



1. Output

Real GDP in the euro area continued growing in the fourth quarter of 2014 driven by stronger domestic demand. According to Eurostat's second estimate, it increased by 0.3% quarter-on-quarter (q-o-q). As compared to 2013-Q4, real GDP was 0.9% higher. For 2014 as a whole, GDP grew by 0.9%. According to the **Commission's spring 2015 forecast**, released on 5 May, euro-area GDP is expected to increase by 1.5% and 1.9% in 2015 and 2016 respectively, on the back of strengthened private consumption, very accommodative monetary policy, low oil prices, and a low euro.

In April, the **Commission's Economic Sentiment Indicator** remained broadly unchanged at 103.7 (-0.2 pts. compared to March) after three consecutive months of improved readings. The stabilisation of euro-area sentiment resulted from increasing confidence in the services sector being offset by opposite developments in the construction sector and among consumers. Industry and retail trade, by contrast, signalled no major changes compared to the last month. With managers sending mixed signals, industry confidence remained broadly flat (-0.3 pts.). While the appraisals of the current level of overall order books brightened and the assessment of the stocks of finished products was fairly unchanged, production expectations deteriorated markedly.

The **PMI Composite Output Index** in April posted 53.9, little-changed from 54.0 in March. Economic activity continued to expand in both the manufacturing (52.0, from 52.2 in March) and service sectors (54.1, from 54.2 in March), with rates of growth holding broadly stable in both cases. The pace of increase at service providers remained slightly ahead of that at manufacturers.

In February 2015, **industrial production** rose by 1.1% compared to January 2015. Production of non-durable consumer goods rose by 1.6%, energy by 1.1%, both capital goods and durable consumer goods by 1.0%, and intermediate goods by 0.3%.

2. Private consumption

In 2014-Q4, **private consumption** increased by 0.4% q-o-q (0.5% in 2014-Q3). With respect to the same period of the previous year, private consumption was up by 1.4% (1.1% in 2014-Q3). In April, **consumer confidence** eased (-0.9 pts.) as a consequence of faltering optimism, notably about the level of future unemployment and the future general economic situation. Consumers' expectations in respect of their financial situation and future savings remained largely unchanged.

In March 2015, the volume of **retail trade** fell by 0.8% (m-o-m). As compared to March 2014, retail trade volumes were 1.6% higher. In April, **confidence in the retail sector** remained unchanged, reflecting managers' positive judgments on the adequacy of the volume of stocks and the present business situation, but reduced optimism concerning business expectations.

3. Investment

In 2014-Q4, **gross fixed capital formation** increased by 0.4% q-o-q (0.0% in 2014-Q3). Compared to the same quarter of the previous year, investment increased by 0.3%.

The rate of **capacity utilisation** increased in the second quarter of 2015 (data collected in April) to 81.2%, which brings it around its long-term average of 81.1%.

4. Labour market

In March 2015, the seasonally-adjusted **unemployment rate** was stable at 11.3% compared with February 2015, and 0.4 pps. lower than in March 2014. Significant differences persist across Member States, with the lowest rates recorded in Germany (4.7%) and the highest in Greece (25.7% in January 2015) and Spain (23.0%). In March, **youth unemployment** (people aged 15-24) was 22.7% of the labour force of the same age (stable compared with February 2015).

In 2014-Q4, seasonally-adjusted **employment** increased by 0.1% (down from 0.2% in 2014-Q3). According to the Commission's survey results, in April **employment expectations** were revised downwards in construction and retail trade, while remaining broadly unchanged in industry and services.

5. International transactions

In February 2015, the **world trade volume** (goods) fell by 0.9% m-o-m, following a 1.6% decline in January. In April, views on **export order books in manufacturing** improved by 0.4 pts. (to -10.9), remaining above the long-term average of -18.9.

In February 2015, the seasonally adjusted **trade balance** was in surplus at €22.0 bn, compared with €15.3 bn in February 2014. The seasonally adjusted **current-account balance** also recorded a surplus (€26.4 bn). Surpluses were recorded for goods, services, and primary income (€26.2 bn, €4.4 bn, and €7.3 bn, respectively), whereas a deficit was registered for secondary income (€11.6 bn). The **financial account** recorded net inflows of €16.9 bn. Combined direct and portfolio investment recorded an increase of €79 billion in assets and of €66 billion in liabilities. Net inflows for

direct and portfolio investments amounted to €4.3 bn and €8.9 bn respectively.

6. Prices

In April 2015, annual **HICP inflation** is expected to be 0.0% according to Eurostat's flash estimate, up from -0.1% in March 2015. Looking at the main components of euro-area inflation, services (0.9%, compared with 1.0% in March) and food, alcohol & tobacco (0.9%, compared with 0.6% in March) are expected to have the highest annual rates in April, followed by non-energy industrial goods (0.1%, compared with 0.0% in March) and energy (-5.8%, compared with -6.0% in March).

In March, **core inflation** (all items excl. energy and unprocessed food) stood at 0.6% (0.7% in February).

The **Commission's spring 2015 forecast** projects HICP inflation at 0.1% in 2015 and at 1.5% in 2016. In April 2015, **consumer price expectations** continued on the upward trend observed since February. In March 2015, **industrial producer prices** went up by 0.2% (m-o-m). Compared with March 2014, industrial producer prices decreased by 2.3%.

Brent crude **oil prices** have declined sharply up to 28 January (47.7 USD/bbl.), mainly driven by supply factors. Since then, they have rebounded somewhat as market participants have taken stock of declines in US rig counts and relatively positive US economic data. On 7 May, Brent crude traded at 68.0 USD/bbl. (corresponding to 60.1 EUR/bbl.).

7. Monetary and financial indicators

Money market interest rates have declined further in an environment of excess liquidity. On 7 May, the 3-month EURIBOR was at the same rate as it was in April 2015 (0.0%).

At its meeting on 15 April, the ECB Governing Council kept **policy interest rates** on the main refinancing operations, on the marginal lending facility and the deposit facility unchanged (at 0.05%, 0.30% and -0.20% respectively).

Benchmark sovereign bond yields in the euro area reached new historic lows end-January against the background of a weak economic and inflation outlook and the announcement by further asset purchases by the ECB. In May however, they have been increasing as inflation expectations have recovered. On 7 May, the benchmark yield of ten-year sovereign bonds stood at 0.60%.

The April 2015 **Bank Lending Survey** confirmed a further net easing of credit standards on loans to

enterprises in the first quarter of 2015 (a net percentage of -9%, after -5% in the previous quarter), which was stronger than banks' expectations in the previous survey round. By contrast with the development for enterprises, there was a slight net tightening of credit standards on loans to households for house purchase (2%, from -4% in the previous quarter).

The annual rate of change of M3 increased to 4.6% in March 2015 (from 4.0% in February). The annual growth in loans to the private sector stood at 0.1% in March (up from -0.1% in February). In March, the annual growth in loans to households remained stable (0.0%, from -0.2% in February). The annual growth rate of loans to non-financial corporations stood at -0.6%, from -0.7% in February.

At its meeting on 29 April, the **FOMC** reaffirmed its view that the current 0 to 0.25 percent target range for the federal funds rate remains appropriate. In determining how long to maintain this target range, the Committee will assess progress - both realized and expected - toward its objectives of maximum employment and 2 percent inflation. On 6 May, the US 3-month Libor rate stood at 0.276%.

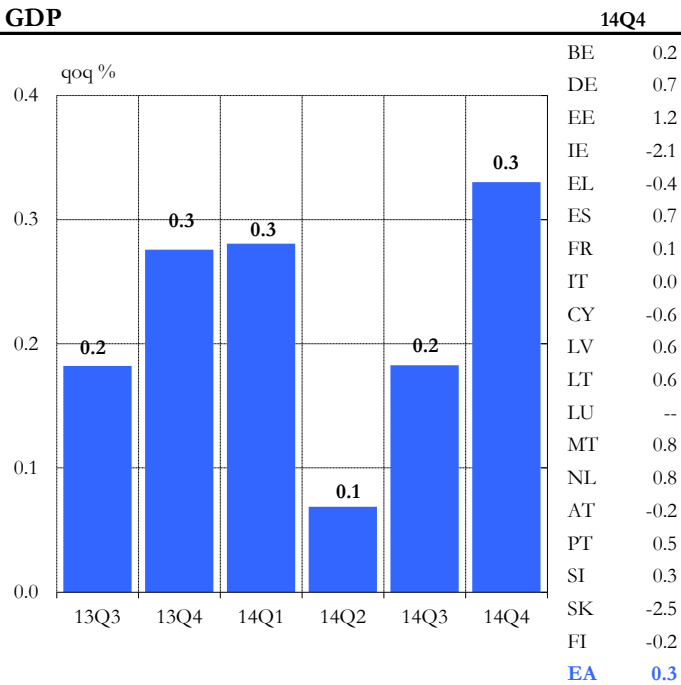
After its 2015 low of 1.06 in mid-April the **EUR/USD exchange rate** has started to increase again. On 7 May the EUR/USD exchange rate stood at 1.13. Factors at play are the market uncertainty, diverging monetary policy, and the impact of the ECB's quantitative easing. On 7 May, the JPY/EUR foreign exchange reference rate stood at 134.72.

