

## Business and Consumer Surveys

October 2008

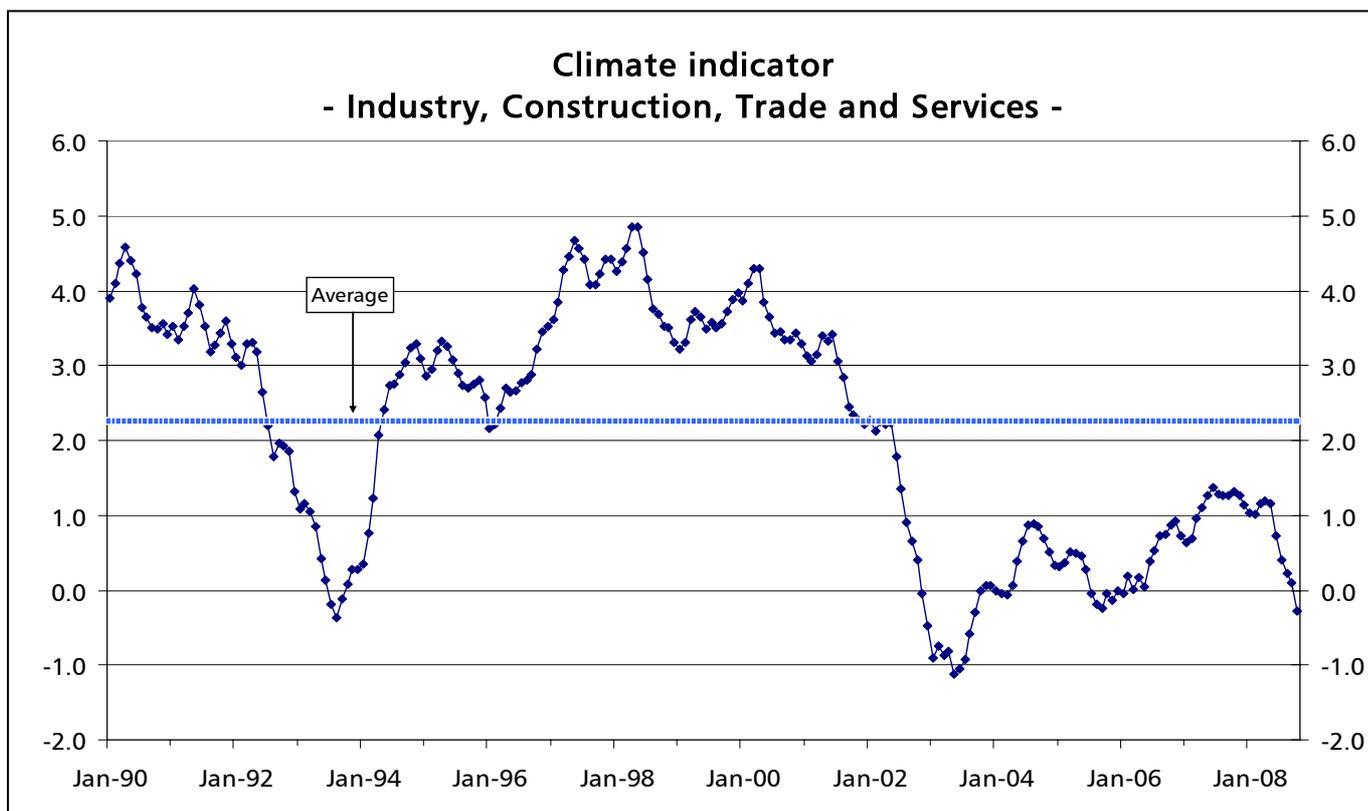
### The downward movement of the economic climate indicator deepens and the Consumer confidence indicator declines

The economic climate indicator accentuated the downward movement of the previous four months, recording the minimum value since September 2003. In October, all the sectors' confidence indicators registered negative evolutions, more intensely in Manufacturing Industry and in Services.

The Consumer confidence indicator slightly decreased in October, after recovering in the previous two months. However, in monthly values, without using three-month moving averages, this indicator registered a strong decline in October, attaining the minimum value of the series started in 1986 (the same value as in last July). This behaviour may reflect the recent developments in the financial markets.

In Manufacturing Industry<sup>1</sup>, the confidence indicator strongly diminished in October, resuming the former downward path and reaching the lowest value since the end of 2003. The evolution observed in the referred month was driven by the negative contribution of all the components, stronger in the balance of the opinions on global demand. It should be noticed the pronounced decrease observed in the opinions on external demand. In Construction and Public Works, the confidence indicator declined in the last five months due to the negative evolution of both components, opinions on order books and employment perspectives. The Trade confidence indicator slightly diminished in October, offsetting the slight recovery registered in the previous month. The evolution observed in October was driven by the decline recorded in both subsectors, resuming the former downward path in Retail. In Services, the confidence indicator strongly diminished in the last five months. The evolution registered since July reflected the decrease of all components, especially intense in October in the case of the opinions on the order books' evolution.

