# Comunicato Stampa

DIFFUSO A CURA DEL SERVIZIO COMUNICAZIONE

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€-coin rises in November

- **€-coin** rose in November to 1.18.

- The rise in the indicator essentially reflects the inclusion in the calculation of the GDP data for the third quarter, for which the estimate became available after the release of the **€-coin** figure for October.

- 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.

- In the current phase, the indicator reflects only partially the link between the COVID-19 pandemic and economic activity, both when GDP falls and when it picks up, because the dataset contains limited information on the service sector, especially for tourism, hotel and recreational services, among the hardest hit by the pandemic.

- Next **€-coin** release dates: **Wednesday, 30 December** and **Friday, 29 January** (provisional).

€-coin and euro-area GDP – November 2020
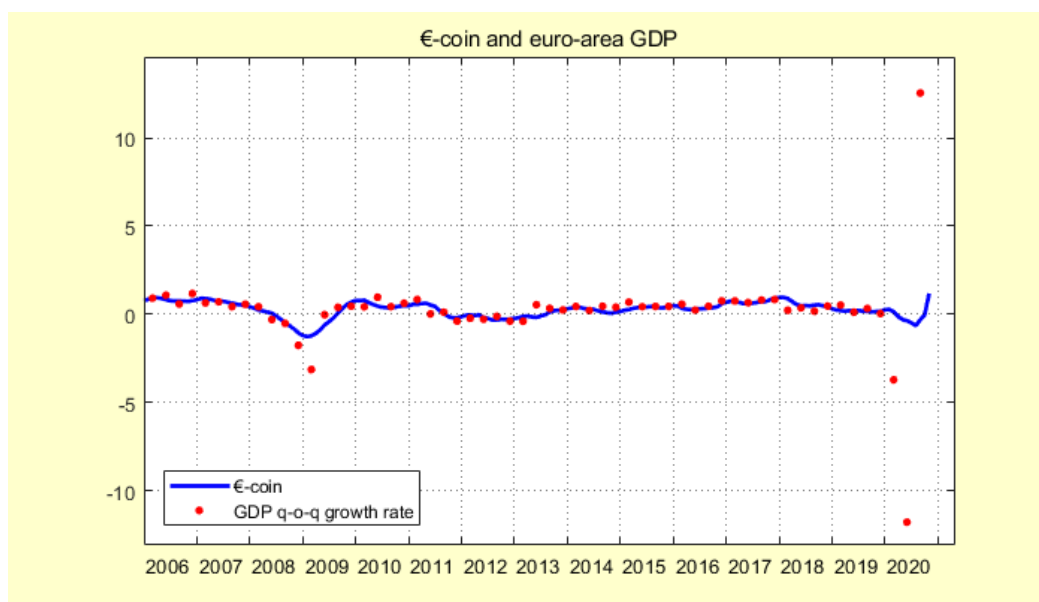
Source: Bank of Italy and Eurostat.

Note: The €-coin series is based on the real time estimates of the indicator at a given date and hence the series is not revised. On the other hand, the GDP growth rates are calculated on the basis of Eurostat's most recently published series and do reflect any changes in the historical data.

€-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 for tracking underlying GDP trends for the entire area.

The €-coin estimate is timely, anticipating Eurostat's official release of the area-wide GDP growth figure by several months. It also provides a reasonably close forecast 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
November 2019	0.15
December 2019	0.16
January 2020	0.25
February 2020	0.28
March 2020	0.13
April 2020	-0.13
May 2020	-0.32
June 2020	-0.37
July 2020	-0.50
August 2020	-0.64
September 2020	-0.31
October 2020	-0.02
November 2020	1.18

For further technical details on **€-coin**, see 'New Eurocoin: Tracking economic growth in real time', *The Review of Economics and Statistics*, 92, 1024-1034, available in the Bank of Italy's series Temi di Discussione (Working Papers), 631.

http://www.bancaditalia.it/pubblicazioni/temi-discussione/2007/2007-0631/en_tema_631.pdf
http://eurocoin.cepr.org