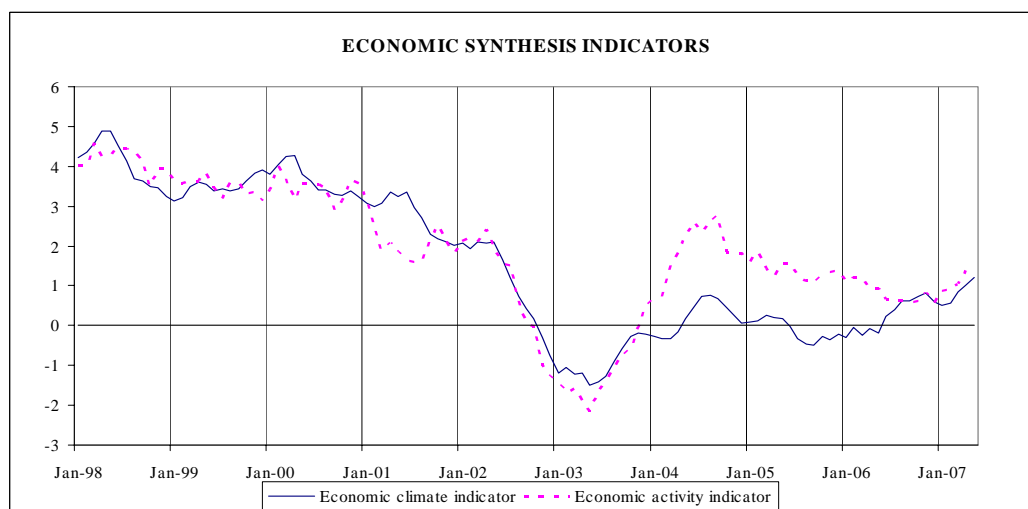


21st June 2007

Economic Short-term Synthesis

May2007

The most recent indications on the external economic background continued to be globally favourable. On the domestic side, the economic climate indicator got better in May, by the fourth consecutive month, arriving at the highest value since July 2002. The activity indicator, with information up to April, presents an upward trend since the beginning of the year. Information from Short-Term Statistics also revealed favourable behaviours in April on the main sectors of activity, industry, services and construction. The private consumption indicator slowed down in April, due to the unfavourable behaviour of the current component, after having recovered on the two former months. In May, the qualitative consumption indicator stabilized, but the consumer confidence indicator already presented a slight improvement. The investment indicator continued to recover in April with the machinery and equipment being the sole component showing a slight slowdown, movement that remained in May. Data from international trade, with preliminary information up to April, revealed a slow down of the value of both imports and exports, slightly less intense on the second case, but maintaining a much higher growth rate. The available information about the labour market presents mixed indications. Inflation was 2.4% in May, 0.3 percentage points less than in April, mainly due to the slowdown observed in the food prices. Core inflation stabilized in 2.0%.



Report based on information available up to June 20, 2007.

