%), unless specifically stated otherwise

Period	Variable	Previous month	Reported figure	Change
February	Services PMI (level)	56.9	57.3	↑ 0.4
February	Manufacturing PMI (level)	55.2	56.0	↑ 0.8
February	Consumer confidence (level)	1.3	0.4	↓ -0.9
January	Social security affiliates (<i>seasonally adjusted</i>)	3.3	3.5	↑ 0.2
January	Industrial production (<i>seasonally adjusted</i>)	5.8	1.2	↓ -4.6
January	Cement production (<i>seasonally adjusted</i>)	23.6	19.6	↓ -4.0
January	Retail sales (<i>seasonally adjusted</i>)	3.6	0.2	↓ -3.4
December	Exports (<i>seasonally adjusted</i>)	1.0	1.3	↑ 0.3

Q1 2018 GDP forecast

QoQ change (%)

Forecast based on previous month's data	0.72%.
Forecast based on latest figures	0.69%.

Source: CaixaBank Research.

Spain: GDP

Quarter-on-quarter change, %

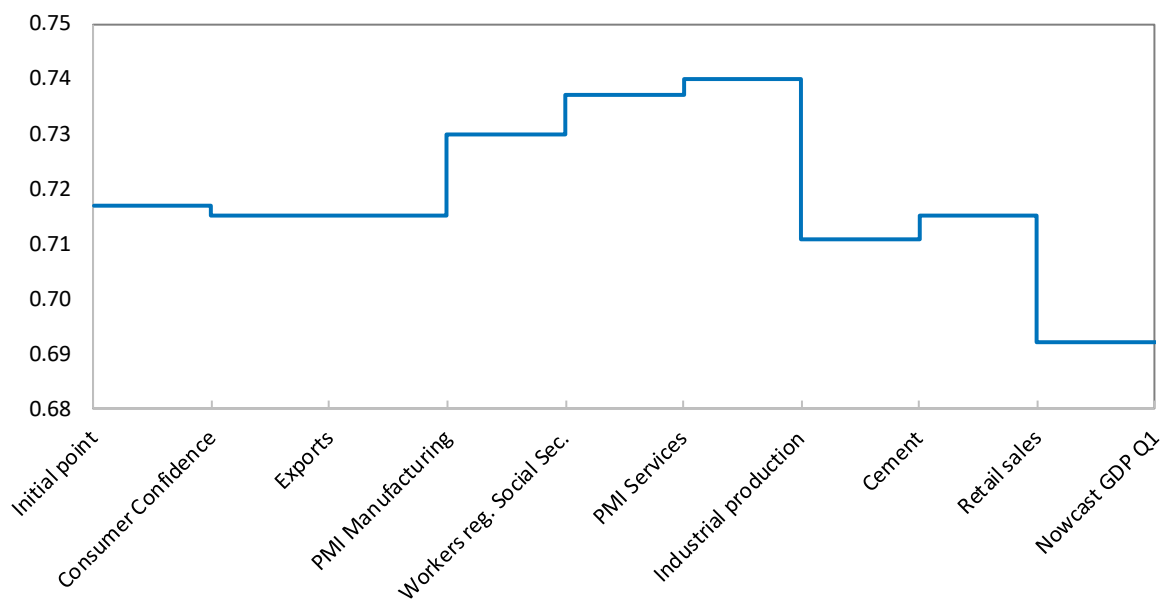


Note: 90% confidence band. The black dot denotes CaixaBank Research Q1 2018 GDP growth forecast.

Source: CaixaBank Research, based on data from INE.

Monthly evolution of nowcasting estimate

Quarter-on-quarter, %



Source : CaixaBank Research, based on data from INE.

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