Stock market indices in the US have stopped heading up since their all-time highs around the beginning of March of this year. On 7 May both S&P500 and Dow Jones stood around their level of 2 months ago (169.30 and 194.30 respectively). In Japan, the index has continued its upward trend since mid-January, reaching an all-time high at the end of April and has now somewhat stabilised. In Europe, low policy interest rates and the stronger pace of asset purchases by the ECB have supported the upward movement of the Euro-stoxx index until beginning of April, but in the last weeks the index has gone down a few points. Since mid-March, stock market indices have lost 2.7% in the euro area (as measured by the Euro-Stoxx 50 index), 2.0% in Japan (Nikkei 225 index), and 0.2% in the US (Dow Jones index).

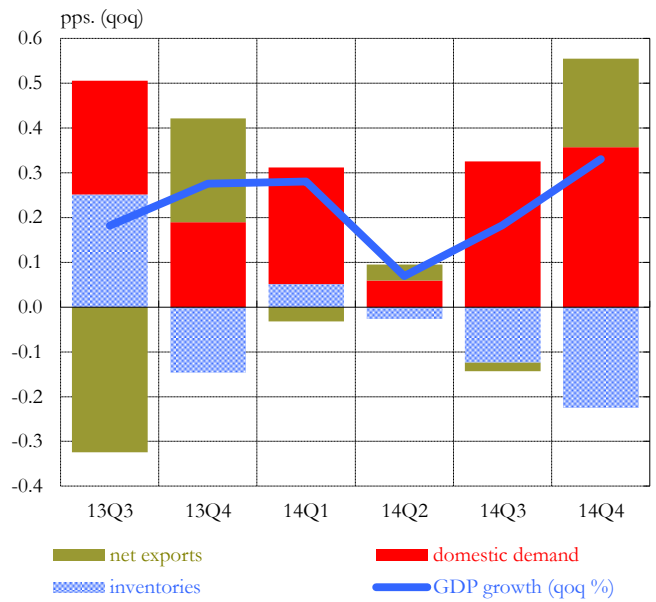


1. OUTPUT

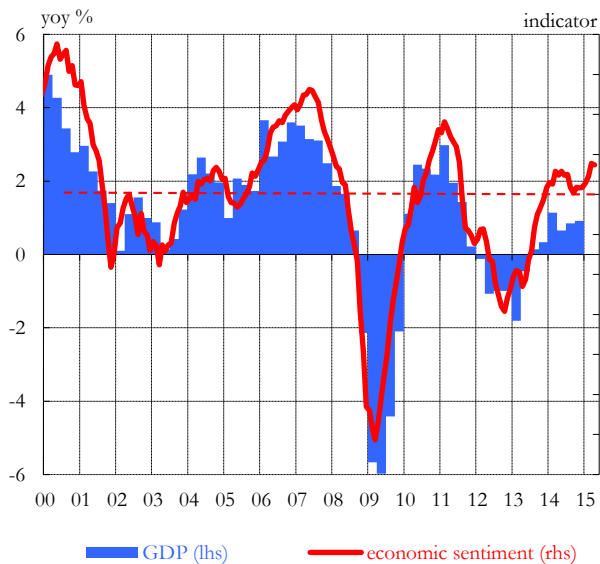
GDP



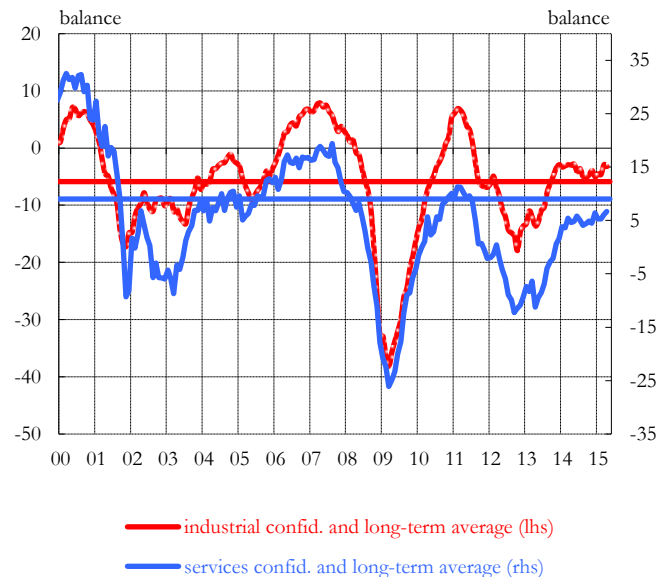
Contributions to GDP growth



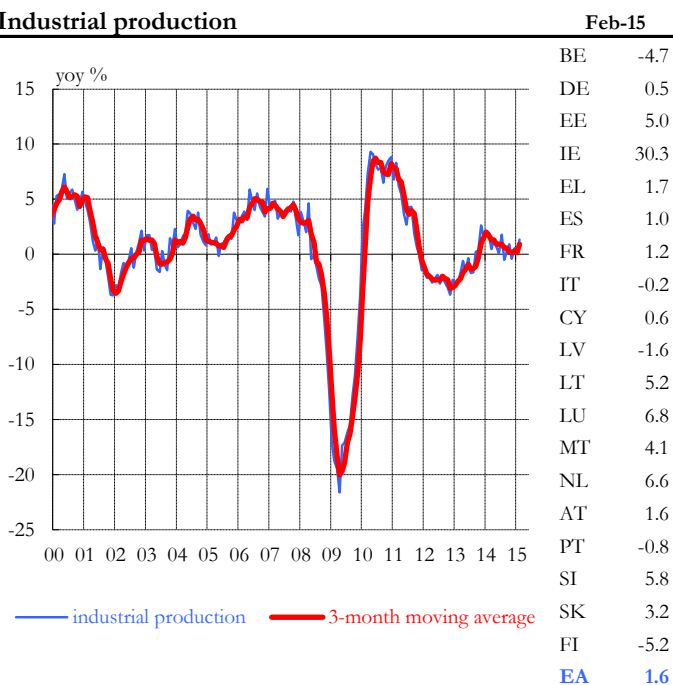
GDP and Economic Sentiment Indicator



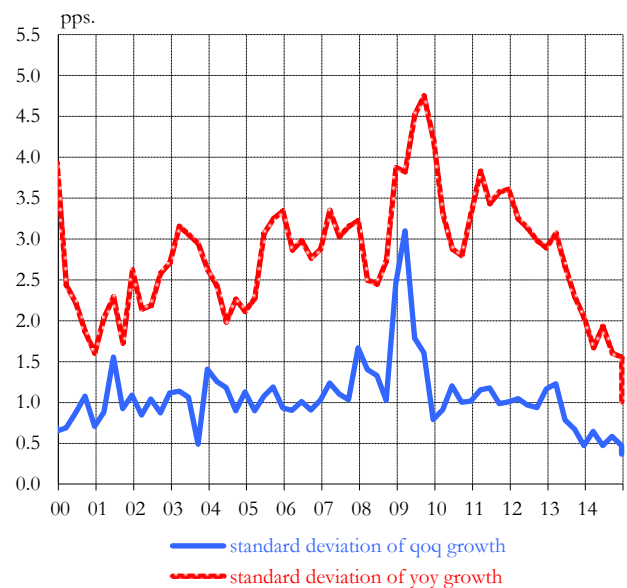
Industrial and services confidence



Industrial production



GDP growth divergence, euro area

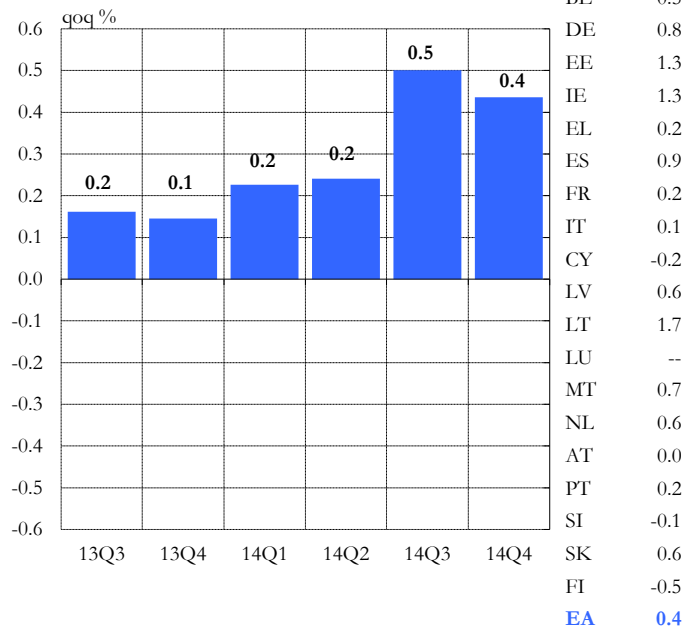




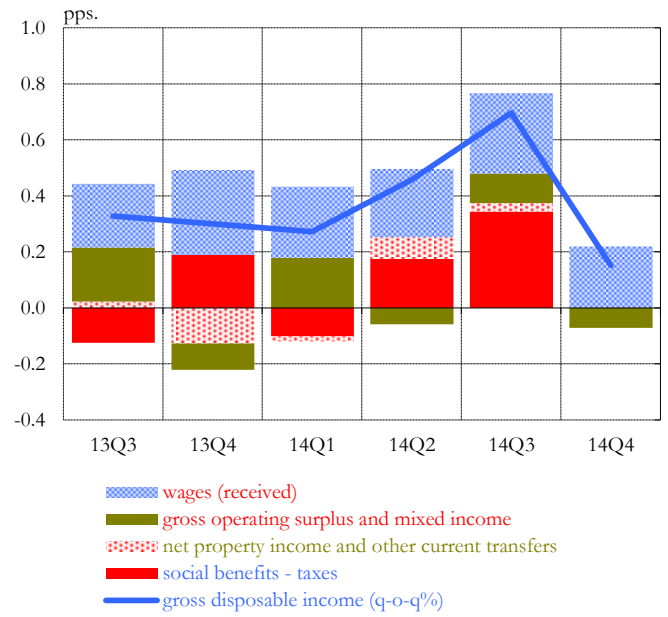
2. PRIVATE CONSUMPTION

Private consumption

14Q4

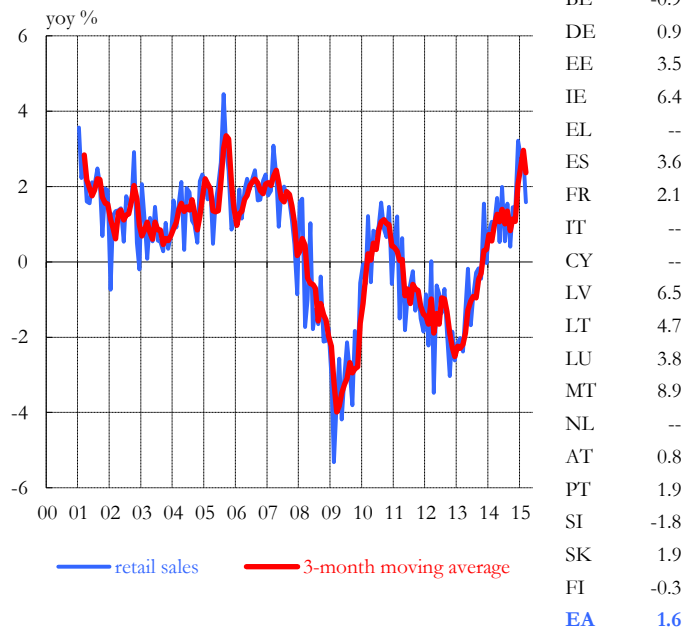


Household adjusted gross disposable income

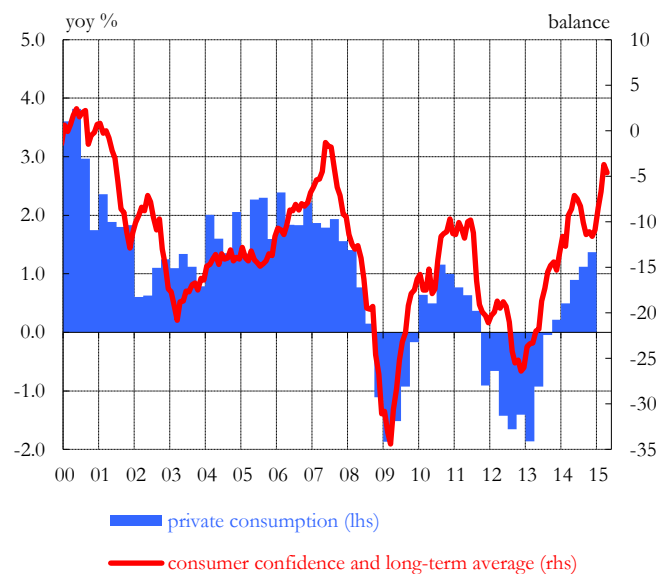


Retail sales

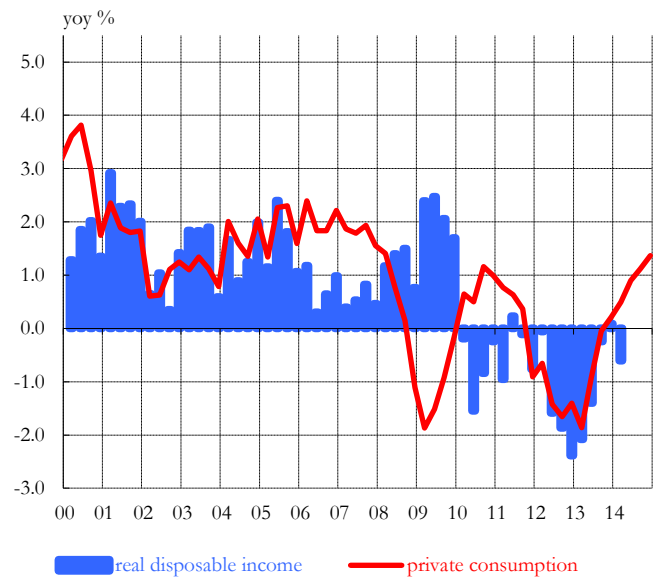
Mar-15



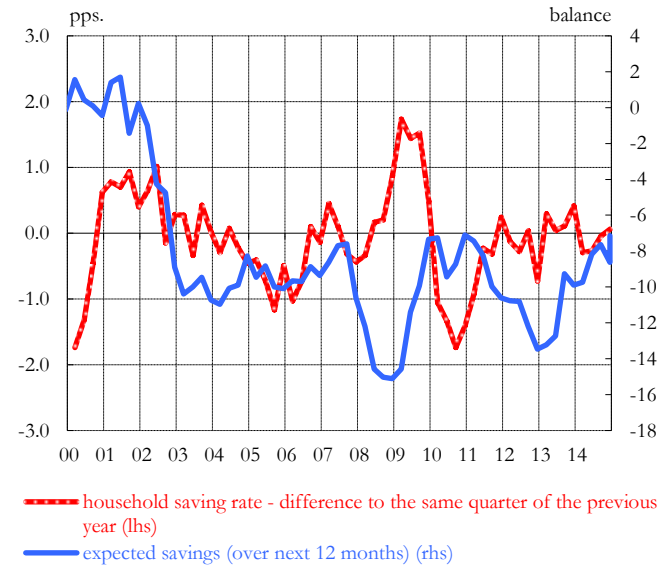
Consumer confidence and private consumption



