

Quick Note 18/06/2018

## Spain · Economic growth remains robust

### Data

- The CaixaBank Research GDP forecast model predicts **QoQ growth of 0.66%** in Q2 2018.

### Assessment

- Should the model forecast prove accurate, the pace of GDP growth would be similar to that of Q1 2018 (0.70% QoQ).
- There were mixed trends from the various indicators. On the one hand, most sentiment indicators (services PMI, consumer confidence), the labour market indicator (affiliates) and the foreign sector indicator (goods exports) showed a rising trend, which was partially offset by a dip in industrial production and confidence in the manufacturing sector (manufacturing PMI).
- Thus, the model forecast is in line with our central scenario (anticipated growth of 0.7% QoQ). Over the coming quarters our scenario points to GDP growth that will remain robust, albeit easing somewhat due to abating tailwinds (climbing oil prices, stable or slightly higher interest rates) and less scope to close the output gap.

#### Performance of main model indicators

YoY change (%), unless specifically stated others

Period	Variable	Previous month	Reported figure	Change
May	Services PMI (level)	55.6	56.4	↑ 0.8
May	Manufacturing PMI (level)	54.4	53.4	↓ -1.0
May	Consumer confidence (level)	-0.7	0.5	↑ 1.2
May	Social security affiliates ( <i>seasonally adjusted</i> )	2.9	3.1	↑ 0.2
April	Industrial production ( <i>seasonally adjusted</i> )	4.6	1.9	↓ -2.7
April	Cement production ( <i>seasonally adjusted</i> )	-8.2	-4.4	↑ 3.8
April	State Expenditure ( <i>seasonally adjusted</i> )	1.5	1.2	↓ -0.3
April	Retail sales ( <i>seasonally adjusted</i> )	1.9	1.8	↓ -0.1
April	Cards ( <i>seasonally adjusted</i> )	10.2	9.9	↓ -0.3
March	Exports ( <i>seasonally adjusted</i> )	2.0	2.6	↑ 0.6

#### Q1 2018 GDP forecast

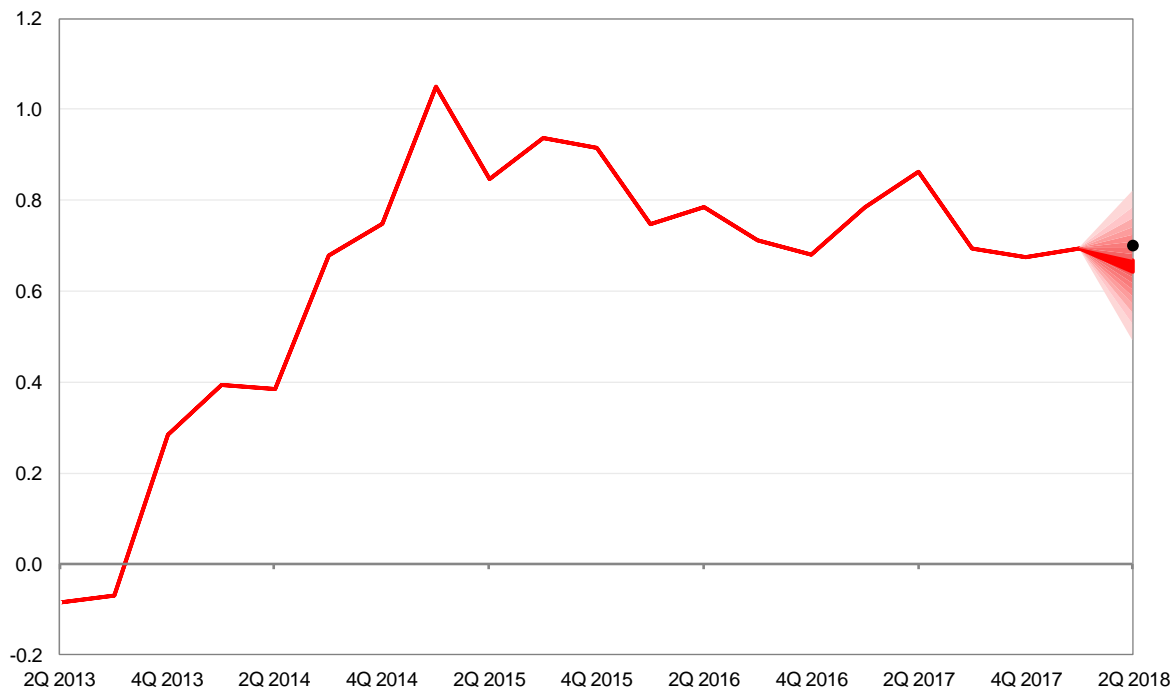
QoQ change (%)

Forecast based on previous month's data	0.64%
Forecast based on latest figures	0.66%

