

21<sup>st</sup> December, 2009

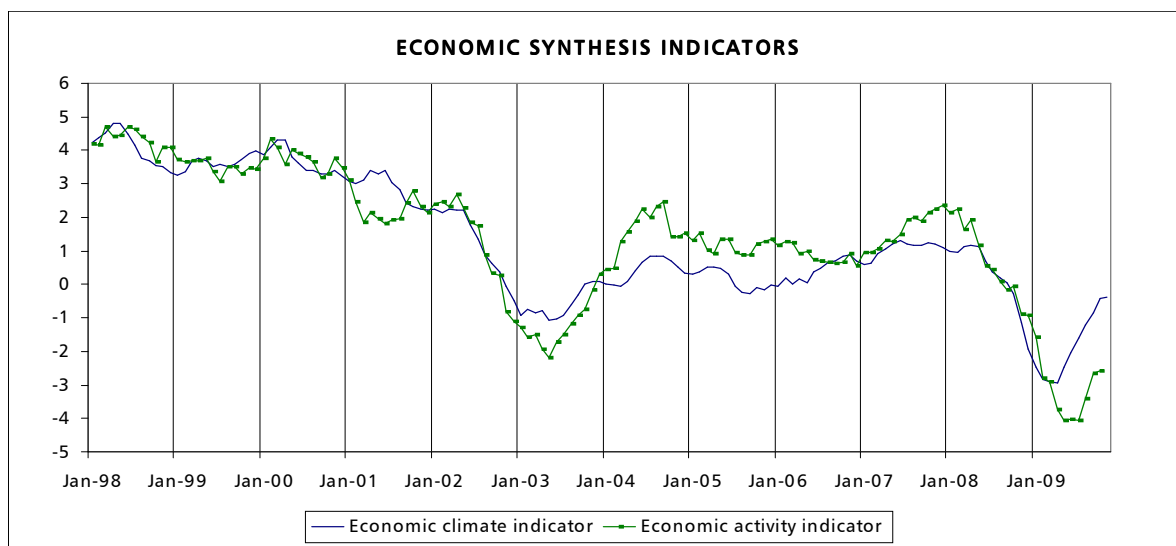
## Monthly Economic Survey November 2009

### Economic activity stabilizes in October. Nominal imports and exports of goods continue to present strong negative year-on-year change rates.

In November, the economic sentiment and the consumer confidence indicators maintained the upward movement observed in the previous months in the Euro Area (EA) and in the European Union (EU27).

In Portugal, the economic climate indicator, available until November, stabilized, suspending the strong upward movement started in May, after recording the lowest value of the series in April. The economic activity indicator remained stable in October, interrupting the upward path observed in the two previous months. The private consumption indicator presented a slight increase, due to the less negative contribution of the durable consumption component, while the non-durable consumption component stabilized. In the same month, the GFCF indicator decreased more intensely, suspending the upward movement started in April, due to the more negative behaviour of the construction component. Concerning the external trade of goods, imports and exports recorded less negative year-on-year nominal change rates in October, although still significant, respectively -17.4% and -14.3% (-19.6% and -17.6% in September).

In November, the year-on-year change rate of the Consumer Price Index was -0.6%, 0.9 p.p less negative than in October. The core inflation index stabilized in -0.4% (the minimum change rate of the series started in 1998). The CPI evolution reflected the less negative year-on-year change rate of the goods component, which shifted from -3.1% in October to -1.7% in November, while the variation of the services component remained unchanged (1.2% in October and November). The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP diminished 0.2 p.p. in November relatively to the previous month, to 1.3 p.p..