Households: real disposable income and consumption



Households: actual saving rate and expected savings

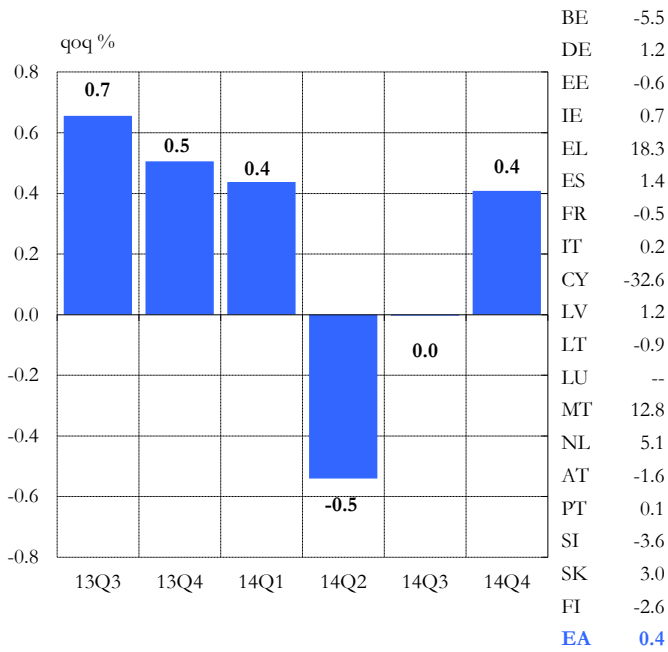




3. INVESTMENT

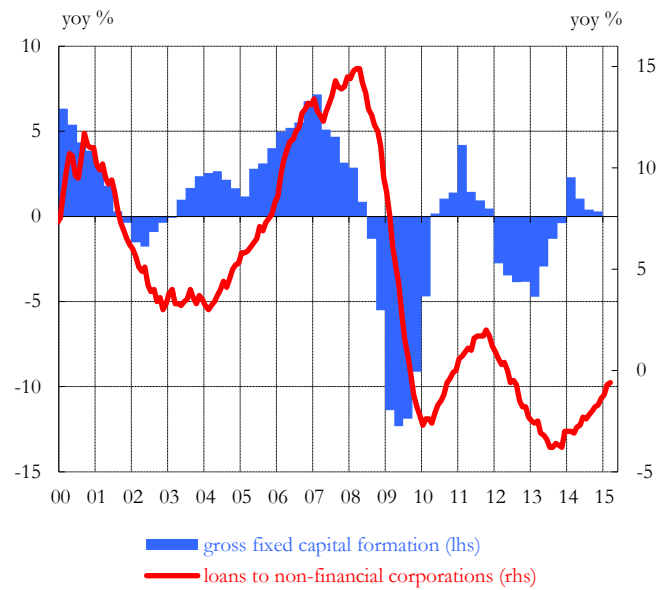
Gross fixed capital formation

14Q4

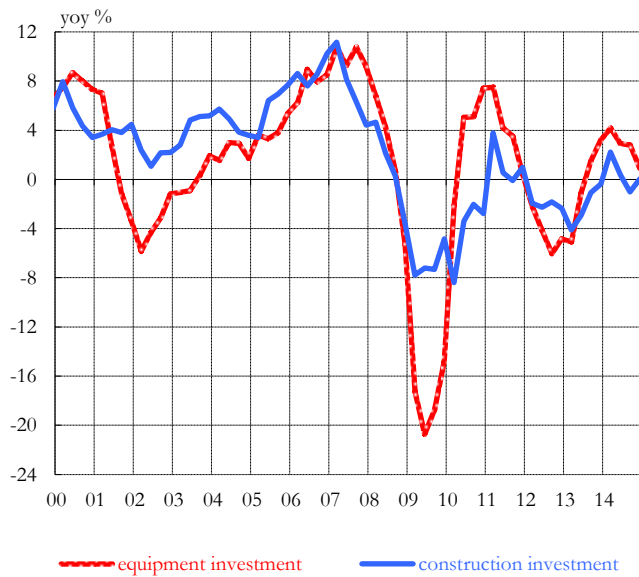


BE	-5.5
DE	1.2
EE	-0.6
IE	0.7
EL	18.3
ES	1.4
FR	-0.5
IT	0.2
CY	-32.6
LV	1.2
LT	-0.9
LU	--
MT	12.8
NL	5.1
AT	-1.6
PT	0.1
SI	-3.6
SK	3.0
FI	-2.6
EA	0.4

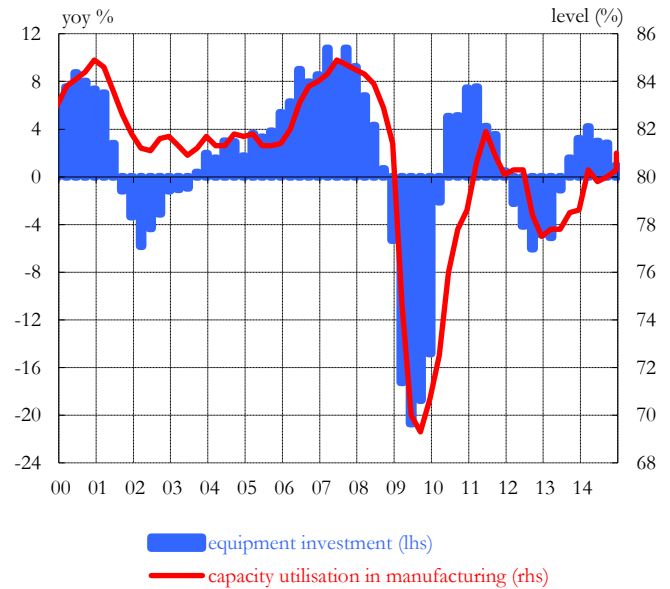
Gross fixed capital formation and corporate loans



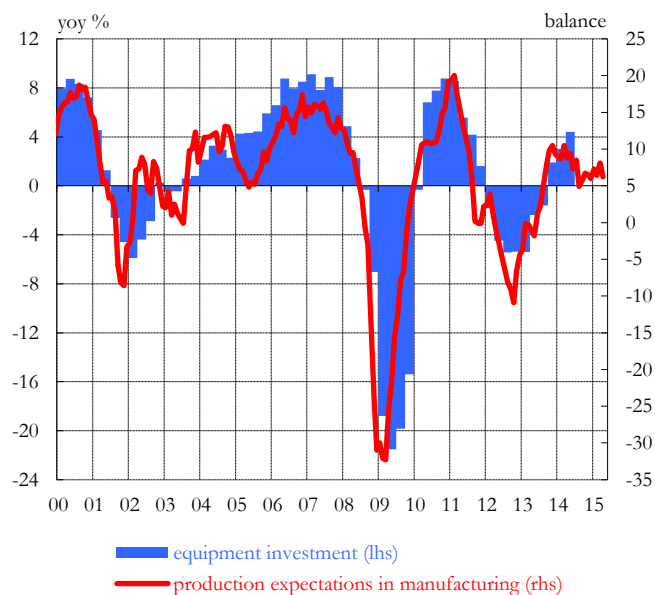
Equipment and construction investment



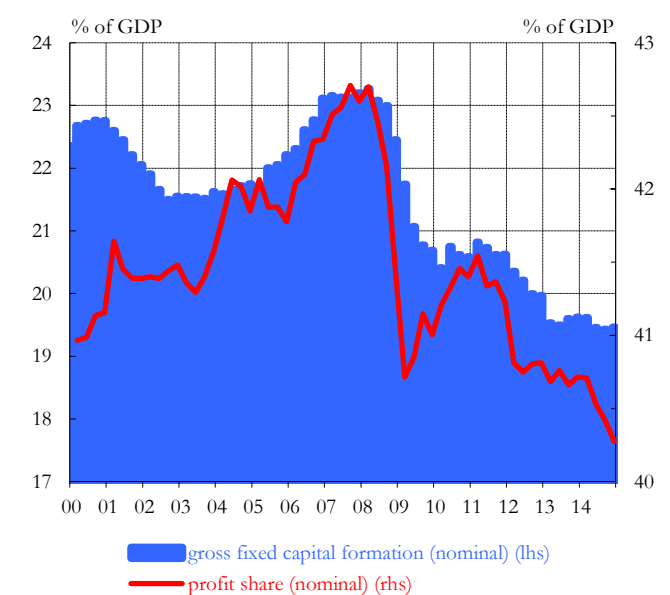
Equipment investment and capacity utilisation



Equipment investment and production expectations



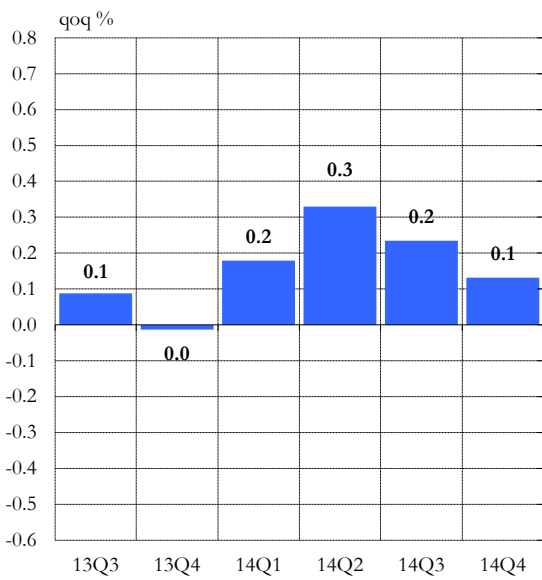
Gross fixed capital formation and profit share





4. LABOUR MARKET

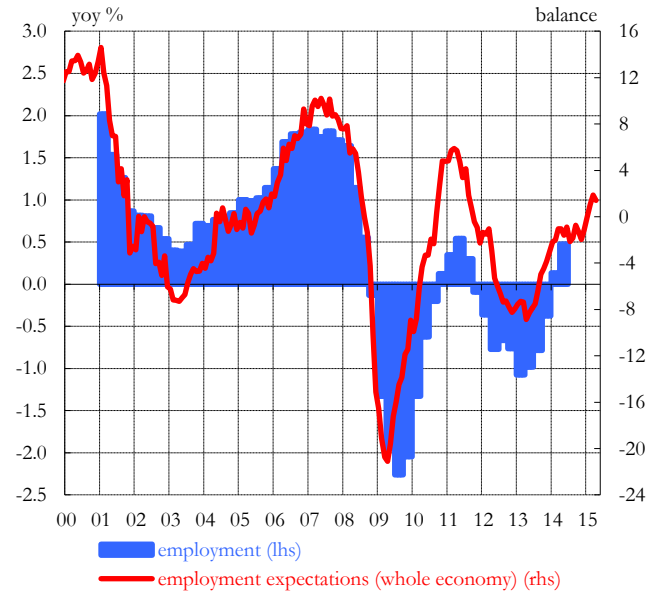
Employment



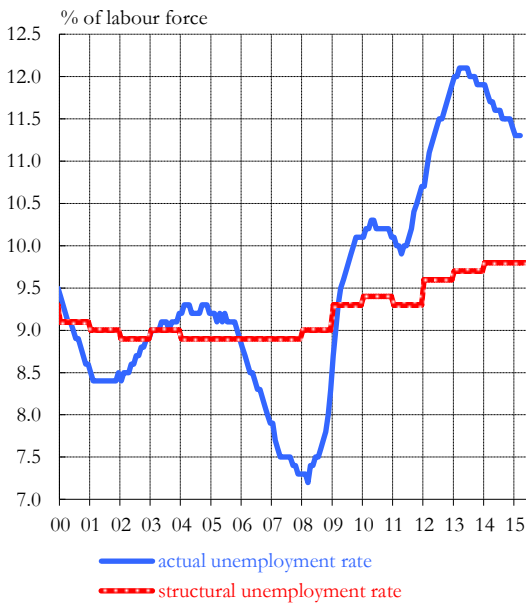
14Q4

BE	0.1
DE	0.2
EE	0.4
IE	0.6
EL	0.1
ES	0.7
FR	0.0
IT	-0.2
CY	-0.6
LV	0.7
LT	0.2
LU	0.8
MT	-0.1
NL	0.5
AT	0.2
PT	-1.0
SI	0.3
SK	0.7
FI	0.0
EA	0.1

