

10 September 2019

Daily Note

Intesa Sanpaolo
Research Department

Macroeconomic and
Fixed Income Research

Macroeconomic Research
Team

Macroeconomic data							
Time	Country	Data release	*	Period	Previous	Consensus	Intesa Sanpaolo
08:45	FR	Industrial Production (MoM)	*	Jul	-2.3	%	0.5
10:00	IT	Industrial Production sa (MoM)	**	Jul	-0.2	%	0.2
10:30	GB	ILO Unemployment Rate		Jul	3.9	%	3.9
10:30	GB	Average Earnings		Jul	3.7	%	3.7

(**) very important; (*) important; in column "Previous" in parenthesis data before the revision; ✓ already released

Source: Intesa Sanpaolo Research Department

Market movers

Euro Area

- **France. Industrial output** is forecast to recover moderately in July (+0.5% m/m), after dropping sharply in June (-2.2% m/m). The year-on-year change would increase to +0.3%, after stagnant output the previous month. In the summer quarter, output would in any case be on course for a decline (-0.4% q/q, from +0.3% in the spring months), signalling a possible slowdown of GDP (and of the investment component in particular), from 0.3% q/q in the first half of the year.
- **Italy. Industrial output** is forecast to recover in July, in our estimation by two tenths month-on-month, perfectly balancing the previous month's drop. The energy component is expected to contribute positively. In year-on-year terms, output is expected to increase by +1% (adjusted by calendar effects), from -1.2% in June. This would be the largest annual change since September last year. However, the indices of business confidence in the manufacturing sector are still not pointing to a clear upward reversal of activity.
- **Italy.** After winning confidence vote in the Chamber, the new Italian government will face confidence vote in the Senate. The vote should not prove insidious, although the government's majority is thin: the forces that form the coalition (Five-Star Movement, PD and LEU) account for 162 seats, a single seat more than required (161); furthermore, at least one vote is at risk among the ranks of the 5SM. Additional explicit support, or at least abstentions, could come from the former 5SM members of the mixed parliamentary group (five votes; two additional votes from the Più Europa and PSI deputies are more in doubt). As yet, it is still not clear whether the six representatives of the local autonomies, and an equal number of senators for life, will vote in favour of the government or abstain. In essence, the government should be able to count on around 168 votes, but the number is subject to some uncertainty (range 161-178), and may change case by case.

United States

- The index of **confidence among small businesses** drawn up by the National Federation of Independent Business is forecast to drop in August, to 103 from 104.7 in July. Confidence remains at high levels, although the escalation of the tariff war is expected to affect the tone of the survey.

Government bonds – issuance activity

Belgium

T-cert 16/01/20

T-cert 10/09/20

Netherlands

DSL 0.25% 07/2029 1.0-2.0

Germany

DBRei 0.1% 04/2046 0.5

Spain

Letras6M, 12 M 4.0-5.0

Usa

T-bill1Y 28

T-note3Y 38

(°) to be issued in the coming days by syndication

(*) Forecast

Note: Eurozone in bn €, U.S. in bn US\$

Source: National Treasuries and Intesa Sanpaolo forecasts

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Appendix

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