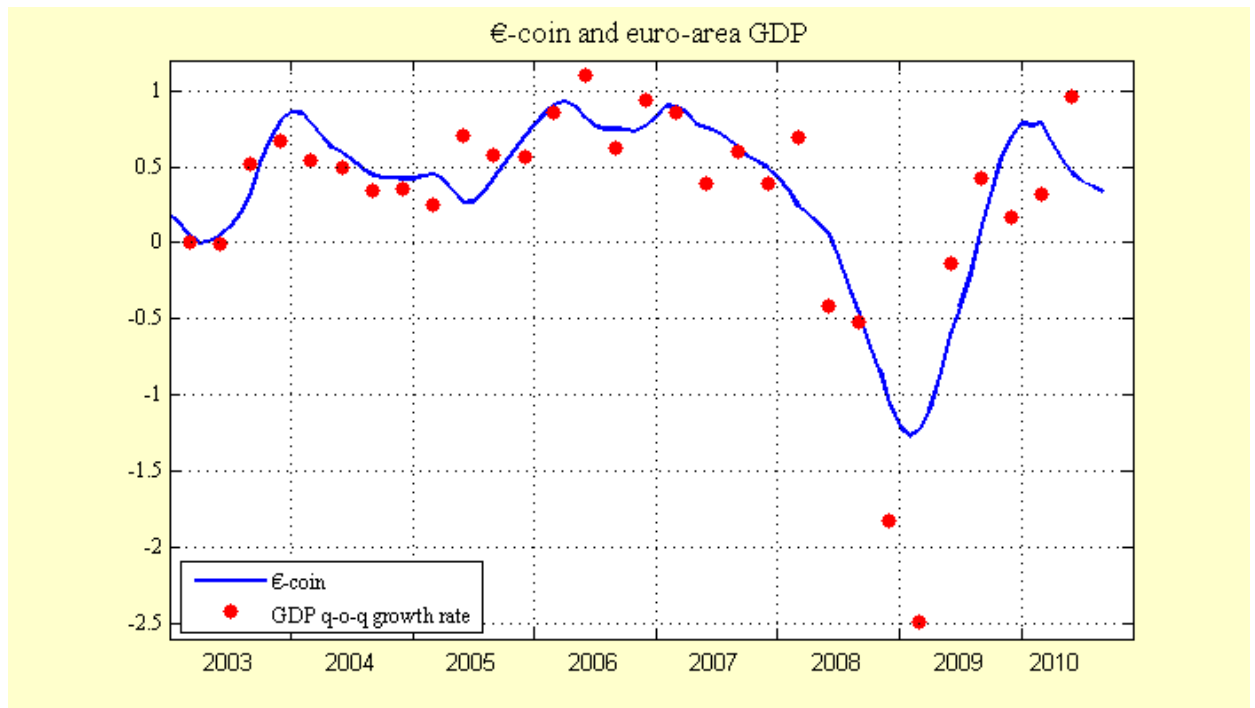


In September €coin falls slightly

For immediate release: 08.30 BST; 09.30 CET; Friday, 24 September 2010

- In September **€coin** fell slightly, from 0.37% in August to 0.34%. The value of the indicator continues to indicate a slackening of the recovery compared with the first six months of the year.
- This month modest growth in long-term yields has held back the indicator, which has nevertheless been sustained by the favourable trend in share indexes.
- 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 **29 October** and Friday **26 November** (provisional).

€coin and euro-area GDP – September 2010



Sources: Bank of Italy and Eurostat.

The estimation of **€coin** is based on the collation of data from an ample 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
September 2009	0.07
October 2009	0.33
November 2009	0.55
December 2009	0.68
January 2010	0.78
February 2010	0.77
March 2010	0.79
April 2010	0.67
May 2010	0.55
June 2010	0.46
July 2010	0.40
August 2010	0.37
September 2010	0.34

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>