Employment and employment expectations



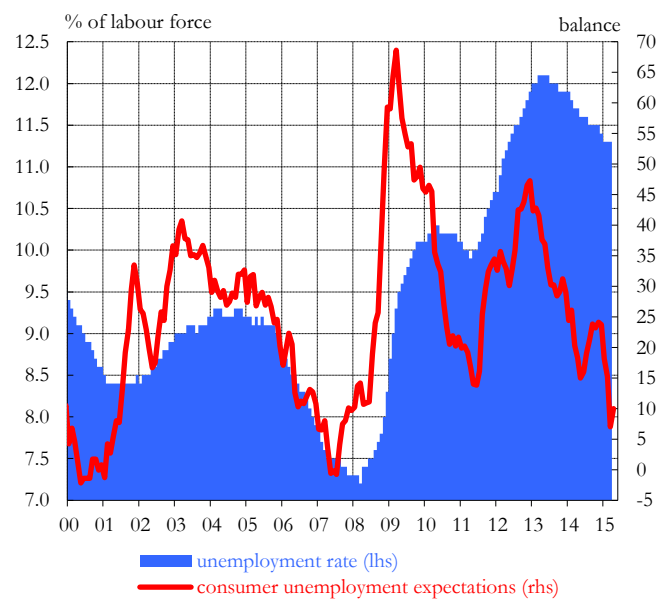
Actual and structural unemployment rate



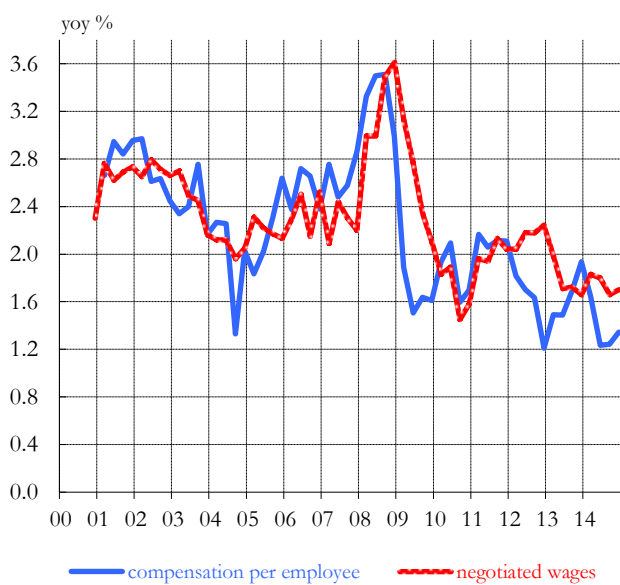
Mar-15

BE	8.5
DE	4.7
EE	--
IE	9.8
EL	--
ES	23.0
FR	10.6
IT	13.0
CY	16.0
LV	--
LT	9.5
LU	5.7
MT	5.8
NL	7.0
AT	5.6
PT	13.5
SI	9.3
SK	12.2
FI	9.1
EA	11.3

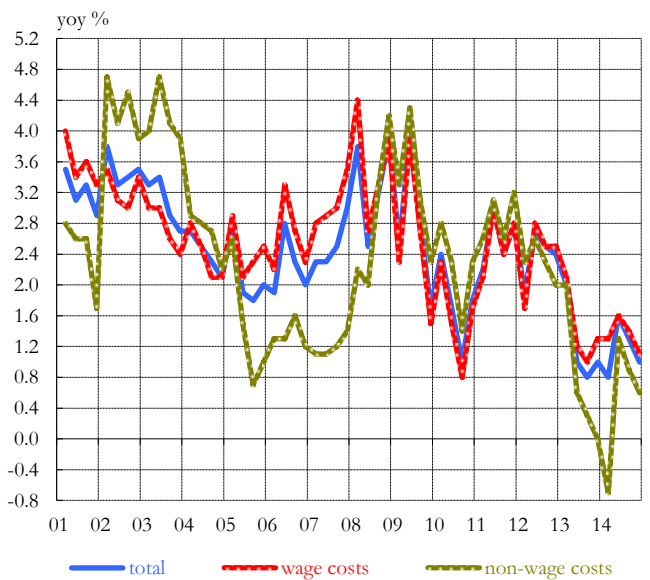
Unemployment rate and unemployment expectations



Compensation per head and negotiated wages (nominal)



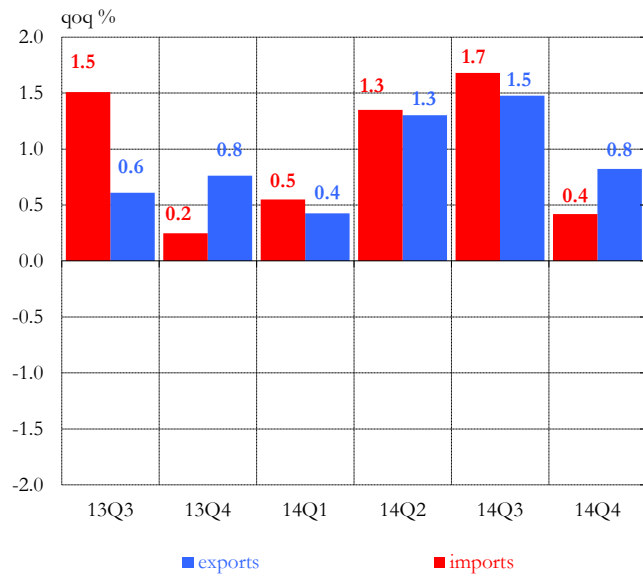
Labour costs in the private business sector (nominal)



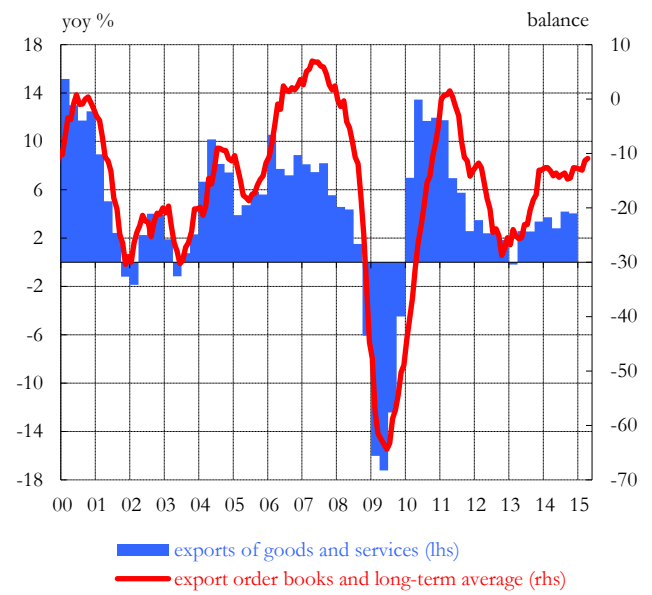


5. INTERNATIONAL TRANSACTIONS

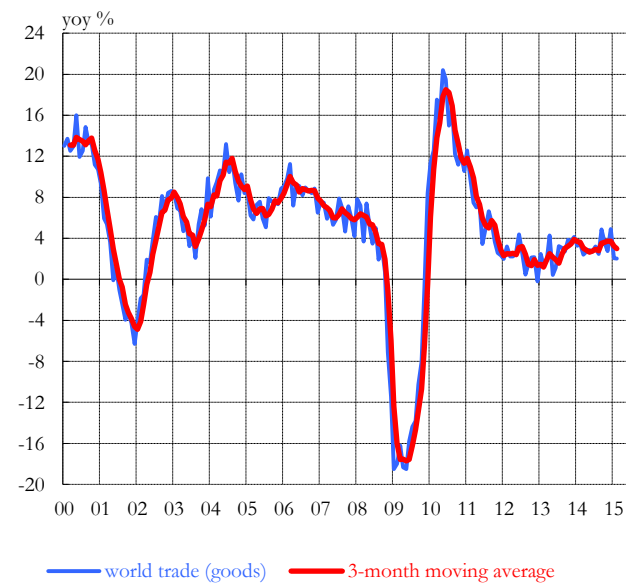
Exports and imports of goods and services



