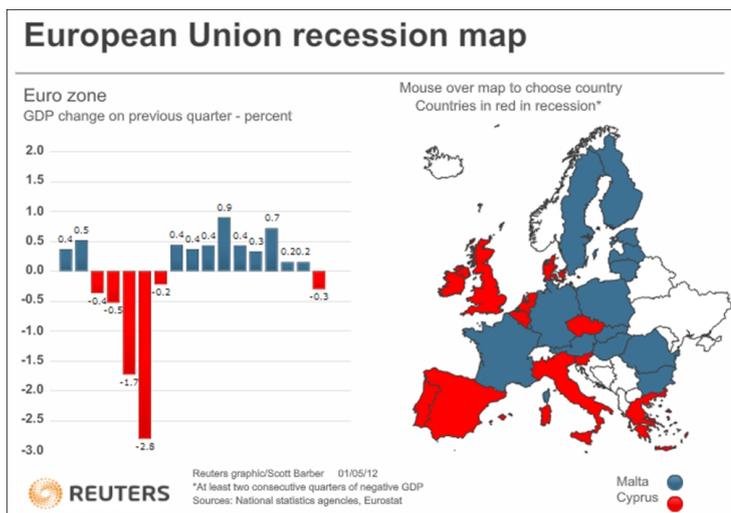


Italy Is Back in Technical Recession



Istat indicated that domestic demand was growth neutral, while internet exports were a tangle on growth Istat simply discharged its flash value estimate, signal that in 2Q14 the Italian economy fell into technical recession.

According to Istat, the Italian value contractile zero.2% QoQ (from -0.1% QoQ in 1Q14) and zero.3% YoY. Breaking tradition, Istat provided some data concerning the demand breakdown, indicating that domestic demand was growth neutral, while internet exports were a tangle on growth. The promulgation additional that the worth additional contractile in trade, services and agriculture. Istat simply discharged its flash value estimate, signal that in 2Q14 the Italian economy fell into technical recession.

According to Istat, the Italian value contractile zero.2% QoQ (from -0.1% QoQ in 1Q14) and zero.3% YoY. Breaking tradition, Istat provided some data concerning the demand breakdown, indicating that domestic demand was growth neutral, while internet exports were a tangle on growth. The promulgation additional that the worth additional contractile in trade, services and agriculture.

Earlier on Wednesday, Istat had discharged June industrial production knowledge, that had provided a brief comfort.

In June, the Italian industrial production was up zero.9% ma in militia terms, part overturning MayâEUR(TM)s unexpectedly robust one.2% contraction. The breakdown by huge aggregates had shown that goods (+2.5% MoM) and investment product (+2.6% MoM) had driven the rebound, followed by the assembly of energy (+0.3% MoM), thereupon of intermediate product in slight contraction (-0.2% MoM). In June, the index of business production was twenty fifth not up to the August 2007 pre-crisis peak.

Lacking the careful demand breakdown, it's arduous to single out the culprits for the poor value reading. However, an absence of re-stocking and poorer than expected exports appear sensible candidates to clarify the surprise.

On the rear of 2Q14 value knowledge, a downward revision to full year value forecast can inevitably follow. High frequency confidence indicators for July were all softening a little however remained according to positive quarterly growth in 3Q14. However, confidence knowledge have recently proven terribly unreliable indicators of the underlying state of the important economy, and prudence is so of the essence. we tend to had expected till weekday a median Italian value growth to the likes of zero.2% in 2014. when WednesdayâEUR(TM)s unharness, that variety would possibly well flip negative.

Earlier on Wednesday, Istat had discharged June industrial production knowledge, that had provided a brief comfort.

In June, the Italian industrial production was up zero.9% ma in militia terms, part overturning May's unexpectedly robust one.2% contraction. The breakdown by huge aggregates had shown that goods (+2.5% MoM) and investment product (+2.6% MoM) had driven the rebound, followed by the assembly of energy (+0.3% MoM), thereupon of intermediate product in slight contraction (-0.2% MoM). In June, the index of business production was twenty fifth not up to the August 2007 pre-crisis peak.

Lacking the careful demand breakdown, it's arduous to single out the culprits for the poor value reading. However, an absence of re-stocking and poorer than expected exports appear sensible candidates to clarify the surprise.

On the rear of 2Q14 value knowledge, a downward revision to full year value forecast can inevitably follow. High frequency confidence indicators for July were all softening a little however remained according to positive quarterly growth in 3Q14. However, confidence knowledge have recently proven terribly unreliable indicators of the underlying state of the important economy, and prudence is so of the essence. we tend to had expected till weekday a median Italian value growth to the likes of zero.2% in 2014.

when Wednesday's unharness, that variety would possibly well flip negative.