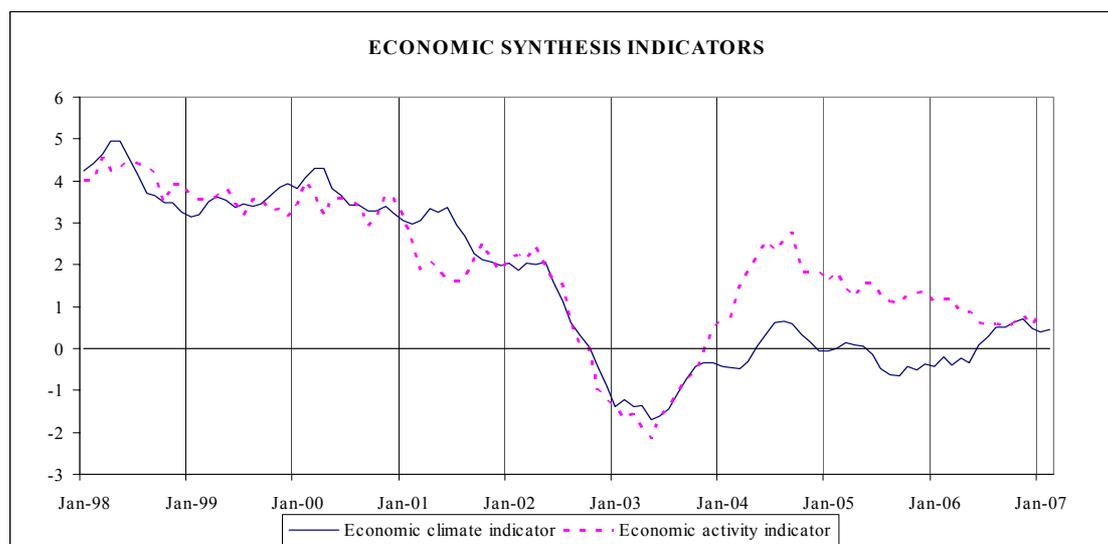


19<sup>th</sup> March 2007

## Economic Short-term Synthesis February 2007

The latest data on the external background presented overall favourable signs. In February, on the domestic side, the economic climate indicator interrupted the unfavourable path of the two preceding months. The economic activity indicator, with information up to January, improved, more than compensating the step back observed in December. In January, the short-term indicators' data showed positive signs in industry and services, but the unfavourable behaviour of the construction sector remained clear. The consumption indicator decelerated in January, as a result of the unfavourable behaviour observed in the durable consumption component, while current consumption stabilized, and data available for February remained adverse. In January the investment indicator continued to deteriorate, although some information already available points to a more favourable evolution in February. International trade data, with preliminary results up to January, showed a deceleration both in the value of imports and of exports, with a greater intensity in the latter, though the growth of exports stood clearly above the one of imports. In the labour market, indications are favourable, either the quantitative from the employment centres and the short-term indicators for January, or the qualitative for February. In the reference month inflation was 2.4%, 0.2 percentage points (p.p.) less than in January. The core inflation indicator was 1.6%, 0.1 p.p. less than in the previous month.



**Report based on information available up to March 16, 2007.**

**Next report will be released on April 19, 2007.**

### NOTES

With exception of situations duly identified, the values presented in tables and graphs and others that also serve for the analysis are, in the case of quantitative series, year-on-year rates of change (y.r.) under three-month moving average (3-mma) or, in the case of qualitative series, 3-mma of seasonally adjusted values (s.a.) or of effective values (e.v). Annual information correspond to 12-mma, with the exception of variables presented as y.r. on stocks, where the annual value corresponds to the variation of the balance at the end of the year.