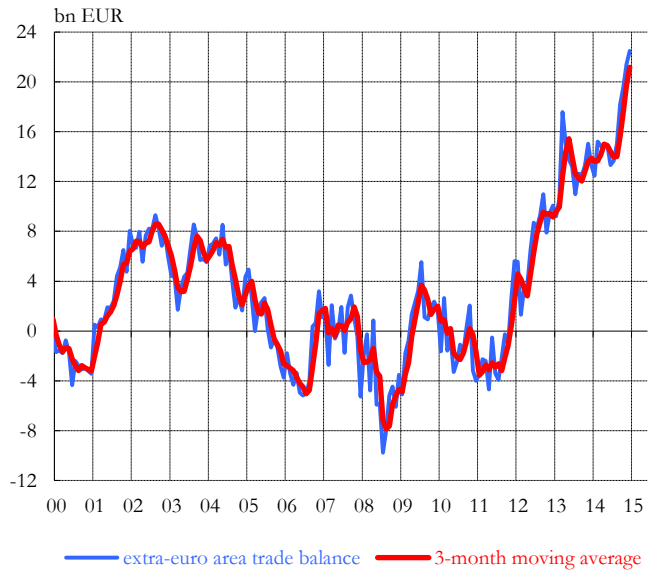
Exports and export order books



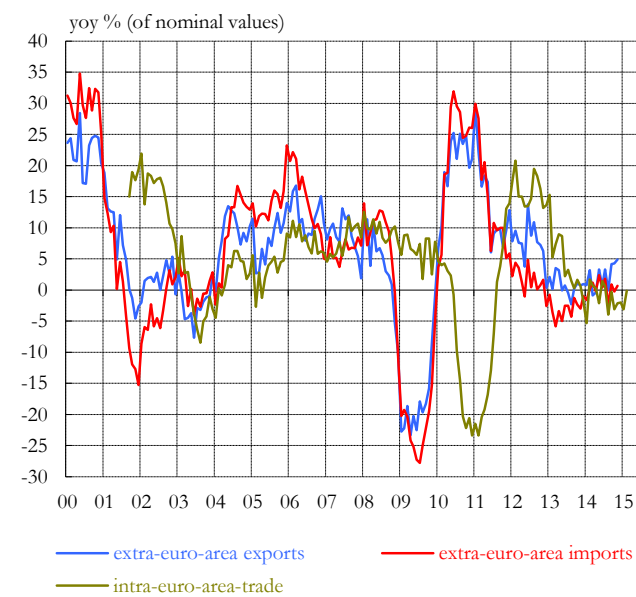
World trade



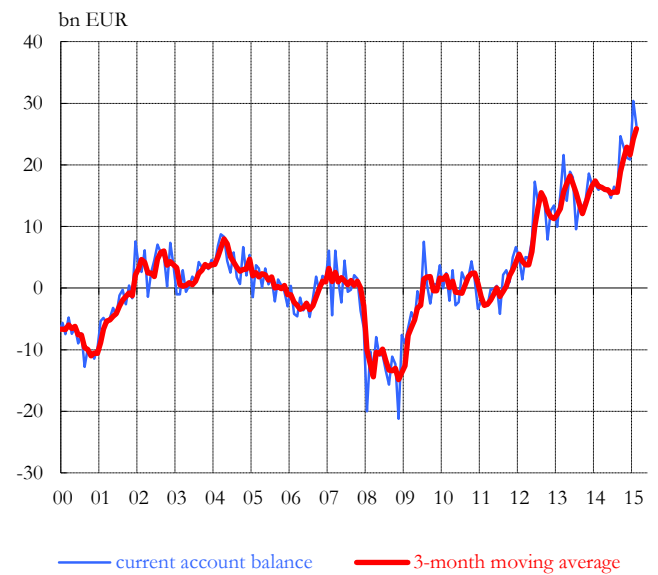
Extra euro-area trade balance



Extra- and intra-euro-area trade



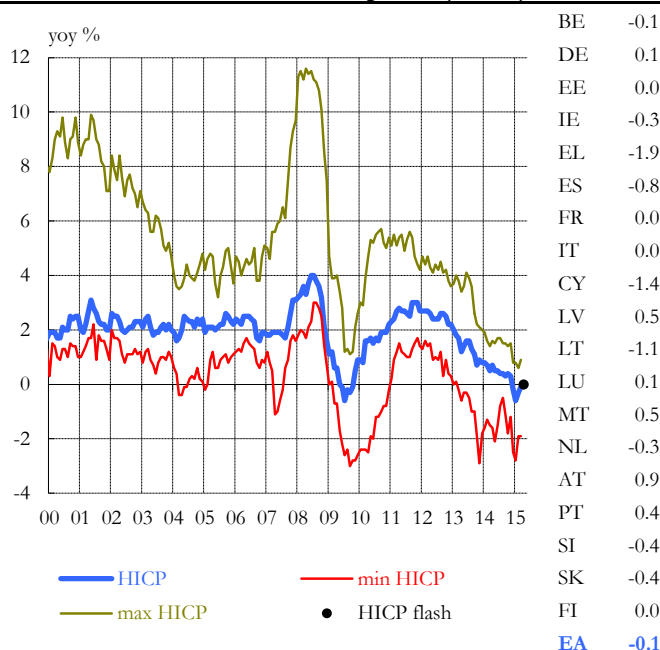
Current-account balance



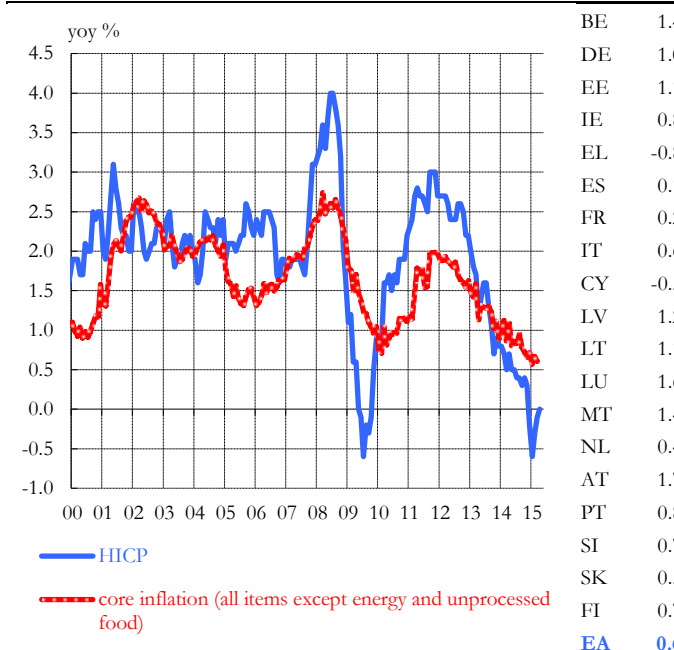


6. PRICES

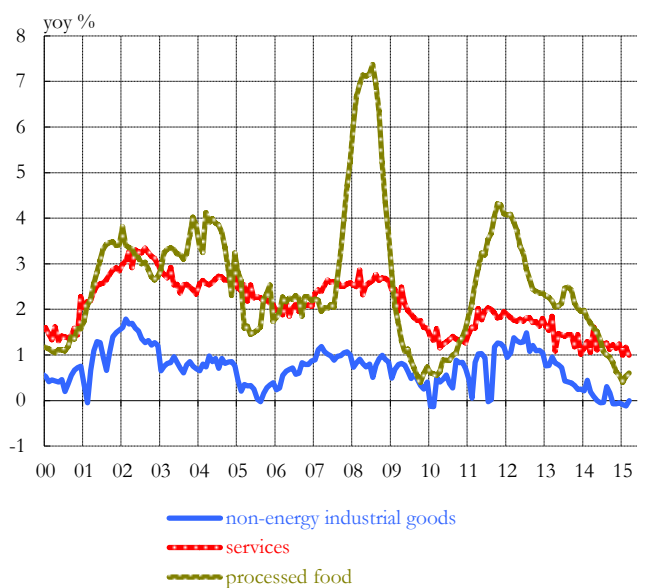
Harmonised index of consumer prices (HICP) Mar-15