**Report based on information available up to December 18, 2009.**  
**Next report will be released on January 20, 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 2007	Year 2008	Quarter 3 2008	Quarter 4 2008	Quarter 1 2009	Quarter 2 2009	Quarter 3 2009	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
<b>International background</b>															
GDP of customer countries	s.a/y.r.	2.9	0.7	0.4	-1.6	-4.2	-4.5	-3.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP European Union	s.a/y.r.	2.9	0.9	0.6	-1.8	-4.9	-5.0	-4.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP Euro Area	s.a/y.r.	2.7	0.7	0.4	-1.8	-5.0	-4.8	-4.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Industrial production index of customer countries	s.a/y.r./3-mma	2.8	-3.6	-4.0	-11.1	-18.2	-17.2	-13.8	-18.4	-17.2	-15.9	-14.9	-13.8	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	111.2	90.7	88.7	73.1	61.5	67.7	79.5	67.9	71.1	75.0	81.0	82.6	86.0	87.9
Economic Sentiment Indicator in EA	ind/s.a.-3mma	108.9	91.2	89.9	75.6	65.7	70.2	79.9	70.2	73.2	76.0	80.8	82.8	86.1	88.8
Order books in industry of customer countries	balance/s.a.-3mma	3.4	-17.2	-18.8	-39.6	-53.4	-56.3	-52.9	-56.7	-56.3	-56.3	-55.1	-52.9	-49.7	-48.3
Consumer confidence indicator in EU	balance/s.a.-3mma	-4.2	-17.4	-19.3	-26.3	-31.4	-25.5	-19.2	-28.5	-25.5	-23.2	-21.2	-19.2	-17.3	-15.7
Unemployment rate in EU	s.a/%	7.1	7.0	7.0	7.5	8.2	8.8	9.1	8.8	8.9	9.0	9.1	9.2	9.3	-
Harmonised index of consumer prices in EA	y.r.	2.1	3.3	3.8	2.3	1.0	0.2	-0.4	0.0	-0.1	-0.7	-0.2	-0.3	-0.1	0.5
Production price index of supplying countries	y.r./3-mma	3.3	5.6	7.8	1.1	-4.1	-6.7	-7.3	-6.0	-6.7	-7.5	-7.5	-7.3	-6.2	-
Crude oil price (Brent)	Euros	52.6	64.9	75.8	41.5	34.1	43.0	47.7	42.0	49.0	45.7	50.8	46.5	49.1	51.4
Crude oil price (Brent)	y.r.	1.4	23.4	39.1	-32.0	-47.2	-44.7	-37.1	-46.8	-42.5	-45.6	-32.8	-31.3	-8.6	24.8
<b>Economic activity</b>															
GDP	y.r.	1.9	0.0	0.4	-1.9	-4.0	-3.7	-2.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Economic climate indicator	balance/3-mma	1.1	0.0	0.1	-1.9	-2.9	-2.0	-0.8	-2.5	-2.0	-1.6	-1.2	-0.8	-0.4	-0.4
Economic activity indicator	3-mma	1.7	0.3	-0.2	-0.9	-2.9	-4.0	-2.6	-4.1	-4.0	-4.1	-3.4	-2.6	-2.6	-
Total turnover index	y.r./3-mma	4.0	1.0	3.8	-6.7	-15.6	-15.9	-12.0	-15.4	-15.9	-15.4	-13.2	-12.0	-10.3	-
Manufacturing industry production index	s.a/y.r./3-mma	1.1	-4.0	-3.6	-8.3	-16.1	-11.8	-7.2	-11.5	-11.8	-10.7	-9.0	-7.2	-5.8	-
Production index in construction	s.a/y.r./3-mma	-3.8	-1.4	-1.0	-2.4	-4.1	-3.4	-5.0	-2.0	-3.4	-4.3	-4.6	-5.0	-6.4	-
Retail trade turnover index (real)	y.r./3-mma	0.3	0.2	0.3	-1.7	-4.6	-1.2	-1.2	-3.4	-1.2	-1.5	-0.8	-1.2	-1.4	-
Sales of passenger vehicles	y.r./3-mma	3.7	5.6	0.3	9.4	-42.4	-30.1	-16.6	-36.7	-30.1	-25.6	-20.3	-16.6	-7.4	-2.3
<b>Consumption</b>															
Consumer confidence indicator	balance/3-mma	-29.2	-38.4	-36.5	-42.7	-51.0	-43.5	-29.5	-46.2	-43.5	-39.3	-34.3	-29.5	-27.0	-27.4
Quantitative indicator of private consumption	y.r./3-mma	2.2	1.7	2.4	1.2	-1.7	-0.5	-0.1	-1.1	-0.5	-0.3	-0.1	-0.1	0.4	-
Indicator of non-durable consumer goods	y.r./3-mma	1.8	1.8	2.2	1.7	1.1	1.8	1.3	1.4	1.8	1.7	1.6	1.3	1.3	-
Indicator of durable consumer goods	y.r./3-mma	5.4	0.4	3.3	-2.0	-22.2	-17.4	-10.6	-19.4	-17.4	-15.3	-12.6	-10.6	-6.6	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	5.6	-0.7	4.7	4.3	-35.2	-30.5	-22.2	-33.0	-30.5	-26.8	-24.6	-22.2	-14.9	-
