

21<sup>st</sup> December, 2010

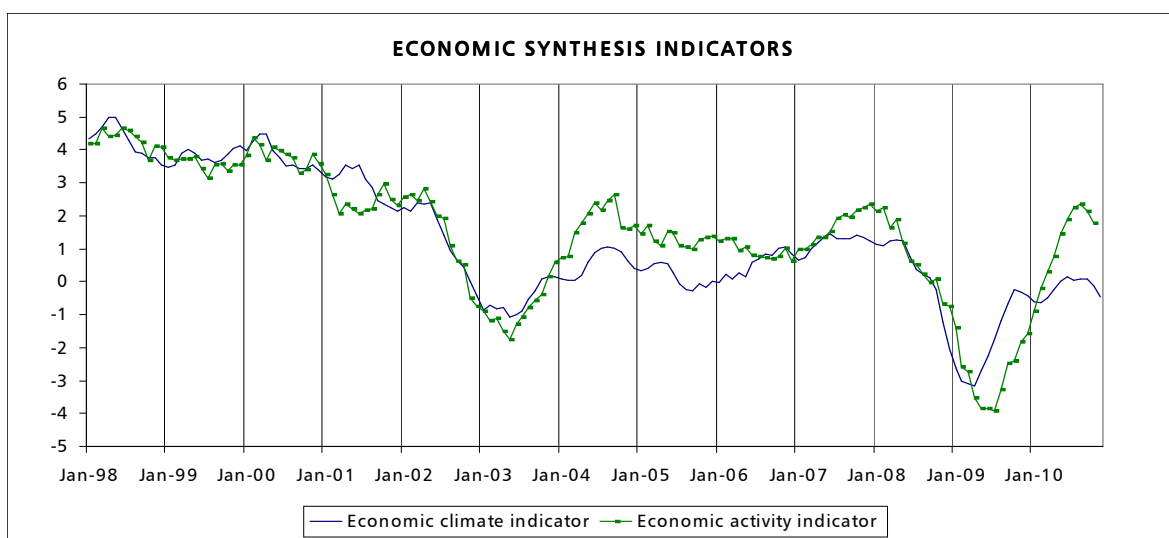
## Monthly Economic Survey November 2010

### The private consumption indicator decelerates and the investment indicator decreases more intensely in October.

In November, the consumer confidence indicator increased in the Euro Area (EA) and in the European Union (EU27), maintaining the previous upward paths. In the same month, the raw materials and the oil prices continued to register strong year-on-year growth rates.

In Portugal, the economic climate indicator, available until November, decreased in the last two months, after stabilizing in the highest value since September 2008. The economic activity indicator diminished in September and October, interrupting the upward path observed since August 2009. In October, the private consumption indicator maintained the downward movement of the four previous months, led by the negative contribution of the durable consumption component. The GFCF indicator presented a slightly stronger reduction in October, driven by the negative evolution of the construction and the transport material components. Concerning the international trade of goods, imports and exports recorded year-on-year nominal growth rates of 7.1% and 15.4% in October (4.5% and 14.9% in September), respectively. However, in monthly values, without three months moving averages, the exports shifted from a year-on-year change rate of 14.6% in September to 10.3% in October.

In November, the year-on-year change rate of the Consumer Price Index (CPI) stabilized in 2.3%. Excluding energy and unprocessed food products, the year-on-year change rate was 1.1%, 0.2 p.p. more than in October. In November, the prices of the goods and of the services components presented year-on-year growth rates of 3.0% and 1.2% (3.2% and 1.1% in October), respectively. The differential between the Portuguese Harmonized Index of Consumer Prices (HICP) and the EA HICP decreased 0.1 p.p. in November, to 0.3 p.p..



Report based on information available up to December 20, 2010.

Next report will be released on January 19, 2011.

#### 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. Annualised variation (a.v.). Weight (w.).

Balances: differences between the percentage of respondents giving positive and negative replies.



