

Flash Note 18/09/2018

Spain · GDP growth eases

Data

- The CaixaBank Research GDP forecast model **predicts QoQ growth of 0.47% in 3Q 2018**.

Assessment

- Should the model forecast prove accurate, the pace of GDP growth would stand 1 tenth below the 2Q 2018 figure (0.6% QoQ).
- There were mixed trends from the indicators overall.** During the last month, good figures from certain consumption indicators (card spending at CaixaBank POS terminals and state expenditure), cement production and goods exports were tarnished by a deterioration in consumer confidence and by a poor affiliates figure in August.
- The growth anticipated by the model in 3Q stands 1 tenth below that forecast in our central forecast scenario (0.6%). Thus, **the model indicates that the risks surrounding our full-year 2018 growth forecast (of 2.7% YoY) are on the downside.**
- Overall, we expect the economy to sustain solid growth during the coming quarters, as we see the impact on inflation had by rising oil prices wane, albeit less robust expansion than in recent years.

Performance of main model indicators

YoY change (%), unless specifically stated otherwise

Period	Variable	Previous month's figure	Reported figure	Change
August	Services PMI (level)	52.6	52.7	↑ 0.1
August	Manufacturing PMI (level)	52.9	53.0	↑ 0.1
August	Consumer confidence (level)	0.6	-2.5	↓ -3.1
August	Social Security affiliates (<i>seasonally adjusted</i>)	3.1	2.7	↓ -0.4
August	Cards (<i>seasonally adjusted</i>)	11.0	12.0	↑ 1.0
July	Industrial production (<i>seasonally adjusted</i>)	0.4	0.5	↑ 0.1
July	Cement production (<i>seasonally adjusted</i>)	5.9	15.3	↑ 9.4
July	State expenditure (<i>seasonally adjusted</i>)	-0.5	0.9	↑ 1.4
July	Retail sales (<i>seasonally adjusted</i>)	1.7	1.7	=
June	Exports (<i>seasonally adjusted</i>)	2.9	5.0	↑ 2.1

3Q 2018 GDP forecast

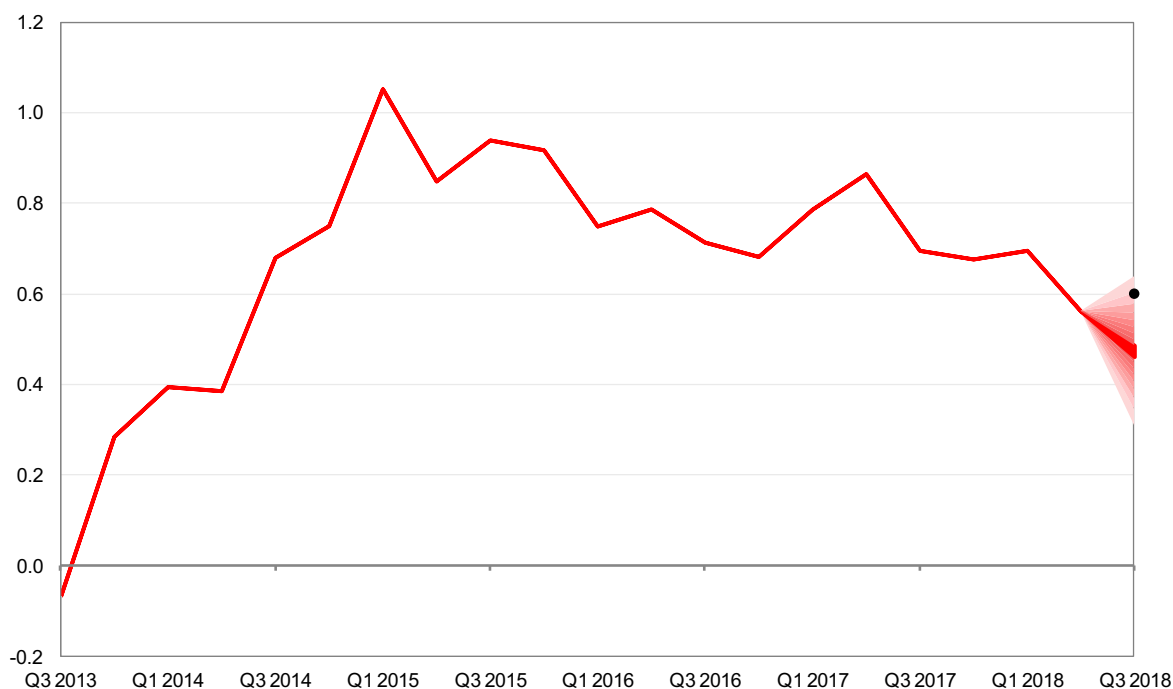
QoQ change (%)

Forecast based on previous month's data	0.48%
Forecast based on latest figures	0.47%

Source: CaixaBank Research.