**Source:** CaixaBank Research.

**Spain: GDP**

QoQ change, %

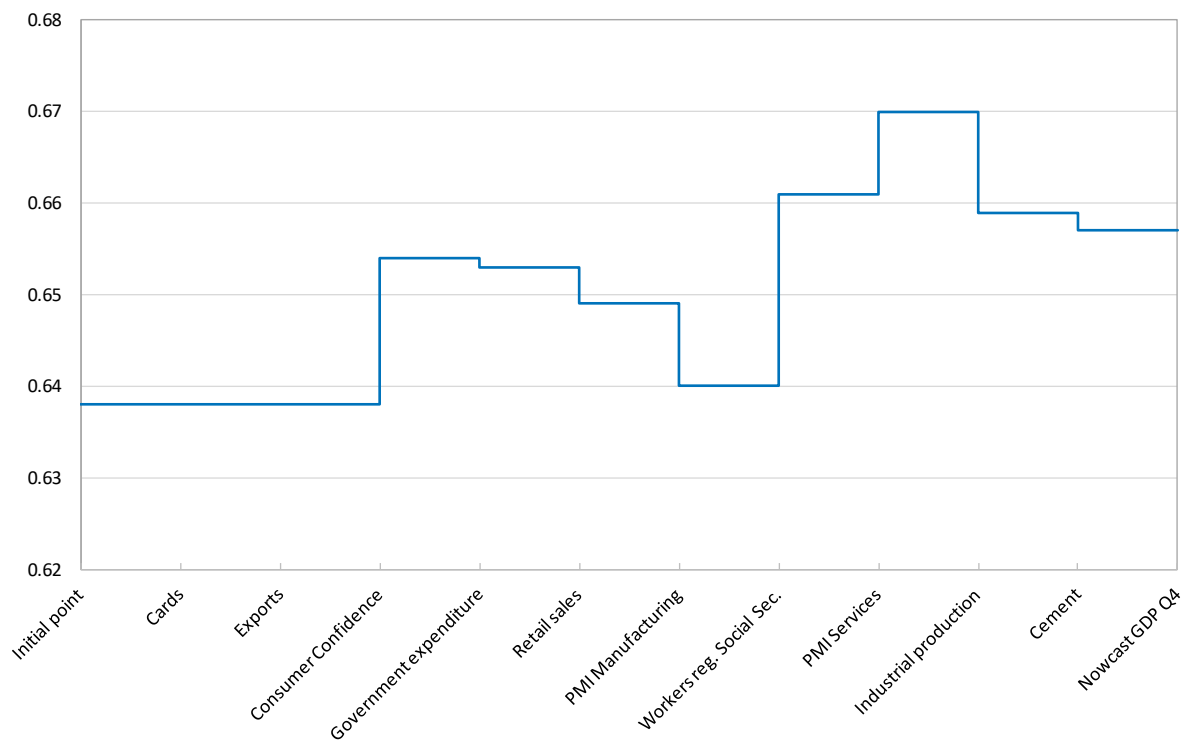


**Note:** Confidence interval of 90%. The dot represents the CaixaBank Research growth forecast.

**Source:** CaixaBank Research, based on National Statistics Institute data.

**Nowcasting: performance in last 30**

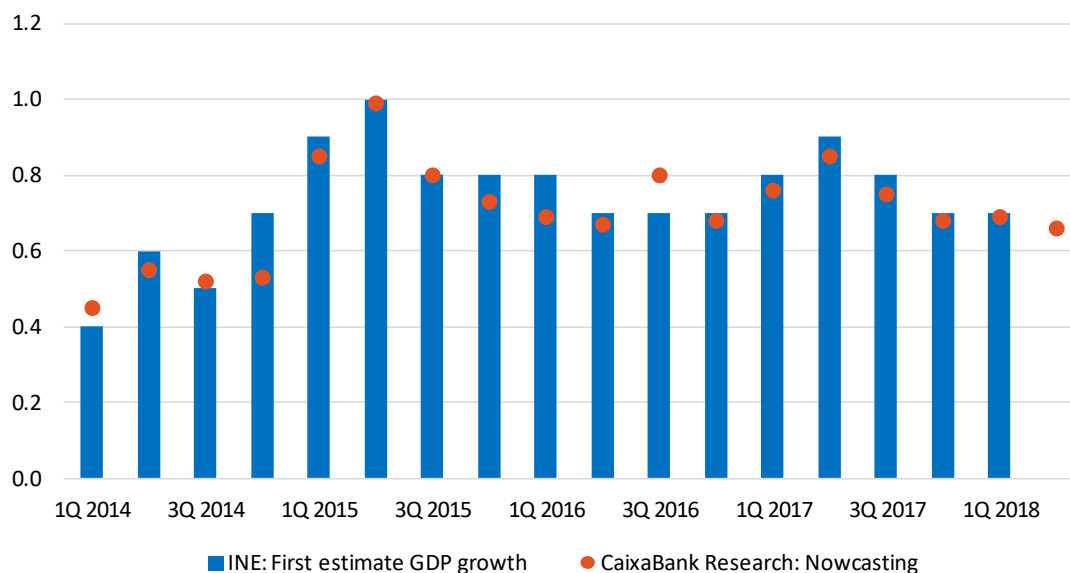
QoQ change, %



**Source:** CaixaBank Research.

### GDP growth and Nowcasting

QoQ change, %



**Note:** The GDP growth is the first estimate from the National Statistics Institute one month after the quarter close.

**Spain:** CaixaBank Research, based on National Statistics Institute data.

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