Balances: differences between the percentage of respondents giving positive and negative replies. Annualised variation (a.v.). Weight (w.).



|   |                    | Year<br>2005 | Year<br>2006 | Quarter<br>4 2005 | Quarter<br>1 2006 | Quarter<br>2 2006 | Quarter<br>3 2006 | Quarter<br>4 2006 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | Jan-07 | Feb-07 |
|---|--------------------|--------------|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|
| <b>International background</b>                   |                    |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| Industrial production index of customer countries | s.a./y.r./3-mma    | 0.8          | 3.1          | 1.4               | 2.6               | 3.2               | 3.4               | 3.3               | 3.5    | 3.4    | 3.7    | 3.3    | 3.3    | -      | -      |
| Order books in industry of EU                     | balance/s.a.-num3m | -18.0        | -3.5         | -16.9             | -12.5             | -4.2              | 0.0               | 2.7               | -1.4   | 0.0    | 0.5    | 2.0    | 2.7    | 3.1    | 3.4    |
| Consumer confidence indicator in EU               | balance/s.a.-num3m | -10.7        | -7.5         | -10.3             | -8.6              | -7.9              | -7.4              | -6.1              | -7.6   | -7.4   | -7.1   | -6.7   | -6.1   | -6.1   | -5.5   |
| Unemployment rate in EU                           | s.a./%             | 8.7          | 7.9          | 8.5               | 8.2               | 7.9               | 7.8               | 7.6               | 7.8    | 7.8    | 7.7    | 7.6    | 7.6    | 7.5    | -      |
| Harmonised index of consumer price in EU          | y.r.               | 2.2          | 2.2          | 2.3               | 2.3               | 2.5               | 2.1               | 1.8               | 2.3    | 1.7    | 1.6    | 1.9    | 1.9    | 1.8    | 1.8    |
| Production price index of supplying countries     | y.r./3-mma         | 3.8          | 4.2          | 3.7               | 4.3               | 4.8               | 4.5               | 3.2               | 5.0    | 4.5    | 3.8    | 3.3    | 3.2    | 3.0    | -      |
| <b>Economic activity</b>                          |                    |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| Economic climate indicator                        | balance/3-mma      | -0.3         | 0.2          | -0.4              | -0.4              | 0.1               | 0.5               | 0.5               | 0.5    | 0.5    | 0.6    | 0.7    | 0.5    | 0.4    | 0.4    |
| Economic activity indicator                       | 3-mma              | 1.4          | 0.7          | 1.4               | 1.2               | 0.6               | 0.5               | 0.5               | 0.6    | 0.5    | 0.6    | 0.8    | 0.5    | 0.9    | -      |
| Total turnover index                              | y.x./3-mma         | 0.6          | 2.6          | 0.1               | 1.6               | 1.5               | 4.4               | 2.8               | 3.5    | 4.4    | 3.8    | 2.9    | 2.8    | 3.2    | -      |
| Manufacturing industry production index           | y.x./3-mma         | -1.6         | 2.0          | 1.2               | 1.8               | 1.3               | 2.5               | 2.3               | 2.7    | 2.5    | 3.2    | 3.1    | 2.3    | 3.0    | -      |
| Production index in construction                  | y.x./3-mma         | -4.9         | -6.6         | -4.0              | -3.6              | -7.6              | -8.1              | -7.3              | -7.5   | -8.1   | -7.2   | -6.8   | -7.3   | -8.1   | -      |
| Retail trade turnover index (real)                | y.x./3-mma         | 1.7          | 0.7          | 0.5               | -0.1              | -0.6              | 2.7               | 0.7               | 0.5    | 2.7    | 1.4    | 0.9    | 0.7    | 0.7    | -      |
| <b>Consumption</b>                                |                    |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| Consumer confidence indicator                     | balance/3-mma      | -37.7        | -34.2        | -41.0             | -37.8             | -36.2             | -31.9             | -31.0             | -34.0  | -31.9  | -30.6  | -31.0  | -31.0  | -31.3  | -31.4  |
| Quantitative indicator of consumption             | y.x./3-mma         | 2.6          | 1.3          | 1.8               | 1.1               | 1.0               | 1.8               | 1.1               | 0.8    | 1.8    | 1.6    | 1.1    | 1.1    | 0.9    | -      |