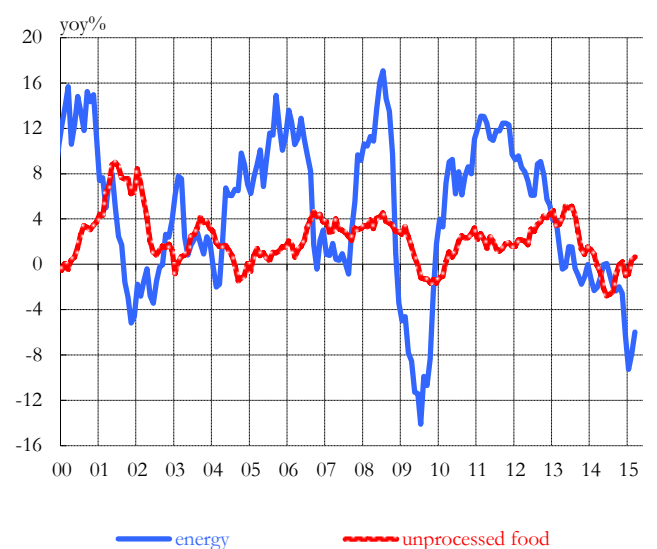
HICP headline and core inflation Mar-15



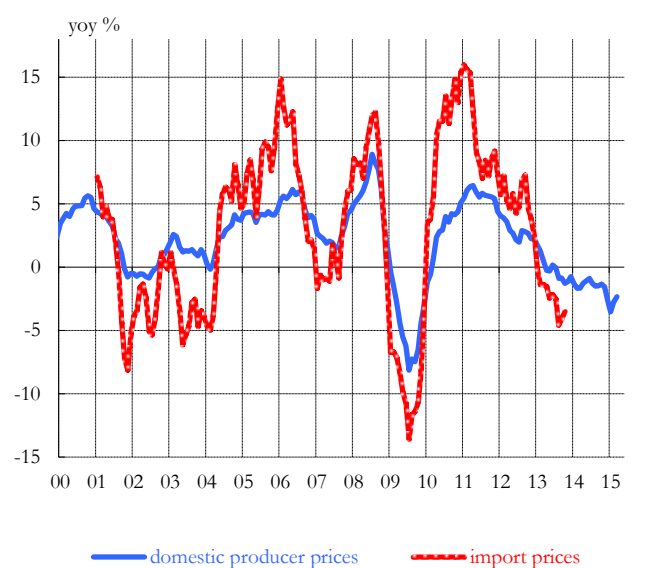
Breakdown of core inflation



Energy and unprocessed food



Domestic producer prices and import prices

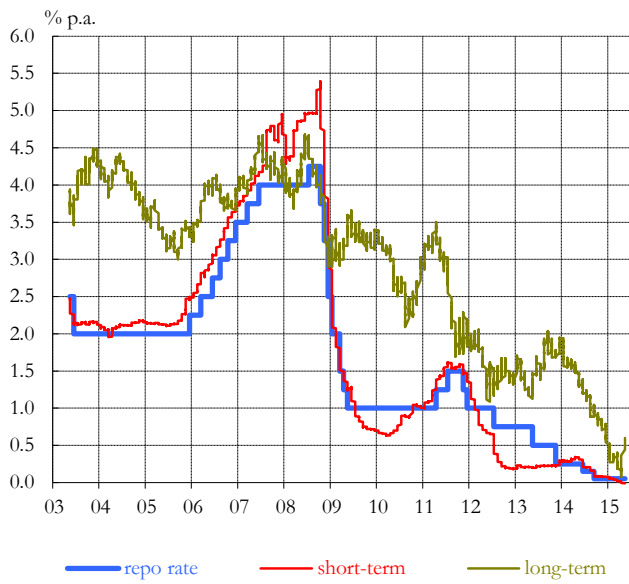


Oil prices

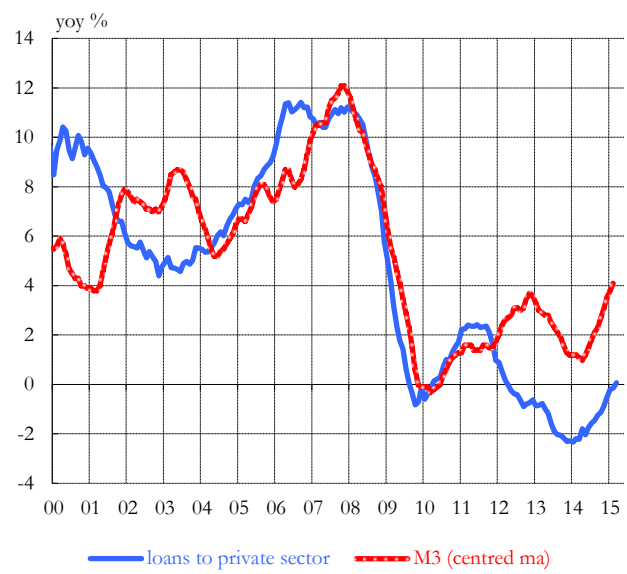




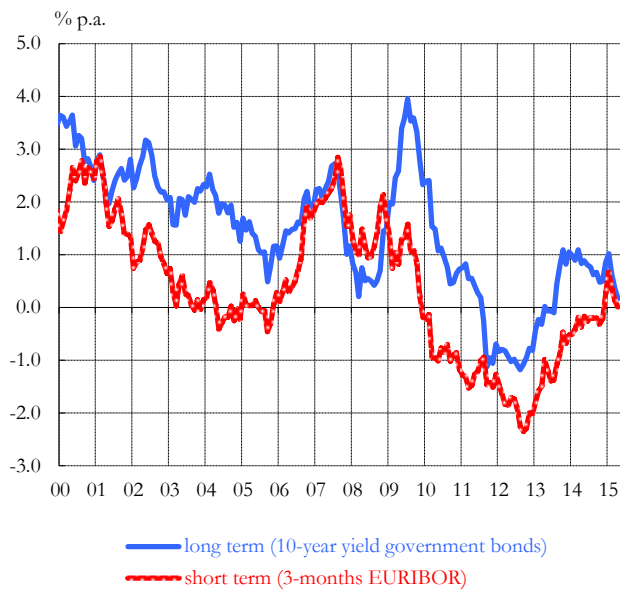
Nominal interest rates



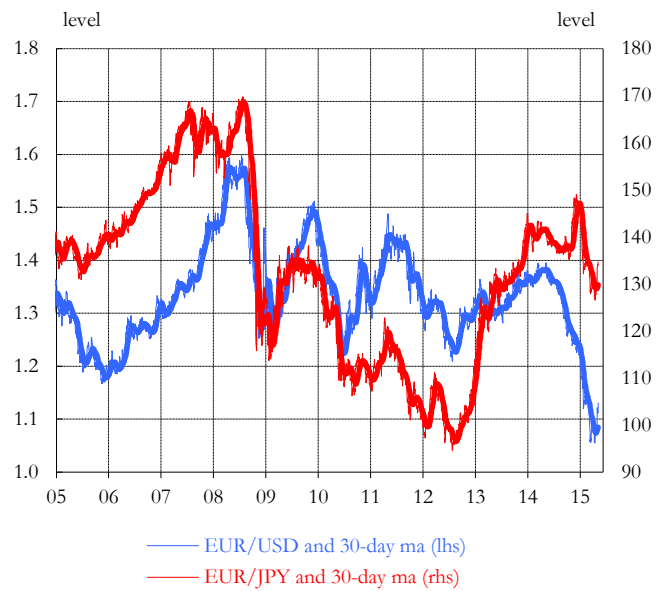
Loans to private sector and money supply



