

19<sup>th</sup> May, 2010

## Monthly Economic Survey

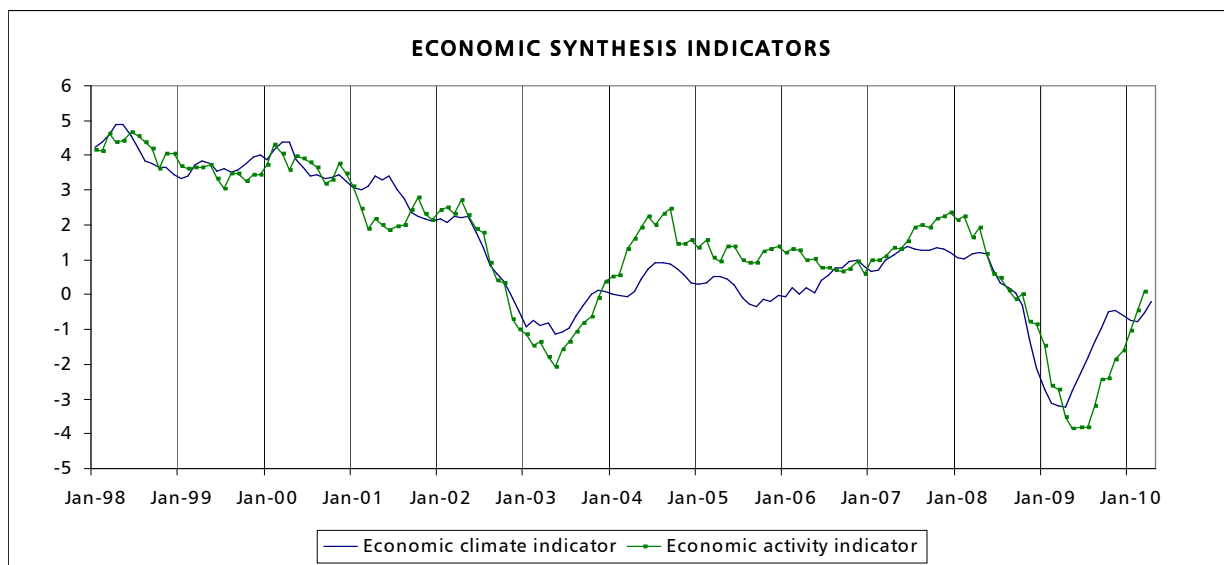
### April 2010

#### The private consumption indicator accelerated and the investment indicator recovered in March. The economic climate continued to improve in April

Accordingly with the flash estimates compiled by the EUROSTAT, in the 1<sup>st</sup> quarter of 2010, the Euro Area (EA) and the European Union (EU27) GDP registered year-on-year change rates of 0.5% and 0.3% (-2.2% and -2.3% in the previous quarter). In April, the economic sentiment and the consumer confidence indicators maintained the upward movements in the EA and in the EU27. In the same month, the raw materials prices recorded strong year-on-year growths, as well as the oil prices. In Portugal, accordingly with the flash estimate, the GDP recorded a year-on-year change rate of 1.7% in the 1<sup>st</sup> quarter of 2010, 2.8 p.p. higher than in the previous quarter, reflecting the positive contributions of both the domestic demand and the net external demand. In the 1<sup>st</sup> quarter, the economic activity indicator intensified the upward movement observed in the two previous quarters. The private consumption indicator increased significantly in the 1<sup>st</sup> quarter of 2010, led by the positive contribution of both components, durable and non-durable consumption, stronger in the first case. In the same quarter, the GFCF indicator recovered, mainly due to the positive contribution of the transport material component. Concerning the international trade of goods, in the 1<sup>st</sup> quarter of 2010 imports and exports recorded positive year-on-year nominal change rates for the first time since the 3<sup>rd</sup> quarter of 2008, with exports increasing 14.6% in the 1<sup>st</sup> quarter 2010 (-3.3% in the 4<sup>th</sup> quarter of 2009) while imports presented a change rate of 7.6% (-6.5% in the previous quarter). The economic climate indicator recovered in the last four quarters, although slightly in the 1<sup>st</sup> quarter 2010, and increased again in April. However, the increase observed in the 1<sup>st</sup> quarter of 2010 in the majority of the analysed indicators was partly due to the effect of the strong reduction of the economic activity recorded in the same quarter of 2009.

