

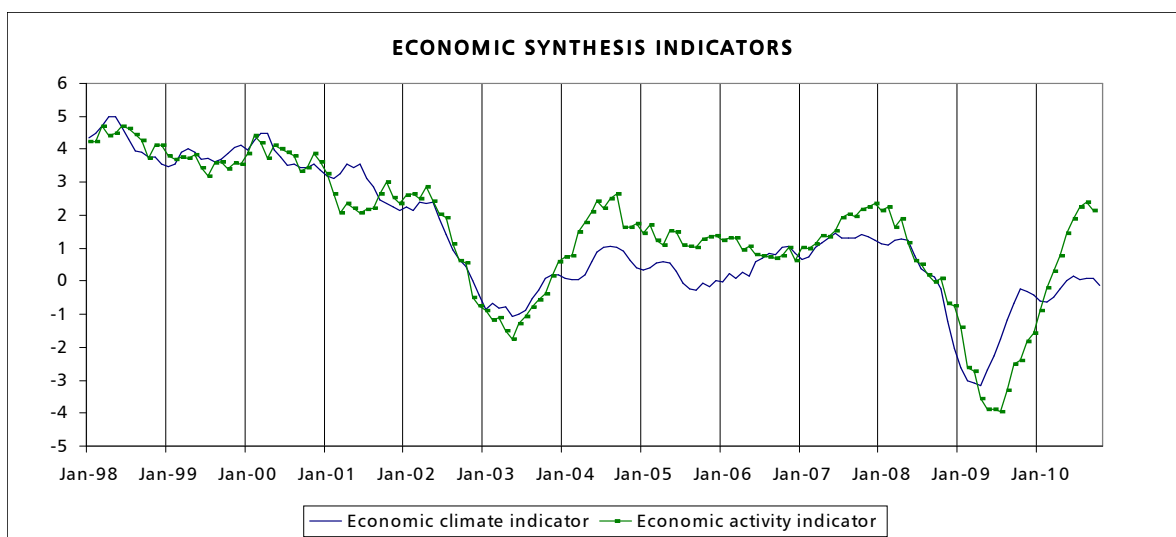
Monthly Economic Survey  
October 2010**The private consumption indicator decelerates and the investment indicator decreases more intensely in September. The economic climate indicator diminishes in October.**

Accordingly with the flash estimates compiled by the EUROSTAT, in the 3<sup>rd</sup> quarter of 2010, the Euro Area (EA) and the European Union (EU27) GDP registered year-on-year change rates of 1.9% and 2.1% (1.9% and 2.0% in the previous quarter, respectively). In October, the consumer confidence indicator increased in the EA and in the 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, decelerating when comparing with September.

In Portugal, the GDP flash estimate points to a year-on-year change rate of 1.5% in volume in the 3<sup>rd</sup> quarter of 2010, 0.1 p.p. higher than in the previous quarter, reflecting the increase of the net external demand contribution, while the contribution of the internal demand registered a strong decrease. In the 3<sup>rd</sup> quarter, the economic activity indicator maintained the upward movement observed in the four previous quarters. The private consumption indicator decelerated in the 3<sup>rd</sup> quarter of 2010, led by the negative contribution of both components, durable and non-durable consumption, stronger in the first case. In the same quarter, the GFCF indicator decreased more intensely, driven by the negative evolution of the transport material and the machines and equipments components. Concerning the international trade of goods, in the 3<sup>rd</sup> quarter of 2010, imports and exports recorded year-on-year nominal growth rates of 4.0% and 14.6% respectively (18.7% and 17.3% in the 2<sup>nd</sup> quarter). The economic climate indicator stabilized in the 3<sup>rd</sup> quarter and slightly decreased in October.

In the 3<sup>rd</sup> quarter of 2010, the unemployment rate was 10.9%, 1.1 p.p. more than in the same quarter of 2009 and 0.3 p.p. more than in the previous quarter, attaining a new maximum for the series started in 1998. Employment shifted from a -1.7% year-on-year change rate in the 2<sup>nd</sup> quarter of 2010 to -1.1%.

In October, the year-on-year change rate of the Consumer Price Index (CPI) was 2.3%, 0.4 p.p. higher than the observed in the two previous months. Excluding energy and unprocessed food products, the year-on-year change rate was 0.9%, 0.3 p.p. more than in September. In October, the prices of the goods and of the services components presented year-on-year growth rates of 3.2% and 1.1% (2.6% and 1.1% in September, respectively). The differential between the Portuguese Harmonized Index of Consumer Prices (HICP) and the EA HICP increased 0.2 p.p. in October, to 0.4 p.p..