| Indicator of non-durable consumer goods           | y.x./3-mma         | 2.4          | 1.6          | 2.1               | 1.1               | 1.8               | 1.9               | 1.4               | 1.5    | 1.9    | 1.6    | 1.4    | 1.4    | 1.4    | -      |
| Indicator of durable consumer goods               | y.x./3-mma         | 3.8          | -1.0         | -0.8              | 1.2               | -5.2              | 1.4               | -1.2              | -3.9   | 1.4    | 1.3    | -0.6   | -1.2   | -2.7   | -      |
| Sales of passenger vehicles                       | y.x./3-mma         | 3.3          | -5.8         | -2.9              | -2.5              | -9.3              | -3.3              | -7.3              | -9.5   | -3.3   | -1.4   | -5.4   | -7.3   | -9.7   | -9.9   |
| Credit for consumption                            | y.x./stocks        | 3.8          | 21.1         | 3.8               | 6.3               | 17.2              | 23.2              | 21.1              | 19.3   | 23.2   | 22.6   | 22.7   | 21.1   | -      | -      |
| <b>Investment</b>                                 |                    |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| GF CF indicator                                   |                    | -2.3         | -3.8         | -2.7              | -1.9              | -5.3              | -3.0              | -4.8              | -5.7   | -3.0   | -1.5   | -3.4   | -4.8   | -5.3   | -      |
| Cement sales                                      | y.x./3-mma         | -6.0         | -8.4         | -6.4              | -3.3              | -10.9             | -9.6              | -9.9              | -7.7   | -9.6   | -9.7   | -12.5  | -9.9   | -      | -      |
| Sales of steel for concrete                       | y.x./3-mma         | -6.8         | 5.9          | 12.5              | 9.5               | 12.8              | 15.6              | -12.5             | 13.8   | 15.6   | 24.8   | 12.4   | -12.5  | -      | -      |
| Adjudication of public works                      | y.x./acumul2m      | -32.2        | -            | -32.2             | -43.6             | -41.1             | -52.1             | -                 | -46.8  | -52.1  | -55.6  | -59.5  | -      | -      | -      |
| Credit for purchase of habitation                 | y.x./stocks        | 11.9         | 15.6         | 11.9              | 17.2              | 16.2              | 15.2              | 15.6              | 15.6   | 15.2   | 14.9   | 14.5   | 15.6   | -      | -      |
| Licenses for construction of new habitations      | y.x./3-mma         | -3.4         | -5.2         | -3.5              | 1.2               | -2.8              | -6.8              | -12.9             | -1.2   | -6.8   | -5.0   | -8.4   | -12.9  | -15.6  | -      |
| Machinery and equipment indicator                 |                    | -1.9         | 0.0          | -2.6              | 0.0               | -3.5              | 0.2               | 3.3               | -2.8   | 0.2    | 2.8    | 3.5    | 3.3    | 3.1    | 3.3    |
| Sales of light commercial vehicles                | y.x./3-mma         | -1.8         | -7.3         | -3.4              | -5.5              | -15.7             | -6.4              | -1.0              | -14.9  | -6.4   | -2.2   | -1.5   | -1.0   | -1.1   | -3.3   |
| Sales of new heavy commercial vehicles            | y.x./3-mma         | 0.1          | 12.9         | -5.7              | 9.3               | 26.0              | 52.0              | -31.9             | -22.3  | 52.0   | 40.7   | 27.5   | -31.9  | -17.6  | -5.2   |
| <b>External demand</b>                            |                    |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| External demand indicator in value                | s.a./y.x./3-mma    | 10.4         | 10.7         | 12.8              | 14.3              | 12.1              | 9.1               | 7.7               | 10.6   | 9.1    | 9.5    | 7.8    | 7.7    | -      | -      |
| External order books                              | balance/3-mma      | -23.7        | -14.4        | -17.3             | -19.3             | -14.0             | -13.7             | -10.7             | -9.3   | -13.7  | -14.0  | -11.7  | -10.7  | -9.7   | -10.3  |
| Forecasted evolution of exports                   | balance            | -4.8         | -0.2         | -3.3              | -0.7              | -1.7              | 0.0               | 1.7               | n.d.   |