In the 1<sup>st</sup> quarter of 2010, the unemployment rate reached 10.6%, 1.7 p.p. more than in the same quarter of 2009 and 0.5 p.p. more than in the previous quarter, attaining a new maximum for the series started in 1998. Employment shifted from a -3.0% year-on-year change rate in the 4<sup>th</sup> quarter of 2009 to -1.8%.

In April, the year-on-year change rate of the Consumer Price Index (CPI) was 0.7%, 0.2 p.p. higher than the observed in the previous month. Excluding energy and unprocessed food products, the year-on-year change was -0.5% (-0.4% in March). In April the prices in the goods component accelerated 0.3 p.p. recording a growth rate of 0.8%, while the prices in the services component decelerated 0.1 p.p. to 0.6%. The differential between the EA Harmonized Index of Consumer Prices (HICP) and the Portuguese HICP stabilized in April, at -0.8 p.p..





Report based on information available up to May 18, 2010.  
Next report will be released on June 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 1 2009	Quarter 2 2009	Quarter 3 2009	Quarter 4 2009	Quarter 1 2010	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10
<b>International background</b>															
GDP of customer countries	s.a/y.r.	0.7	-3.7	-4.3	-4.5	-3.8	-2.1	0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP European Union	s.a/y.r.	0.8	-4.2	-5.0	-5.0	-4.3	-2.3	0.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
GDP Euro Area	s.a/y.r.	0.6	-4.1	-5.0	-4.9	-4.1	-2.2	0.5	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	-3.6	-14.2	-18.4	-17.3	-13.7	-6.4	-	-11.8	-9.4	-6.4	-3.1	-0.4	-	-
Economic Sentiment Indicator in EU	ind/s.a.-3mma	93.5	79.9	68.8	74.2	84.3	92.2	98.2	87.5	89.5	92.2	94.6	96.6	98.2	99.8
Economic Sentiment Indicator in EA	ind/s.a.-3mma	93.5	80.8	71.5	75.6	84.1	91.9	96.6	87.0	89.4	91.9	94.0	95.3	96.6	98.1
Order books in industry of customer countries	balance/s.a.-3mma	-17.2	-52.2	-53.4	-56.3	-52.9	-46.1	-38.4	-49.7	-48.0	-46.1	-44.1	-41.3	-38.4	-35.1
Consumer confidence indicator in EU	balance/s.a.-3mma	-17.5	-22.8	-31.4	-25.6	-19.3	-14.9	-13.5	-17.4	-15.7	-14.9	-14.2	-13.6	-13.5	-13.2
Unemployment rate in EU	s.a/%	7.0	8.9	8.2	8.8	9.2	9.4	9.6	9.4	9.4	9.4	9.5	9.6	9.6	-
Harmonised index of consumer prices in EA	y.r.	3.3	0.3	1.0	0.2	-0.4	0.4	1.1	-0.1	0.5	0.9	1.0	0.9	1.4	1.5
Production price index of supplying countries	y.r./3-mma	5.6	-5.1	-4.1	-6.7	-7.2	-2.5	2.2	-6.2	-4.7	-2.5	-0.3	1.1	2.2	-