**Report based on information available up to November 17, 2010.  
Next report will be released on December 21, 2010.**

**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	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
<b>International background</b>															
GDP of customer countries	s.a.y.r.	0.6	-3.6	-3.8	-2.0	0.1	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	2.1	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	1.9	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	-13.7	-6.2	3.4	6.9	-	5.4	7.0	6.9	6.4	5.6	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	-	-	-	-	-	-	102.9	-	-	-	100.9	101.8	102.9	103.6
Economic Sentiment Indicator in EA	ind/s.a.-3mma	-	-	-	-	-	-	102.2	-	-	-	99.5	100.8	102.2	103.2
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	-19.2
Consumer confidence indicator in EU	balance/s.a.-3mma	-17.5	-22.8	-19.3	-14.9	-13.5	-14.1	-12.2	-13.2	-13.7	-14.1	-14.6	-13.3	-12.2	-11.5
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	9.6	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	1.5	1.6	1.4	1.7	1.6	1.8	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	3.1	3.9	4.1	4.0	3.6	3.7	-
Crude oil price (Brent)	Euros	65.7	43.9	47.7	50.5	55.1	61.7	60.1	63.2	60.4	61.4	59.5	60.7	60.1	60.2
Crude oil price (Brent)	y.r.	24.4	-33.2	-38.0	21.3	61.0	43.1	26.1	65.9	43.3	25.2	29.6	19.4	30.0	22.3
<b>Economic activity</b>															
GDP	y.r.	0.0	-2.6	-2.2	-1.0	1.7	1.4	1.5	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	-0.2	0.0	0.1	0.1	0.1	0.1	-0.1
Economic activity indicator	3-mma	0.4	-2.7	-2.5	-1.6	0.3	1.9	2.1	0.8	1.5	1.9	2.3	2.4	2.1	-
Total turnover index	y.r./3-mma	1.0	-12.6	-12.4	-6.1	4.1	6.2	3.1	4.9	6.4	6.2	5.1	4.5	3.1	-
Manufacturing industry production index	s.a.y.r./3-mma	-4.0	-9.9	-7.2	-3.9	5.9	3.0	-0.3	4.9	3.8	3.0	2.8	1.7	-0.3	-
Production index in construction	s.a.y.r./3-mma	-1.3	-6.6	-6.3	-9.2	-8.2	-8.1	-8.0	-8.1	-7.2	-8.1	-8.1	-7.8	-8.0	-
Retail trade turnover index (real)	y.r./3-mma	0.2	-1.9	-2.1	0.2	0.7	0.3	-0.8	0.6	1.1	0.3	0.2	-0.7	-0.8	-
Sales of passenger vehicles	y.r./3-mma	5.6	-24.5	-16.6	-6.1	69.5	48.6	16.0	58.8	55.8	48.6	41.5	33.2	16.0	9.0
<b>Consumption</b>															
Consumer confidence indicator	balance/3-mma	-38.4	-38.5	-29.5	-30.0	-35.4	-40.1	-37.4	-36.7	-38.3	-40.1	-42.0	-40.4	-37.4	-40.0
Quantitative indicator of private consumption	y.r./3-mma	1.5	0.1	0.2	1.6	3.9	4.3	2.5	4.3	4.4	4.3	3.6	3.2	2.5	-
Indicator of non-durable consumer goods	y.r./3-mma	1.7	1.8	1.7	2.4	2.4	2.7	2.3	2.8	2.9	2.7	2.3	2.2	2.3	-
Indicator of durable consumer goods	y.r./3-mma	0.2	-14.1	-11.6	-4.9	18.6	19.0	4.8	18.7	19.4	19.0	15.6	11.8	4.8	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-0.8	-25.5	-22.3	-12.8	39.1	41.0	16.7	39.3	40.2	41.0	35.6	30.9	16.7	-
<b>Investment</b>															