| Exports of merchandises in value                  | y.x./3-mma         | 2.8          | 12.4         | 4.3               | 11.5              | 12.3              | 13.1              | 12.6              | 16.4   | 13.1   | 14.1   | 12.0   | 12.6   | 11.4   | -      |
| Imports of merchandises in value                  | y.x./3-mma         | 5.5          | 8.0          | 3.6               | 10.9              | 7.0               | 8.6               | 5.7               | 11.0   | 8.6    | 7.1    | 5.9    | 5.7    | 4.9    | -      |
| <b>Labour market</b>                              |                    |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| Unemployment rate                                 | %                  | 7.6          | 7.7          | 8.0               | 7.7               | 7.3               | 7.4               | 8.2               | n.d.   |
| Unemployed registration along the month           | s.a./y.x./3-mma    | 4.1          | 1.2          | 3.9               | 3.9               | -0.6              | -1.1              | 2.9               | 0.9    | -1.1   | 1.8    | 2.1    | 2.9    | -1.0   | -      |
| Unemployment expectations                         | balance/3-mma      | 49.0         | 43.8         | 53.5              | 50.6              | 45.2              | 40.0              | 39.3              | 42.4   | 40.0   | 39.3   | 39.3   | 39.3   | 38.4   | 38.0   |
| Vacancies along the month                         | s.a./y.x./3-mma    | 5.3          | 3.6          | 16.5              | 4.4               | 3.8               | 7.2               | -0.9              | 2.3    | 7.2    | 8.3    | 7.0    | -0.9   | 3.1    | -      |
| Employment indicator (short-term indicators)      | y.x./3-mma         | -2.4         | -2.1         | -2.1              | -2.3              | -2.1              | -2.0              | -2.0              | -2.1   | -2.0   | -2.0   | -1.9   | -2.0   | -1.8   | -      |
| Wage negotiation                                  | a.v./3-mma/w.      | 2.7          | 2.8          | 2.5               | 2.8               | 3.1               | 2.6               | 2.6               | 2.8    | 2.6    | 2.8    | 2.7    | 2.6    | 2.6    | 2.7    |
| <b>Prices and exchange rates</b>                  |                    |              |              |                   |                   |                   |                   |                   |        |        |        |        |        |        |        |
| Consumer price index                              | y.r.               | 2.3          | 3.1          | 2.7               | 3.2               | 3.7               | 3.0               | 2.5               | 2.9    | 3.0    | 2.7    | 2.4    | 2.5    | 2.6    | 2.4    |
| Core inflation indicator                          | y.r.               | 1.5          | 1.9          | 1.8               | 1.9               | 1.9               | 2.0               | 1.9               | 2.0    | 2.0    | 1.9    | 1.8    | 1.9    | 1.7    | 1.6    |
| Consumer price index - goods                      | y.r.               | 1.9          | 3.2          | 2.4               | 3.2               | 4.0               | 3.2               | 2.5               | 3.0    | 3.2    | 2.6    | 2.3    | 2.5    | 2.6    | 2.2    |
| Consumer price index - services                   | y.r.               | 3.0          | 2.9          | 3.0               | 3.1               | 3.1               | 2.7               | 2.6               | 2.6    | 2.8    | 2.7    | 2.6    | 2.6    | 2.6    | 2.6    |
| Manufacturing industry production price index     | y.x./3-mma         | 3.5          | 4.6          | 3.5               | 5.0               | 5.6               | 4.9               | 2.8               | 5.5    | 4.9    | 3.9    | 3.2    | 2.8    | 2.8    | -      |
| Expectations of prices in manufacturing industry  | bal./s.a./3-mma    | 1.3          | 6.2          | 2.3               | 8.7               | 8.0               | 2.7               | 5.7               | 3.7    | 2.7    | 3.3    | 4.3    | 5.7    | 6.7    | 6.0    |
| Exchange rate euro/USD                            | y.r.               | 0.1          | 0.9          | -8.2              | 0.0               | -0.2              | 4.5               | 8.5               | 4.2    | 3.8    | 5.0    | 9.3    | 11.4   | 7.4    | 9.5    |
| Exchange rate euro/JPY                            | y.r.               | 1.8          | 6.6          | 1.7               | 0.0               | 6.2               | 9.2               | 8.9               | 9.2    | 9.5    | 8.4    | 8.3    | 10.1   | 12.0   | 12.0   |