

# Europe Flash

## Portugal

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Economic Analysis

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## Portugal: the pace of the recovery could have continued in 4Q13

- **The most recent economic data have been slightly better than expected**

The EC's economic sentiment indicator improved significantly in November, and more particularly in December. Meanwhile, the industrial production index also increased more than expected, rising 1.1% MoM, which implies that industrial production would have increased by 2.1% QoQ in 4Q13.

- **Our MICA-BBA model is now forecasting GDP growth of around 0.2% in 4Q13**

Including the most recent data, actual data and confidence indicators, our MICA-BBVA model shows quarterly GDP growth of around 0.2% QoQ in 4Q13 vs. the practically flat performance we forecast a month ago.

- **The synthetic activity indicator published by the Bank of Portugal also improved in the latter months of 2013**

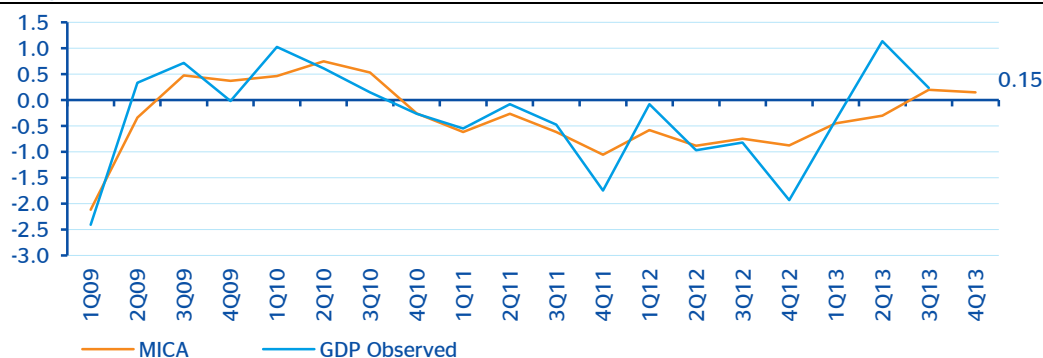
This indicator averaged 1.2% YoY in 4Q13 and 1.6% YoY in December, which suggests quarterly growth of between 0.2% QoQ and 0.6% QoQ.

- **Upside risk to our quarterly GDP growth forecast of 0.1% QoQ in our central scenario**

To sum up, the most recent data add upside risk to our forecast for quarterly GDP growth of 0.1% QoQ in our central scenario, pending the flash GDP figure which will be published tomorrow.

Chart 1

Portugal: MICA BBVA



Source: BBVA Research

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