GFCF indicator		-3.3	-10.2	-7.6	-8.7	-2.8	-1.1	-2.8	-3.1	-2.1	-1.1	-1.2	-1.3	-2.8	-
Cement sales	y.r./3-mma	-9.5	-16.3	-13.9	-16.4	-8.7	-6.4	-5.1	-10.6	-8.6	-6.4	-5.1	-5.1	-5.1	-
Sales of steel for concrete	y.r./3-mma	-16.5	-16.3	17.4	-6.3	1.9	-28.4	-19.6	-8.4	-22.3	-28.4	-26.2	-15.9	-19.6	-
Credit for purchase of habitation	y.r./stocks	3.9	5.1	3.1	5.1	5.5	5.5	-	5.5	5.5	5.5	5.4	5.2	-	-
Licenses for construction of new habitations	y.r./3-mma	-21.3	-28.4	-23.7	-13.7	-7.3	-4.6	-13.7	-3.6	-4.3	-4.6	-10.9	-11.6	-13.7	-
Machinery and equipment indicator		2.9	-3.3	-1.3	-1.5	-2.3	-2.3	-4.1	-2.2	-2.9	-2.3	-3.8	-3.4	-4.1	-3.5
Sales of light commercial vehicles	y.r./3-mma	-19.1	-29.8	-25.2	-16.9	19.4	29.3	11.9	18.2	23.4	29.3	28.0	23.0	11.9	8.4
Sales of new heavy commercial vehicles	y.r./3-mma	-1.7	-40.7	-26.2	-50.4	-36.0	-3.2	-9.9	-21.6	-13.2	-3.2	-6.7	0.3	-9.9	-11.3
<b>External demand</b>															
External demand indicator in value	s.a.y.r./3-mma	2.2	-22.6	-23.3	-11.6	9.4	22.4	-	12.9	19.9	22.4	24.1	22.1	-	-
External order books	balance/3-mma	-26.1	-53.4	-45.8	-40.3	-33.7	-33.1	-22.5	-32.8	-33.1	-33.1	-32.8	-27.5	-22.5	-22.3
Exports of merchandises in value	y.r./3-mma	1.7	-18.4	-17.3	-3.5	14.8	17.3	14.6	18.6	20.6	17.3	14.2	15.4	14.6	-
Imports of merchandises in value	y.r./3-mma	7.1	-20.0	-19.6	-9.1	8.3	18.7	4.0	12.6	14.4	18.7	13.5	12.9	4.0	-
<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	-5.9	-5.7	-10.2	-11.4	-9.2	-5.3	-5.0
Unemployment expectations	balance/3-mma	50.6	64.1	52.5	54.3	56.0	54.9	52.5	55.4	54.6	54.9	56.6	55.5	52.5	53.7
Vacancies along the month	s.a.y.r./3-mma	5.8	-3.3	3.9	-8.7	17.2	17.9	-0.9	23.7	24.8	17.9	7.9	1.2	-0.9	-7.0
Employment indicator (short-term statistics)	y.r./3-mma	0.0	-4.3	-4.6	-4.5	-3.1	-1.8	-1.4	-2.6	-2.2	-1.8	-1.7	-1.5	-1.4	-
Average declared wages	s.a.y.r./3-mma	4.0	3.5	3.4	3.3	3.1	4.0	2.0	3.0	4.7	4.0	3.6	1.6	2.0	-
Wage negotiation	av/3-mma	3.1	2.9	2.5	2.5	1.9	2.9	1.6	2.3	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	0.7	1.1	1.2	1.8	1.9	1.9	2.3
Core inflation indicator	y.r.	2.4	0.4	0.2	-0.3	-0.5	-0.1	0.7	-0.5	-0.1	0.2	0.6	0.8	0.6	0.9
Consumer price index - goods	y.r.	2.3	-2.3	-3.5	-1.9	-0.1	1.2	2.5	0.8	1.2	1.5	2.4	2.5	2.6	3.2
Consumer price index - services	y.r.	3.0	1.7	1.8	1.2	0.9	0.7	1.2	0.6	0.8	0.7	1.2	1.1	1.1	1.1
Manufacturing industry production price index	y.r./3-mma	5.3	-5.6	-7.9	-2.9	2.0	4.1	3.7	3.0	3.9	4.1	4.0	3.6	3.7	3.8
Effective exchange rate index for Portugal	y.r.	1.2	0.4	0.3	1.6	-0.3	-1.9	-2.3	-1.0	-1.9	-2.7	-2.2	-2.3	-2.5	-
Exchange rate eur/USD	y.r.	6.9	-5.0	-4.7	12.3	6.2	-6.6	-9.7	1.6	-7.9	-12.9	-9.4	-9.6	-10.3	-6.2
Exchange rate USD/Euro	USD	1.471	1.393	1.431	1.478	1.384	1.273	1.291	1.341	1.257	1.221	1.277	1.289	1.307	1.390
Exchange rate eur/JPY	y.r.	-6.6	-13.6	-17.1	5.1	3.1	-11.6	-17.3	-3.8	-12.2	-18.0	-16.0	-18.7	-17.2	-15.1