Crude oil price (Brent)	Euros	64.9	43.8	34.1	43.0	47.7	50.5	55.1	49.1	51.4	51.0	53.4	53.9	58.1	63.3
Crude oil price (Brent)	y.r.	23.4	-32.5	-47.2	-44.7	-37.1	21.5	61.5	-8.6	24.8	71.5	62.7	59.0	62.9	66.3
<b>Economic activity</b>															
GDP	y.r.	0.0	-2.7	-3.7	-3.4	-2.5	-1.1	1.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Economic climate indicator	balance/3-mma	-0.1	-1.8	-3.2	-2.3	-1.0	-0.6	-0.5	-0.5	-0.4	-0.6	-0.7	-0.8	-0.5	-0.2
Economic activity indicator	3-mma	0.3	-2.6	-2.7	-3.8	-2.5	-1.6	0.1	-2.4	-1.9	-1.6	-1.0	-0.4	0.1	-
Total turnover index	y.r./3-mma	1.0	-12.6	-15.6	-16.2	-12.4	-6.1	3.9	-10.9	-9.3	-6.1	-2.2	0.8	3.9	-
Manufacturing industry production index	s.a/y.r./3-mma	-4.0	-9.9	-15.8	-11.9	-7.2	-3.9	4.6	-5.9	-5.6	-3.9	-2.0	1.6	4.6	-
Production index in construction	s.a/y.r./3-mma	-1.3	-6.6	-5.4	-5.7	-6.3	-9.2	-8.0	-8.2	-8.7	-9.2	-7.9	-8.7	-8.0	-
Retail trade turnover index (real)	y.r./3-mma	0.2	-1.9	-4.5	-1.6	-2.1	0.2	0.6	-2.3	-1.8	0.2	0.7	1.6	0.6	-
Sales of passenger vehicles	y.r./3-mma	5.6	-24.5	-42.4	-30.1	-16.6	-6.1	69.5	-7.4	-2.3	-6.1	4.3	17.8	69.5	58.8
<b>Consumption</b>															
Consumer confidence indicator	balance/3-mma	-38.4	-38.5	-51.0	-43.5	-29.5	-30.0	-35.4	-27.0	-27.4	-30.0	-32.3	-34.4	-35.4	-36.7
Quantitative indicator of private consumption	y.r./3-mma	1.6	0.1	-1.3	-0.2	0.2	1.7	4.1	0.7	1.2	1.7	2.3	2.8	4.1	-
Indicator of non-durable consumer goods	y.r./3-mma	1.8	1.9	1.4	2.0	1.7	2.4	2.5	1.6	1.9	2.4	2.4	2.6	2.5	-
Indicator of durable consumer goods	y.r./3-mma	0.5	-12.8	-21.0	-16.7	-10.3	-3.4	17.0	-6.6	-3.7	-3.4	0.7	4.3	17.0	-
Vol. ind. consumption of passenger vehicles	y.r./3-mma	-0.7	-25.4	-35.2	-30.5	-22.3	-12.7	39.3	-14.9	-8.8	-12.7	-5.1	3.3	39.3	-
<b>Investment</b>															
GFCF indicator		-3.4	-13.4	-17.0	-15.4	-9.6	-11.4	1.9	-10.1	-9.8	-11.4	-9.4	-7.5	1.9	-
Cement sales	y.r./3-mma	-7.9	-12.8	-13.5	-12.1	-10.5	-15.2	-	-13.3	-12.9	-15.2	-12.4	-14.4	-	-
Sales of steel for concrete	y.r./3-mma	-16.2	-12.6	-29.8	-27.0	27.1	-3.4	-	34.4	6.3	-3.4	1.2	6.1	-	-
Credit for purchase of habitation	y.r./stocks	3.9	5.1	2.4	1.5	3.1	5.1	-	3.1	3.2	5.1	5.4	5.4	-	-
Licenses for construction of new habitations	y.r./3-mma	-21.3	-28.4	-39.2	-31.3	-23.7	-13.7	-9.0	-23.7	-20.4	-13.7	-8.7	-7.9	-9.0	-
Machinery and equipment indicator		2.5	-3.4	-5.7	-5.4	-2.3	-0.3	-2.7	-0.7	-0.1	-0.3	-1.1	-1.6	-2.7	-3.0
Sales of light commercial vehicles	y.r./3-mma	-19.1	-29.8	-40.5	-36.6	-25.2	-16.9	19.4	-18.9	-15.0	-16.9	-8.4	-1.7	19.4	18.2
