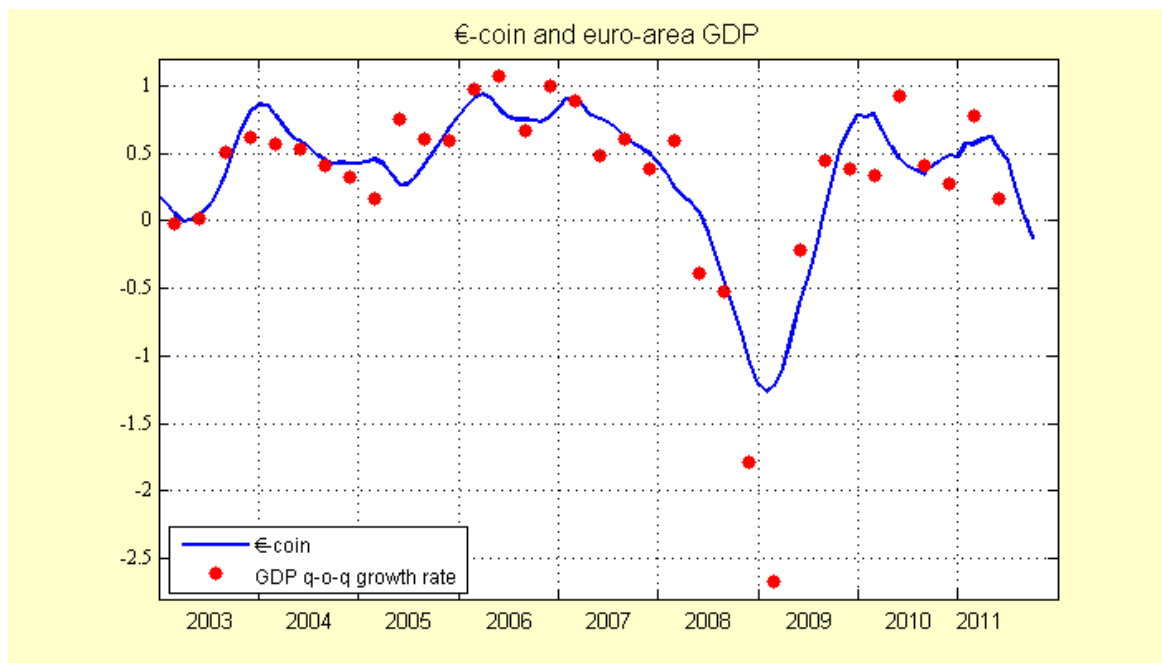


€-coin turns negative in October

For immediate release: 08.30 BST; 09.30 CEST; Friday, 28 October 2011

- **€-coin** declined again in October to turn negative for the first time since September 2009, falling to -0.13% from 0.03% in September.
- The fall is the result of deterioration in most of the variables that are included in the indicator, and in particular of the worsening climate of confidence among firms and consumers.
- The **€-coin** indicator developed by the Bank of Italy provides a summary index of the current economic situation in the euro area. The indicator is an estimate of quarterly GDP growth shorn of the most erratic components (seasonal variations, measurement errors and short-run volatility). **€-coin** is published monthly by the Bank of Italy and CEPR.
- Next **€-coin** release dates: Friday, **25 November 2011** and Friday **30 December 2011** (provisional).

€-coin and euro-area GDP – October 2011



Sources: Bank of Italy and Eurostat.

€-coin collates data from a large set of macroeconomic time series (industrial production indices, business surveys, demand indicators, stock market indices and more). It extracts the information that is relevant to tracking underlying GDP trends for the entire area.

The **€-coin** estimate is timely, leading Eurostat's official release of the area-wide GDP growth figure by several months. And it provides a reasonably close anticipation of the quarterly growth rate net of the more volatile components. The estimate of underlying growth trends by **€-coin** has two key advantages:

- (i) monthly frequency, with release several months ahead of the official euro-area GDP estimate;
- (ii) immunity to the short-term fluctuations and measurement errors that mark quarterly output growth; that is, the index figure is an indicator of the euro area's actual growth momentum.

The following table shows the performance of the **€-coin** indicator over the last year:

Month	€-COIN
October 2010	0.41
November 2010	0.45
December 2010	0.49
January 2011	0.48
February 2011	0.57
March 2011	0.57
April 2011	0.60
May 2011	0.62
June 2011	0.52
July 2011	0.45
August 2011	0.22
September 2011	0.03
October 2011	-0.13

For further technical details on **€-coin**, see "New Eurocoin: Tracking economic growth in real time", Banca d'Italia, Temi di Discussione no. 631.

http://www.bancaditalia.it/pubblicazioni/econo/temidi/td07/td631_07/td631
<http://eurocoin.bancaditalia.it>
<http://eurocoin.cepr.org>