



**BANCO DE PORTUGAL**  
EUROSYSTEM

## COINCIDENT INDICATORS

### 21 August 2020

#### Methodological note:

Coincident indicators aim to capture the underlying developments in their respective macroeconomic aggregate, thus they do not reflect at each moment the year-on-year growth rate of the respective National Accounts aggregate. In the current situation, given the sudden and significant changes in the series used in the calculation of the coincident indicators, stronger than usual monthly revisions of these indicators are expected. In addition, the smooth profile underlying the methodology used to compute the indicators may imply monthly revisions whose sign differs over time.

### In July, the coincident indicators for economic activity and for private consumption decreased again

In July, both the monthly coincident indicator for economic activity and the monthly coincident indicator for private consumption decreased again, reaching new historical lows (Charts 1 and 2 and Table 1).

**Chart 1 •** Monthly coincident indicator for economic activity

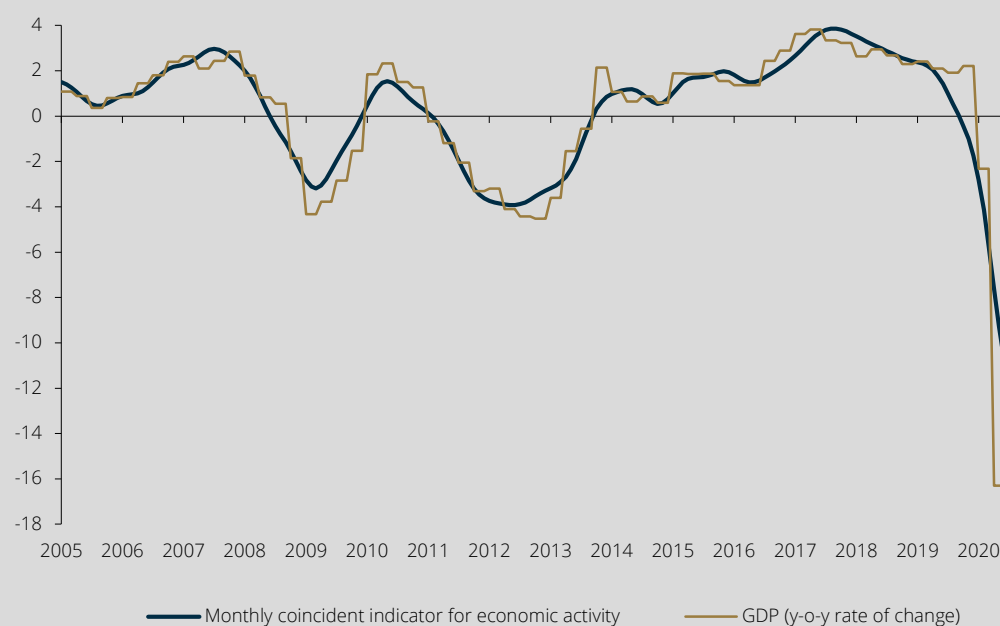


Chart 2 • Monthly coincident indicator for private consumption

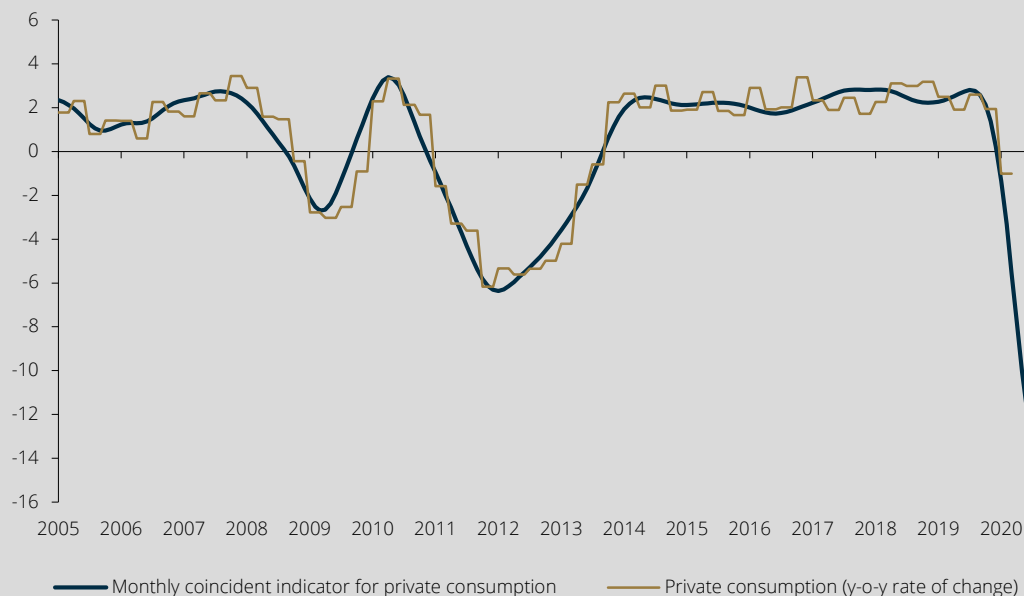


Table 1 • Coincident indicators

	2019	2020 a.r.	Three-month period ended in										
			2020					2019		2020			
			Mar	Apr	May	Jun	Jul	m-12	Mar	Apr	May	Jun	Jul
Economic activity indicator	0.9	-7.5	-4.2	-5.8	-7.5	-9.2	-10.7	1.0	-5.8	-7.6	-9.3	-10.8	-11.9
Private consumption indicator	2.2	-7.6	-3.4	-5.6	-7.8	-10.0	-11.8	2.8	-5.5	-7.8	-10.1	-12.0	-13.5

Note: The figures refer to year-on-year rate of change, whereas the column "a.r." corresponds to the average rate of change of the indicator since the beginning of the year. Column m-12 refers to the month one year before the last one available.

In Charts 1 and 2, the pattern of the monthly coincident indicators calculated by Banco de Portugal is presented, as well as the year-on-year growth rate of the corresponding Quarterly National Accounts aggregate released by INE. In the charts, given the quarterly frequency of GDP and Private Consumption, the quarterly rate of change is displayed for all months of a given quarter.

It should also be noted that the coincident indicators are composite indicators that aim at capturing the underlying pattern of the year-on-year rate of change of the corresponding macroeconomic aggregate. Therefore, they present a smoother behavior and do not aim to pinpoint at each moment in time the year-on-year rate of change of the corresponding Quarterly National Accounts aggregate. It should be noted that the values of the coincident indicators, as well as their turning points, can be revised backwards due to revisions in the statistical series used to calculate them as well as due to the release of new information.

The methodological presentation of the coincident indicators can be found in ["A new coincident indicator for the Portuguese economy", Economic Bulletin June 2004](#) and ["A new coincident indicator for the Portuguese private consumption", Economic Bulletin Autumn 2005](#). For the analysis of the past behavior of the coincident indicators see ["Revisiting the monthly coincident indicators of Banco de Portugal", Banco de Portugal Economic Studies, 2015, vol. I no. 1](#). The historical series can be downloaded [here](#).

Next release: 18 September 2020.