In October the decline of the Consumer confidence indicator was led by the negative behaviour of the unemployment perspectives, as all the remaining components slightly recovered. However, it should be referred that, in monthly values, all the components declined, more intensely in the perspectives on the country's economic situation and on unemployment.



<sup>1</sup> Unless stated otherwise, the analysis in this press release refers to three-month moving average.

**Confidence indicators and their underlying series (3mma; balances; wide range)**

	First Period	Average Value	Standard Deviation	Minimum Value	Date	Maximum Value	Date
<b>1 Manufacturing Industry - confidence indicator (2+3-4)/3 (a)</b>	Jan-89	-5.2	6.9	-27.5	Jul-93	7.9	Jan-89
2 Demand/Order books (a)	Jan-89	-15.8	11.1	-27.5	Jul-93	5.3	Mar-98
3 Production expectations over the next 3 months (a)	Jan-89	7.6	7.6	-10.8	Jul-93	25.1	Mar-97
4 Stocks of finished goods (a)	Jan-89	7.5	5.1	-3.5	Dec-94	24.9	Jul-93
<b>5 Services - confidence indicator (6+7+8)/3 (d)</b>	Apr-01	3.2	7.0	-13.5	Jun-03	21.9	Jun-01
6 Assessment of the business situation over the past 3 months** (d)	Apr-01	-2.2	8.6	-17.5	Jul-03	22.4	Jun-01
7 Demand perspectives over the next 3 months (d)	Apr-01	11.3	5.1	-2.6	Jun-03	20.9	May-04
8 Demand/Order books over the past 3 months (d)	Apr-01	0.4	9.8	-21.8	Jun-03	24.2	May-01
<b>9 Trade - confidence indicator (12+15-18)/3 (b)</b>	Jan-89	-0.2	6.9	-13.2	Sep-05	12.2	Jan-89
10 -Wholesale (b)	Jan-89	2.4	6.7	-19.6	Dec-92	20.0	Nov-90
11 -Retail trade (b)	Jan-89	-1.7	8.3	-18.6	Sep-05	12.1	Nov-98
12 Present business situation (b)	Jan-89	-5.9	12.7	-27.0	May-03	22.0	Jan-89
13 - Wholesale (b)	Jan-89	-4.8	11.2	-27.4	May-03	36.3	Apr-90
14 - Retail trade (b)	Jan-89	-8.4	15.9	-36.8	Jul-08	23.9	Dec-92
15 Expected business situation over the next 3 months*** (b)	Jan-89	15.5	11.0	-8.4	Aug-05	32.6	Apr-90
16 - Wholesale (b)	Jan-89	14.9	11.8	-35.9	Dec-92	51.8	Nov-89
17 - Retail trade (b)	Jan-89	18.1	13.5	-15.0	Aug-05	42.0	Jun-93
18 Volume of Stocks (b)	Jan-89	10.3	5.0	0.5	Dec-03	25.1	Aug-90
19 - Wholesale (b)	Jan-89	2.9	6.6	-26.6	Aug-92	29.1	Oct-89
20 - Retail trade (b)	Jan-89	14.8	7.5	1.3	Dec-03	49.3	Aug-90
<b>21 Construction and Public Works - confidence indicator (22+23)/2 (b)</b>	Feb-91	-25.7	16.0	-54.3	Apr-03	5.2	Sep-97
22 Current order books (b)	Feb-91	-4.5	18.0	-71.3	May-03	0.3	Nov-97
23 Employment perspectives over the next 3 months (b)	Feb-91	-10.0	14.9	-43.8	Jan-03	16.2	Apr-97
<b>24 Consumers - Confidence indicator (25+26-27+28)/4 (c)</b>	Jun-86	-22.5	12.3	-47.2	Jul-08	-2.0	Nov-87
25 Financial situation of the Households over the next 12 months (c)	Jun-86	-7.9	9.1	-31.2	Jul-08	8.6	Jan-92
26 General economic situation in the country over the next 12 months (c)	Jun-86	-15.4	15.1	-50.2	Jul-08	12.3	Oct-87
27 Unemployment over the next 12 months (c)	Jun-86	31.1	19.6	-1.3	Jun-90	67.1	Apr-03
28 Savings over the next 12 months (c)	Jun-86	-35.6	10.5	-59.4	Dec-07	-16.3	Dec-87
<b>29 Economic climate indicator ****</b>	Jan-89	2.2	1.6	-1.1	May-03	5.0	Jan-89