Next report will be released on July 20, 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 2005	Year 2006	Quarter 1 2006	Quarter 2 2006	Quarter 3 2006	Quarter 4 2006	Quarter 1 2007	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07
International background															
Industrial production index of customer countries	s.a./y.x/3-mma	0.8	3.3	2.7	3.3	3.5	3.6	3.1	3.5	3.6	3.2	3.2	3.1	-	-
Order books in industry of EU	balance/s.a.-mm3m	-18.0	-3.5	-12.5	-4.2	0.0	2.7	4.3	2.0	2.7	3.1	3.4	4.3	5.7	6.4
Consumer confidence indicator in EU	balance/s.a.-mm3m	-10.7	-7.5	-8.6	-7.9	-7.4	-6.1	-5.0	-6.7	-6.1	-6.1	-5.5	-5.0	-4.2	-3.1
Unemployment rate in EU	s.a./%	8.7	7.9	8.2	8.0	7.9	7.6	7.3	7.6	7.5	7.4	7.3	7.2	7.1	-
Harmonised index of consumer price in EU	y.x.	2.2	2.2	2.3	2.5	2.1	1.8	1.9	1.9	1.9	1.8	1.8	1.9	1.9	1.9
Production price index of supplying countries	y.x/3-mma	3.8	4.2	4.3	4.8	4.5	3.2	2.7	3.3	3.2	3.1	2.8	2.7	2.7	-
Economic activity															
Economic climate indicator	balance/3-mma	-0.1	0.3	-0.2	0.2	0.6	0.6	0.9	0.8	0.6	0.5	0.6	0.9	1.0	1.2
Economic activity indicator	3-mma	1.4	0.8	1.2	0.7	0.6	0.6	1.0	0.8	0.6	0.9	0.9	1.0	1.4	-
Total turnover index	y.x/3-mma	0.6	2.6	1.5	1.5	4.5	2.7	4.8	3.0	2.7	3.0	3.6	4.8	5.0	-
Manufacturing industry production index	y.x/3-mma	-1.5	2.3	1.7	1.5	3.5	2.5	4.6	4.2	2.5	3.0	3.5	4.6	4.8	-
Production index in construction	y.x/3-mma	-4.9	-6.6	-3.9	-7.4	-7.9	-7.2	-6.8	-6.8	-7.2	-7.9	-7.9	-6.8	-5.9	-
Retail trade turnover index (real)	y.x/3-mma	1.7	1.2	0.1	0.0	3.4	1.1	1.4	1.5	1.1	1.2	1.1	1.4	0.3	-
Consumption															
Consumer confidence indicator	balance/3-mma	-37.7	-34.2	-37.8	-36.2	-31.9	-31.0	-33.2	-31.0	-31.0	-31.3	-31.4	-33.2	-33.4	-33.0
Quantitative indicator of consumption	y.x/3-mma	2.6	1.3	1.2	1.0	1.8	1.1	1.6	1.2	1.1	1.0	1.2	1.6	1.4	-
Indicator of non-durable consumer goods	y.x/3-mma	2.4	1.5	1.1	1.8	1.8	1.3	1.8	1.3	1.3	1.3	1.6	1.8	1.6	-
Indicator of durable consumer goods	y.x/3-mma	3.8	-0.3	1.3	-4.8	2.4	-0.3	-0.4	0.5	-0.3	-1.6	-1.7	-0.4	-0.1	-
Sales of passenger vehicles	y.x/3-mma	3.3	-5.8	-2.5	-9.3	-3.3	-7.3	-4.8	-5.4	-7.3	-9.7	-9.9	-4.8	-4.2	-2.0
Credit for consumption	y.x/stocks	3.8	21.0	6.3	17.2	23.2	21.0	16.2	22.7	21.0	24.0	23.3	16.2	-	-
Investment															
GFCF indicator		-2.3	-3.7	-1.7	-5.3	-3.0	-4.8	-1.8	-3.4	-4.8	-5.2	-3.3	-1.8	-0.8	-
Cement sales	y.x/3-mma	-6.0	-8.3	-2.8	-10.9	-9.6	-9.9	-2.4	-12.5	-9.9	-10.5	-8.4	-2.4	-	-
Sales of steel for concrete	y.x/3-mma	-6.8	5.9	9.5	12.8	15.6	-12.5	-6.9	12.4	-12.5	-16.0	-13.5	-6.9	-	-
Credit for purchase of habitation	y.x/stocks	11.9	15.6	17.2	16.2	15.2	15.6	9.6	14.5	15.6	15.0	14.7	9.6	-	-