Spain: GDP

QoQ change (%)

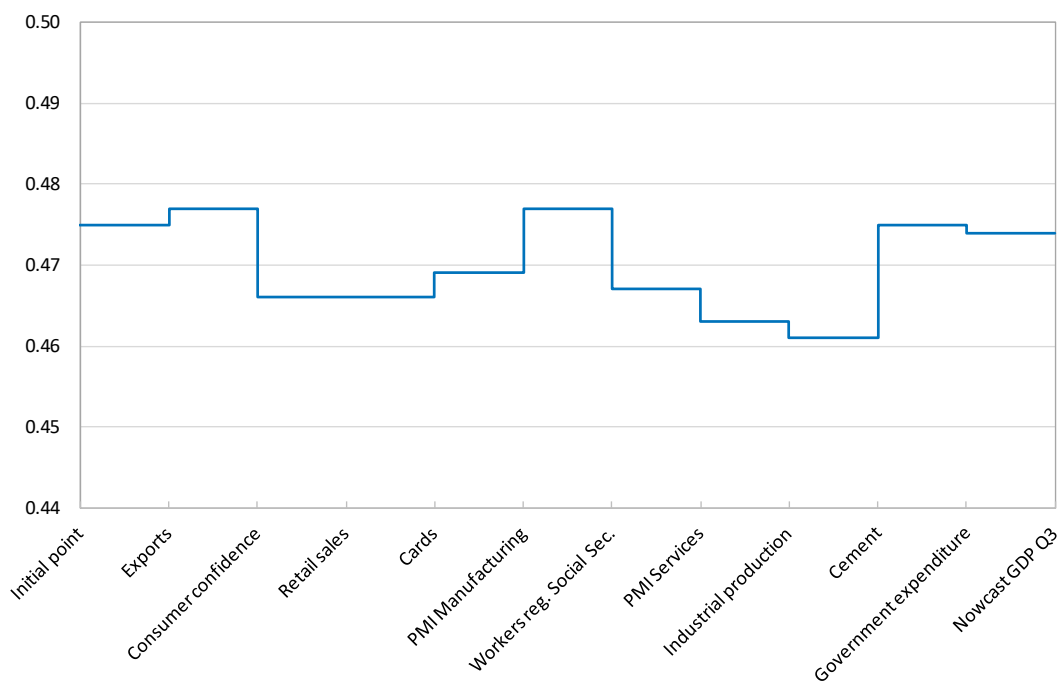


Note: Confidence interval of 90%. The dot indicates the CaixaBank Research growth forecast.

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

Nowcasting: performance in last 30 days

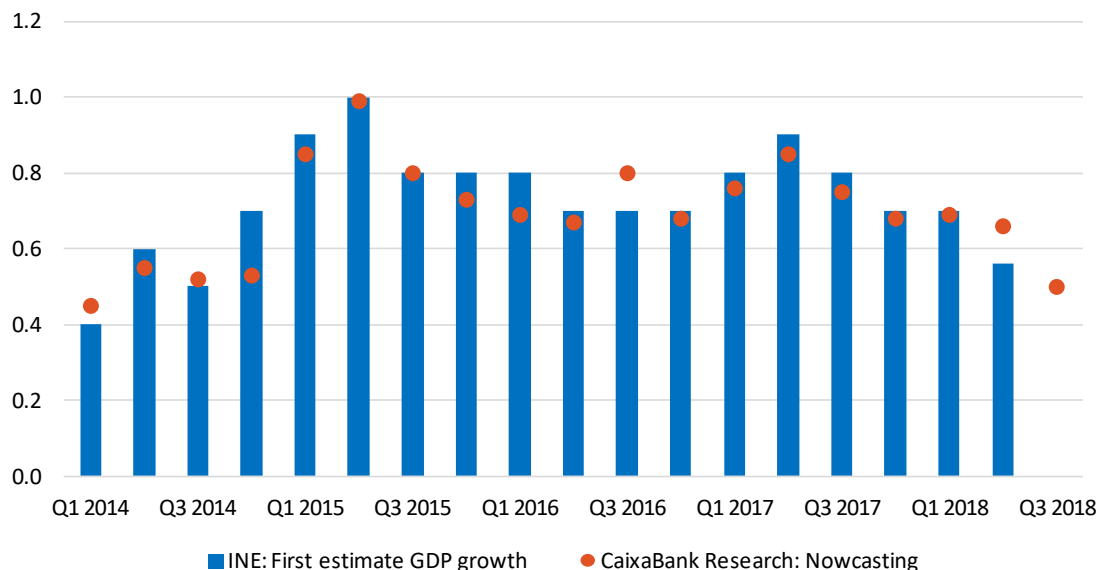
QoQ change (%)



Source: CaixaBank Research.

GDP growth and Nowcasting

QoQ change (%)



Note: GDP growth corresponds to the initial estimate published by the National Statistics Institute one month after the quarter close.

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

Oriol Carreras Baquer, Economist, CaixaBank Research, e-mail: research@caixabank.com

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