	Oct-07	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
<b>1 Manufacturing Industry - confidence indicator (2+3-4)/3 (a)</b>	-1.3	-5.6	-7.9	-8.8	-7.7	-8.3	-13.6
2 Demand/Order books (a)	-4.7	-16.0	-23.7	-25.0	-20.0	-16.7	-25.7
3 Production expectations over the next 3 months (a)	2.7	5.7	5.3	5.7	3.3	0.3	-5.3
4 Stocks of finished goods(a)	2.0	6.3	5.3	7.0	6.3	8.7	9.7
<b>5 Services - confidence indicator (6+7+8)/3 (d)</b>	8.8	10.7	8.8	6.6	2.8	-0.5	-3.3
6 Assessment of the business situation over the past 3 months** (d)	1.5	2.9	4.8	1.7	-3.0	-8.5	-11.7
7 Demand perspectives over the next 3 months (d)	17.0	18.1	15.1	14.7	12.9	10.9	9.3
8 Demand/Order books over the past 3 months (d)	7.9	11.2	6.6	3.4	-1.4	-4.1	-7.6
<b>9 Trade - confidence indicator (12+15-18)/3 (b)</b>	-6.6	-6.8	-9.4	-11.3	-12.0	-11.6	-11.9
10 -Wholesale (b)	-2.1	-2.8	-5.2	-6.5	-7.0	-6.3	-6.5
11 -Retail trade (b)	-12.1	-11.7	-14.6	-17.3	-18.2	-18.1	-18.5
12 Present business situation (b)	-17.9	-20.6	-22.8	-25.3	-25.7	-25.2	-24.8
13 - Wholesale (b)	-9.4	-11.3	-14.9	-16.1	-17.2	-16.4	-16.6
14 - Retail trade (b)	-28.5	-32.3	-32.7	-36.8	-36.1	-36.0	-35.0
15 Expected business situation over the next 3 months*** (b)	3.5	7.9	3.0	-0.3	-3.4	-2.5	-3.2
16 - Wholesale (b)	6.5	6.5	4.5	3.2	1.5	1.9	1.0
17 - Retail trade (b)	-0.3	9.8	1.1	-4.6	-9.6	-8.0	-8.6
18 Volume of Stocks (b)	5.3	7.7	8.3	8.3	6.8	7.1	7.5
19 - Wholesale (b)	3.5	3.7	5.3	6.6	5.2	4.6	4.0
20 - Retail trade (b)	7.6	12.7	12.2	10.4	8.8	10.3	11.9
<b>21 Construction and Public Works - confidence indicator (22+23)/2 (b)</b>	-38.3	-35.8	-36.5	-37.7	-39.2	-40.5	-41.7
22 Current order books (b)	-57.3	-54.7	-55.7	-56.7	-58.3	-59.3	-60.3
23 Employment perspectives over the next 3 months (b)	-19.3	-17.0	-17.3	-18.7	-20.0	-21.7	-23.0
<b>24 Consumers - Confidence indicator (25+26-27+28)/4 (c)</b>	-36.8	-43.4	-44.8	-47.2	-45.3	-43.0	-43.1
25 Financial situation of the Households over the next 12 months (c)	-16.4	-27.6	-29.2	-31.2	-28.2	-25.1	-24.2
26 General economic situation over the next 12 months (c)	-28.7	-42.6	-44.9	-50.2	-47.0	-42.3	-42.1
27 Unemployment over the next 12 months (c)	44.0	46.1	47.5	49.7	48.9	48.1	49.8
28 Savings over the next 12 months (c)	-58.0	-57.4	-57.9	-57.8	-57.0	-56.7	-56.1
<b>29 Economic climate indicator****</b>	1.3	1.2	0.7	0.4	0.2	0.1	-0.3

\* Series average since its beginning till the current observation.

\*\* In May 2003 a break in the series occurred, until that moment the reference period was the month under review and afterwards it refers to the past 3 months.

\*\*\* In May 2003 a break in the series occurred, until that moment the question referred to the next 6 months.

\*\*\*\* From September 2004 onwards Services sector was included, besides industry, trade and construction.

(a) Data after December 2002 is computed using a new sample. Back data was rebased.

(b) Data after January 2003 is computed using a new sample. Back data was rebased.

(c) Data after September 2003 is computed using a new sample. Back data was rebased.

(d) Seasonal adjusted series.