Licenses for construction of new habitations	y.x/3-mma	-3.4	-5.1	1.2	-2.8	-6.8	-12.3	-10.8	-8.4	-12.3	-13.7	-14.9	-10.8	-11.9	-
Machinery and equipment indicator		-1.9	0.0	0.0	-3.5	0.2	3.3	3.1	3.5	3.3	3.1	3.3	3.1	2.8	2.5
Sales of light commercial vehicles	y.x/3-mma	-1.8	-7.3	-5.5	-15.7	-6.4	-1.0	1.5	-1.5	-1.0	-1.1	-3.3	1.5	5.2	14.5
Sales of new heavy commercial vehicles	y.x/3-mma	0.1	12.9	9.3	26.0	52.0	-31.9	2.7	27.5	-31.9	-17.6	-5.2	2.7	-31.1	-21.8
External demand															
External demand indicator in value	s.a./y.x/3-mma	10.4	10.5	14.4	12.2	9.0	6.9	5.0	7.7	6.9	5.5	5.8	5.0	-	-
External order books	balance/3-mma	-23.7	-14.4	-19.3	-14.0	-13.7	-10.7	-7.0	-11.7	-10.7	-9.7	-10.3	-7.0	-6.7	-4.0
Forecasted evolution of exports	balance	-4.8	-0.2	-0.7	-1.7	0.0	1.7	5.3	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Exports of merchandises in value	y.x/3-mma	2.8	12.4	11.5	12.3	13.1	12.6	10.7	12.0	12.6	12.6	12.1	10.7	9.6	-
Imports of merchandises in value	y.x/3-mma	5.5	8.0	10.9	7.0	8.6	5.7	1.3	5.9	5.7	5.5	3.6	1.3	0.4	-
Labour market															
Unemployment rate	%	7.6	7.7	7.7	7.3	7.4	8.2	8.4	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Unemployed registration along the month	s.a./y.x/3-mma	4.1	1.2	3.9	-0.6	-1.1	2.9	-5.6	2.1	2.9	-1.0	-2.6	-5.6	-5.3	-
Unemployment expectations	balance/3-mma	49.0	43.8	50.6	45.2	40.0	39.3	40.5	39.3	39.3	38.4	38.0	40.5	41.4	40.9
Vacancies along the month	s.a./y.x/3-mma	5.3	3.6	4.4	3.8	7.2	-0.9	15.9	7.0	-0.9	3.1	7.8	15.9	11.5	-
Employment indicator (short-term statistics)	y.x/3-mma	-2.2	-1.9	-2.0	-1.8	-1.8	-1.9	-1.1	-1.8	-1.9	-1.7	-1.5	-1.1	-0.9	-
Wage negotiation	a.v./3-mma/w.	2.7	2.8	2.8	3.1	2.6	2.6	2.5	2.7	2.6	2.6	2.7	2.5	2.7	2.8
Prices and exchange rates															
Consumer price index	y.x.	2.3	3.1	3.2	3.7	3.0	2.5	2.4	2.4	2.5	2.6	2.4	2.3	2.7	2.4
Core inflation indicator	y.x.	1.5	2.0	2.0	1.9	2.0	1.9	1.7	1.8	1.9	1.7	1.6	1.7	2.0	2.0
Consumer price index - goods	y.x.	1.9	3.2	3.2	4.0	3.2	2.5	2.3	2.3	2.5	2.6	2.2	2.3	2.6	2.1
Consumer price index - services	y.x.	3.0	2.9	3.1	3.1	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.4	3.0	3.0
Manufacturing industry production price index	y.x/3-mma	3.5	4.6	5.0	5.6	4.9	2.8	1.5	3.2	2.8	2.8	2.3	1.5	1.5	1.4
Expectations of prices in manufacturing industry	bal./s.a./3-mma	1.3	6.2	8.3	6.7	2.7	5.7	5.0	4.3	5.7	6.7	6.0	5.0	4.0	3.0
Exchange rate euro/USD	y.x.	0.1	0.9	-8.3	0.0	4.5	8.5	9.0	9.3	11.4	7.4	9.5	10.2	10.1	5.8
Exchange rate euro/JPY	y.x.	1.8	6.6	2.6	0.0	9.2	8.9	11.3	8.3	10.1	12.0	12.0	10.1	11.9	14.4