<b>Investment</b>															
GFCF indicator		4.2	-3.5	-3.6	-8.0	-17.9	-16.1	-10.0	-16.2	-16.1	-14.7	-12.2	-10.0	-10.4	-
Cement sales	y.r./3-mma	2.1	-7.9	-6.3	-14.5	-14.0	-12.1	-10.4	-8.8	-12.1	-12.2	-9.2	-10.4	-	-
Sales of steel for concrete	y.r./3-mma	-6.5	-16.2	-33.7	-18.0	-29.7	-27.0	26.2	-22.3	-27.0	-29.1	-3.9	26.2	-	-
Credit for purchase of habitation	y.r./stocks	9.8	3.9	5.6	3.9	2.4	1.5	3.1	1.6	1.5	1.3	1.2	3.1	-	-
Licenses for construction of new habitations	y.r./3-mma	-8.6	-21.3	-24.9	-33.3	-40.6	-32.6	-25.0	-32.4	-32.6	-28.7	-25.9	-25.0	-25.4	-
Machinery and equipment indicator		6.2	3.3	3.4	0.3	-3.7	-3.4	-0.8	-3.1	-3.4	-3.4	-2.7	-0.8	0.5	1.0
Sales of light commercial vehicles	y.r./3-mma	6.3	-19.1	5.9	-10.4	-40.5	-36.6	-25.2	-37.6	-36.6	-37.2	-32.0	-25.2	-18.9	-15.0
Sales of new heavy commercial vehicles	y.r./3-mma	6.2	-1.7	-3.2	-24.4	-38.3	-48.3	-26.2	-46.2	-48.3	-39.0	-42.7	-26.2	-35.3	-39.2
<b>External demand</b>															
External demand indicator in value	s.a/y.r./3-mma	6.4	1.6	2.9	-9.8	-25.1	-28.4	-22.8	-27.1	-28.4	-27.9	-26.2	-22.8	-	-
External order books	balance/3-mma	-3.6	-23.1	-16.7	-53.0	-66.0	-66.0	-47.7	-66.0	-66.0	-62.0	-56.3	-47.7	-36.3	-33.0
Exports of merchandises in value	y.r./3-mma	8.9	1.0	5.3	-11.1	-26.0	-24.1	-17.6	-24.1	-24.1	-21.8	-19.6	-17.6	-14.3	-
Imports of merchandises in value	y.r./3-mma	7.4	7.2	11.3	-6.4	-22.6	-25.6	-19.6	-24.9	-25.6	-22.9	-20.7	-19.6	-17.4	-
<b>Labour market</b>															
Unemployment rate	%	8.0	7.6	7.7	7.8	8.9	9.1	9.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.2	0.5	-0.1	-0.2	-1.8	-2.9	-3.4	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	-6.7	11.1	11.7	27.0	35.2	26.2	16.2	32.0	26.2	21.3	18.8	16.2	8.9	-
Unemployment expectations	balance/3-mma	43.2	50.6	45.5	61.1	79.8	70.0	52.5	73.8	70.0	64.1	57.7	52.5	50.3	51.4
Vacancies along the month	s.a/y.r./3-mma	13.5	5.8	11.4	12.8	-15.2	7.7	3.9	-1.4	7.7	13.4	8.2	3.9	-1.5	-
Employment indicator (short-term statistics)	y.r./3-mma	-1.1	0.0	0.0	-0.8	-3.1	-4.2	-4.2	-4.0	-4.2	-4.2	-4.2	-4.2	-4.3	-
Average declared wages	s.a/y.r./3-mma	3.5	4.0	4.0	4.2	3.6	4.0	3.2	3.6	4.0	3.8	3.7	3.2	3.2	-
Wage negotiation	a.v./3-mmaq.w.	2.9	3.1	3.0	3.3	2.6	3.9	2.5	2.7	3.9	3.8	3.7	2.5	2.4	-
<b>Prices and exchange rates</b>															
Consumer price index	y.r.	2.5	2.6	3.0	1.5	0.0	-1.1	-1.5	-1.2	-1.6	-1.5	-1.3	-1.6	-1.5	-0.6
Core inflation indicator	y.r.	2.2	2.4	2.4	2.2	1.4	0.6	0.2	0.5	0.3	0.5	0.2	-0.2	-0.4	-0.4
Consumer price index - goods	y.r.	2.2	2.3	3.2	0.7	-1.1	-2.8	-3.5	-2.9	-3.6	-3.7	-3.3	-3.5	-3.1	-1.7
Consumer price index - services	y.r.	2.9	3.0	2.8	3.0	1.8	1.9	1.8	1.8	1.9	2.1	1.9	1.4	1.2	1.2
Manufacturing industry production price index	y.r./3-mma	2.7	4.7	7.1	-0.1	-4.6	-7.0	-7.9	-6.4	-7.0	-8.0	-8.1	-7.9	-6.9	-5.3
Effective exchange rate index for Portugal	y.r.	0.8	1.2	1.4	0.1	0.4	0.0	0.3	0.0	0.0	-0.1	0.3	0.9	2.0	-
Exchange rate eur/USD	y.r.	9.1	6.9	9.3	-9.2	-13.1	-12.9	-4.7	-12.3	-9.9	-10.7	-4.7	1.3	11.2	17.1
Exchange rate USD/euro	USD	1.371	1.471	1.504	1.317	1.302	1.362	1.431	1.365	1.402	1.409	1.427	1.456	1.482	1.491
Exchange rate eur/JPY	y.r.	10.4	-6.6	-0.2	-22.9	-22.8	-18.9	-17.1	-18.8	-18.6	-21.0	-17.3	-13.1	0.3	7.9