		Year 2008	Year 2009	Quarter 3 2009	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
<b>International background</b>															
GDP of customer countries	s.a/y.r.	0.5	-3.7	-3.8	-2.0	0.0	1.3	1.5	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
GDP European Union	s.a/y.r.	0.8	-4.2	-4.3	-2.2	0.7	2.0	2.2	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
GDP Euro Area	s.a/y.r.	0.6	-4.1	-4.0	-2.0	0.8	2.0	1.9	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Industrial production index of customer countries	s.a/y.r./3-mma	-3.7	-14.2	-13.8	-6.1	3.4	6.9	4.9	7.0	6.9	6.4	5.7	4.9	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	-	-	-	-	-	-	103.0	-	-	100.9	101.9	103.0	103.6	104.2
Economic Sentiment Indicator in EA	ind/s.a.-3mma	-	-	-	-	-	-	102.2	-	-	99.5	100.8	102.2	103.1	104.1
Order books in industry of customer countries	balance/s.a.-3mma	-	-	-	-	-	-27.0	-21.8	-27.4	-27.0	-25.8	-23.9	-21.8	-19.6	-18.0
Consumer confidence indicator in EU	balance/s.a.-3mma	-17.5	-22.8	-19.3	-14.9	-13.5	-14.1	-12.2	-13.7	-14.1	-14.6	-13.3	-12.2	-11.5	-11.4
Unemployment rate in EU	s.a/%	7.0	8.9	9.2	9.4	9.6	9.6	9.6	9.6	9.6	9.6	9.5	9.6	9.6	-
Harmonised index of consumer prices in EA	y.r.	3.3	0.3	-0.4	0.4	1.1	1.5	1.7	1.6	1.4	1.7	1.6	1.8	1.9	1.9
Production price index of supplying countries	y.r./3-mma	5.6	-5.1	-7.2	-2.5	2.2	4.1	3.7	3.9	4.1	4.0	3.6	3.7	3.8	-
Crude oil price (Brent)	Euros	65.7	43.9	47.7	50.5	55.1	61.7	60.1	60.4	61.4	59.5	60.7	60.1	60.2	62.8
Crude oil price (Brent)	y.r.	24.4	-33.2	-38.0	21.3	61.0	43.1	26.1	43.3	25.2	29.6	19.4	30.0	22.3	22.2
<b>Economic activity</b>															
GDP	y.r.	0.0	-2.5	-2.2	-1.0	1.7	1.4	1.4	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Economic climate indicator	balance/3-mma	0.0	-1.6	-0.7	-0.4	-0.5	0.1	0.1	0.0	0.1	0.1	0.1	0.1	-0.1	-0.5
Economic activity indicator	3-mma	0.4	-2.7	-2.5	-1.6	0.3	1.9	2.1	1.4	1.9	2.2	2.4	2.1	1.8	-
Total turnover index	y.r./3-mma	1.0	-12.6	-12.4	-6.1	4.1	6.2	3.4	6.4	6.2	5.1	4.5	3.4	3.0	-
Manufacturing industry production index	s.a/y.r./3-mma	-4.0	-9.9	-7.2	-3.9	5.9	3.0	-0.2	3.8	3.0	2.8	1.7	-0.2	-0.8	-
Production index in construction	s.a/y.r./3-mma	-1.3	-6.6	-6.3	-9.2	-8.2	-8.1	-8.0	-7.2	-8.1	-8.1	-7.7	-8.0	-8.9	-
Retail trade turnover index (real)	y.r./3-mma	0.2	-1.9	-2.1	0.2	0.7	0.3	-0.7	1.1	0.3	0.2	-0.6	-0.7	-0.9	-
Sales of passenger vehicles	y.r./3-mma	5.6	-24.5	-16.6	-6.1	69.5	48.6	16.0	55.8	48.6	41.5	33.2	16.0	9.0	11.7
<b>Consumption</b>															
Consumer confidence indicator	balance/3-mma	-38.4	-38.5	-29.5	-30.0	-35.4	-40.1	-37.4	-38.3	-40.1	-42.0	-40.4	-37.4	-40.0	-44.9
Quantitative indicator of private consumption	y.r./3-mma	1.5	0.1	0.2	1.6	3.9	4.3	2.6	4.4	4.3	3.6	3.2	2.6	2.4	-
Indicator of non-durable consumer goods	y.r./3-mma	1.7	1.8	1.7	2.4	2.4	2.7	2.4	2.9	2.7	2.3	2.3	2.4	2.5	-
Indicator of durable consumer goods	y.r./3-mma	0.2	-14.1	-11.6	-4.9	18.6	19.0	4.8	19.4	19.0	15.7	11.9	4.8	2.0	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-0.8	-25.5	-22.3	-12.8	39.1	41.0	17.3	40.3	41.0	35.7	31.0	17.3	10.9	-
<b>Investment</b>															
GFCF indicator		-3.3	-10.2	-7.6	-8.7	-2.8	-1.2	-2.8	-2.1	-1.2	-1.2	-1.4	-2.8	-3.1	-