Sales of new heavy commercial vehicles	y.r./3-mma	-1.7	-40.7	-38.3	-48.3	-26.2	-50.4	-36.0	-35.3	-39.2	-50.4	-48.5	-40.9	-36.0	-21.6
<b>External demand</b>															
External demand indicator in value	s.a/y.r./3-mma	2.2	-22.6	-25.8	-28.0	-23.6	-11.9	-	-21.3	-17.2	-11.9	-3.0	3.8	-	-
External order books	balance/3-mma	-23.1	-53.3	-66.0	-66.0	-47.7	-33.3	-27.3	-36.3	-33.0	-33.3	-32.3	-29.3	-27.3	-25.7
Exports of merchandises in value	y.r./3-mma	1.0	-18.1	-25.9	-23.7	-17.1	-3.3	14.6	-13.5	-9.1	-3.3	2.5	7.6	14.6	-
Imports of merchandises in value	y.r./3-mma	7.2	-18.1	-22.2	-24.9	-17.8	-6.5	7.6	-15.5	-9.8	-6.5	-1.7	2.8	7.6	-
<b>Labour market</b>															
Unemployment rate	%	7.6	9.5	8.9	9.1	9.8	10.1	10.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Employment	y.r.	0.5	-2.8	-1.8	-2.9	-3.4	-3.0	-1.8	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	35.2	26.2	16.2	0.4	-3.2	8.9	4.1	0.4	-0.3	-3.9	-3.2	-
Unemployment expectations	balance/3-mma	50.6	64.1	79.8	70.0	52.5	54.3	56.0	50.3	51.4	54.3	56.1	56.7	56.0	55.4
Vacancies along the month	s.a/y.r./3-mma	5.8	-3.3	-15.2	7.7	3.9	-8.7	17.2	-1.5	-3.4	-8.7	-3.2	5.4	17.2	-
Employment indicator (short-term statistics)	y.r./3-mma	0.0	-4.3	-3.4	-4.6	-4.6	-4.5	-3.1	-4.7	-4.7	-4.5	-4.1	-3.7	-3.1	-
Average declared wages	s.a/y.r./3-mma	4.0	3.5	3.7	4.0	3.3	3.3	2.7	3.4	3.5	3.3	3.1	2.8	2.7	-
Wage negotiation	av/3-mmaq.w.	3.1	2.9	2.6	3.9	2.5	2.5	-	2.4	2.3	2.5	2.3	2.1	-	-
<b>Prices and exchange rates</b>															
Consumer price index	y.r.	2.6	-0.8	0.0	-1.1	-1.5	-0.7	0.3	-1.5	-0.6	-0.1	0.1	0.2	0.5	0.7
Core inflation indicator	y.r.	2.4	0.4	1.4	0.6	0.2	-0.3	-0.5	-0.4	-0.4	-0.2	-0.6	-0.4	-0.4	-0.5
Consumer price index - goods	y.r.	2.3	-2.3	-1.1	-2.8	-3.5	-1.9	-0.1	-3.1	-1.7	-0.9	-0.4	-0.3	0.5	0.8
Consumer price index - services	y.r.	3.0	1.7	1.8	1.9	1.8	1.2	0.9	1.2	1.2	1.3	1.0	0.7	0.6	-
Manufacturing industry production price index	y.r./3-mma	4.7	-5.6	-4.6	-7.0	-7.9	-2.9	2.0	-6.9	-5.3	-2.9	-0.5	1.1	2.0	3.0
Effective exchange rate index for Portugal	y.r.	1.2	0.5	0.4	0.0	0.3	1.4	-0.3	2.0	1.9	0.4	0.0	-0.1	-0.8	-
Exchange rate eur/USD	y.r.	6.9	-5.0	-13.1	-12.9	-4.7	12.3	6.2	11.2	17.1	8.7	7.8	7.0	4.0	1.6
Exchange rate USD/Euro	USD	1.471	1.393	1.302	1.362	1.431	1.478	1.384	1.482	1.491	1.461	1.427	1.369	1.357	1.341
Exchange rate eur/JPY	y.r.	-6.6	-13.6	-22.8	-18.9	-17.1	5.1	3.1	0.3	7.9	7.1	8.9	4.4	-3.6	-3.8