Cement sales	y.r./3-mma	-9.5	-16.3	-13.9	-16.4	-8.7	-6.4	-5.1	-8.6	-6.4	-5.1	-5.1	-5.1	-5.7	-
Sales of steel for concrete	y.r./3-mma	-16.5	-16.3	17.4	-6.3	1.9	-28.4	-20.1	-22.3	-28.4	-26.2	-15.8	-20.1	-21.6	-
Credit for purchase of habitation	y.r./stocks	3.9	5.1	3.1	5.1	5.5	5.5	5.1	5.5	5.5	5.4	5.2	5.1	-	-
Licenses for construction of new habitations	y.r./3-mma	-21.3	-28.4	-23.7	-13.7	-7.2	-4.4	-12.8	-4.0	-4.4	-10.7	-11.5	-12.8	-6.4	-
Machinery and equipment indicator		2.9	-3.3	-1.3	-1.5	-2.3	-2.3	-4.1	-2.9	-2.3	-3.8	-3.4	-4.1	-3.5	-3.1
Sales of light commercial vehicles	y.r./3-mma	-19.1	-29.8	-25.2	-16.9	19.4	29.3	11.9	23.4	29.3	28.0	23.0	11.9	8.4	4.2
Sales of new heavy commercial vehicles	y.r./3-mma	-1.7	-40.7	-26.2	-50.4	-36.0	-3.2	-9.9	-13.2	-3.2	-6.7	0.3	-9.9	-11.3	8.1
<b>External demand</b>															
External demand indicator in value	s.a/y.r./3-mma	2.3	-22.1	-23.1	-10.5	9.2	21.2	16.8	19.0	21.2	23.0	22.0	16.8	-	-
External order books	balance/3-mma	-26.1	-53.4	-45.8	-40.3	-33.7	-33.1	-22.5	-33.1	-33.1	-32.8	-27.5	-22.5	-22.3	-22.5
Exports of merchandises in value	y.r./3-mma	1.7	-18.4	-17.3	-3.5	14.8	17.3	14.9	20.6	17.3	14.3	15.4	14.9	15.4	-
Imports of merchandises in value	y.r./3-mma	7.1	-20.0	-19.6	-9.1	8.3	18.7	4.5	14.4	18.7	13.6	13.0	4.5	7.1	-
<b>Labour market</b>															
Unemployment rate	%	7.6	9.5	9.8	10.1	10.6	10.6	10.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.5	-2.8	-3.4	-3.0	-1.8	-1.7	-1.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unemployed registration along the month	s.a/y.r./3-mma	11.1	18.5	16.2	0.4	-3.2	-10.2	-5.3	-5.7	-10.2	-11.4	-9.2	-5.3	-5.0	-5.9
Unemployment expectations	balance/3-mma	50.6	64.1	52.5	54.3	56.0	54.9	52.5	54.6	54.9	56.6	55.5	52.5	53.7	57.1
Vacancies along the month	s.a/y.r./3-mma	5.8	-3.3	3.9	-8.7	17.2	17.9	-0.9	24.8	17.9	7.9	1.2	-0.9	-7.0	-13.6
Employment indicator (short-term statistics)	y.r./3-mma	0.0	-4.3	-4.6	-4.5	-3.1	-1.8	-1.4	-2.2	-1.8	-1.7	-1.5	-1.4	-1.2	-
Average declared wages	s.a/y.r./3-mma	4.0	3.5	3.3	3.3	3.1	4.1	2.1	4.7	4.1	3.6	1.7	2.1	2.3	-
Wage negotiation	a.v./3-mmaq.w.	3.1	2.9	2.5	2.5	1.9	2.9	1.6	2.4	2.9	2.7	2.8	1.6	3.1	-
<b>Prices and exchange rates</b>															
Consumer price index	y.r.	2.6	-0.8	-1.5	-0.7	0.3	1.0	1.9	1.1	1.2	1.8	1.9	1.9	2.3	2.3
Core inflation indicator	y.r.	2.4	0.4	0.2	-0.3	-0.5	-0.1	0.7	-0.1	0.2	0.6	0.8	0.6	0.9	1.1
Consumer price index - goods	y.r.	2.3	-2.3	-3.5	-1.9	-0.1	1.2	2.5	1.2	1.5	2.4	2.5	2.6	3.2	3.0
Consumer price index - services	y.r.	3.0	1.7	1.8	1.2	0.9	0.7	1.2	0.8	0.7	1.2	1.1	1.1	1.1	1.2
Manufacturing industry production price index	y.r./3-mma	5.3	-5.6	-7.9	-2.9	2.0	4.1	3.7	3.9	4.1	4.0	3.6	3.7	3.8	4.1
Effective exchange rate index for Portugal	y.r.	1.2	0.4	0.3	1.6	-0.3	-1.9	-2.3	-1.9	-2.7	-2.2	-2.3	-2.5	-1.9	-
Exchange rate eur/USD	y.r.	6.9	-5.0	-4.7	12.3	6.2	-6.6	-9.7	-7.9	-12.9	-9.4	-9.6	-10.3	-6.2	-8.4
Exchange rate USD/Euro	USD	1.471	1.393	1.431	1.478	1.384	1.273	1.291	1.257	1.221	1.277	1.289	1.307	1.390	1.366
Exchange rate eur/JPY	y.r.	-6.6	-13.6	-17.1	5.1	3.1	-11.6	-17.3	-12.2	-18.0	-16.0	-18.7	-17.2	-15.1	-15.3