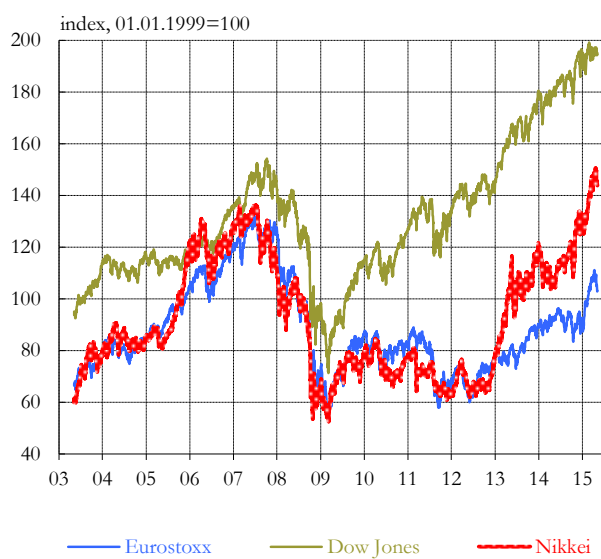
Real interest rates



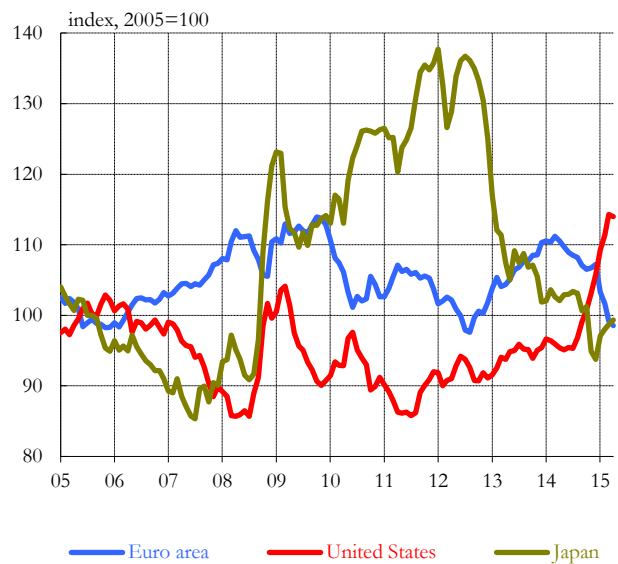
Euro vis-à-vis US dollar and JP yen



Stock market indices



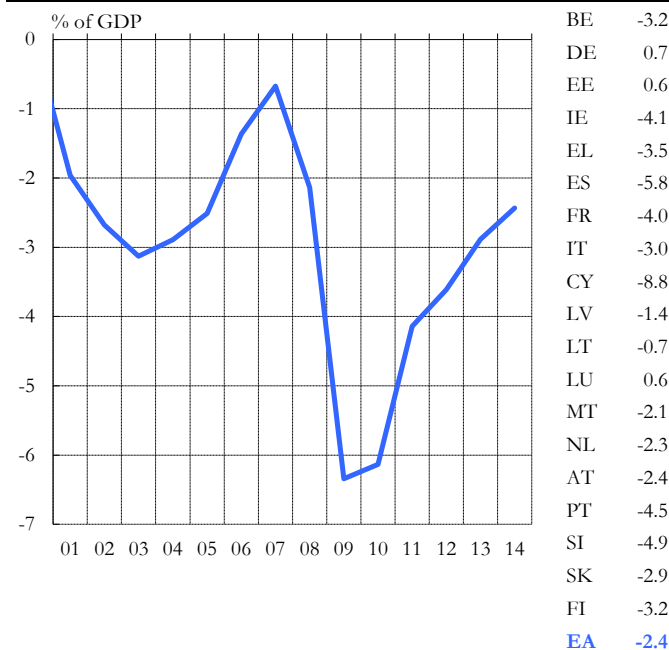
Nominal effective exchange rates



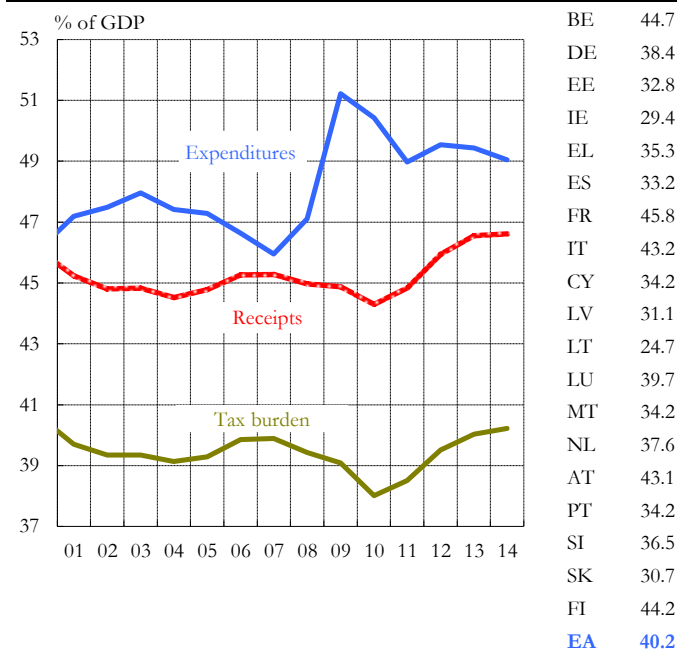


8. PUBLIC FINANCES

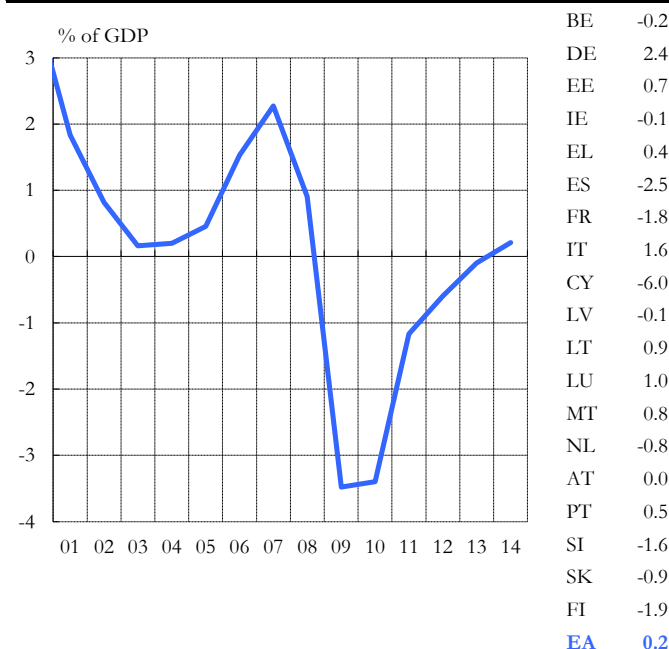
General government balance



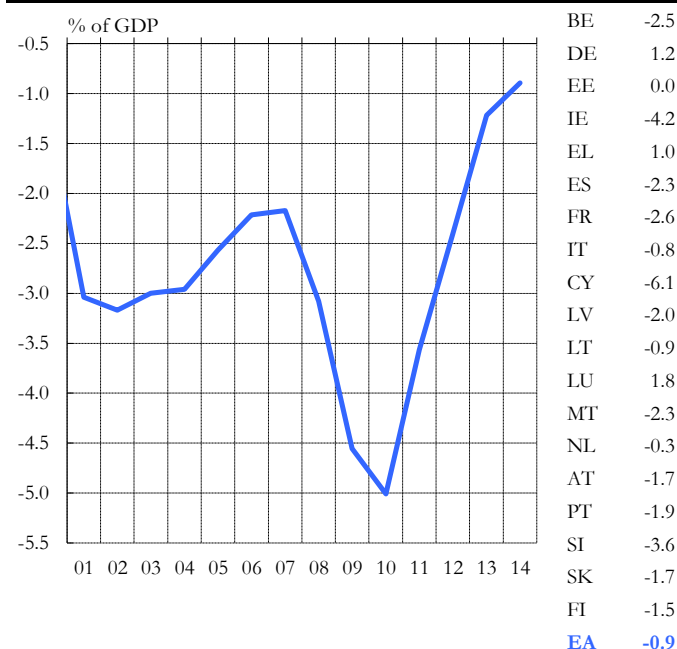
General government expenditure and receipts



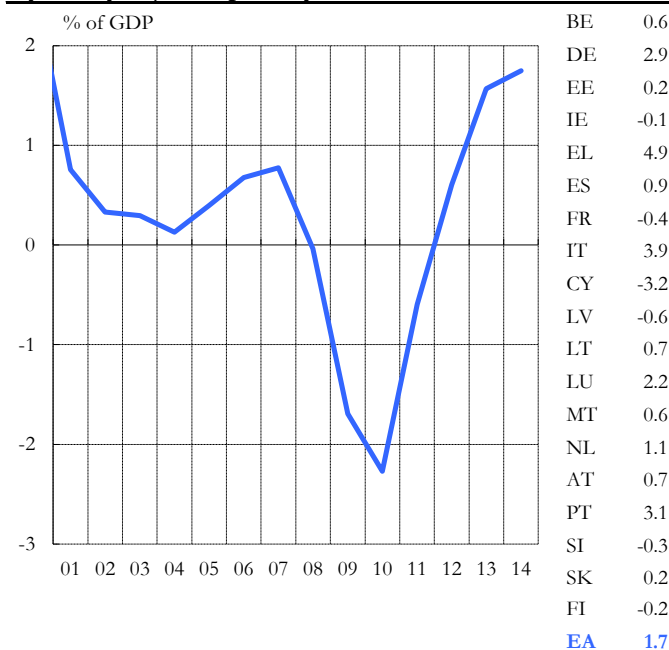
Primary balance



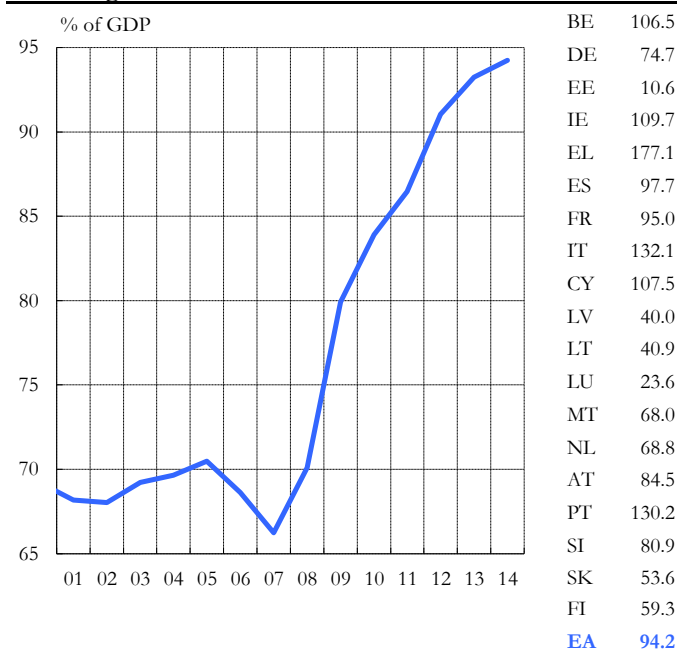
Cyclically adjusted balance



Cyclically adjusted primary balance



General government debt



* Figures are from the Commission's spring 2015 forecast

KEY INDICATORS FOR THE EURO AREA



Euro area	Indicators as from 2011 refer to Belgium (BE), Germany (DE), Estonia (EE), Ireland (IE), Greece (GR), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Malta (MT), the Netherlands (NL), Austria (AT), Portugal (PT), Slovenia (SI), Slovakia (SK) and Finland (FI).	
Indicator	Note	Source
1. Output		
Sentiment Indicator	The economic sentiment indicator is the weighted average (of the industrial confidence indicator (40%), the services confidence indicator (30%), the consumer confidence indicator (20%), the construction confidence indicator (5%) and the retail trade confidence indicator (5%)). Data are seasonally adjusted.	DG ECFIN
Industrial confidence indicator	The industrial confidence indicator is the arithmetic average of the balances (%) referring to the questions on production expectations, order books and stocks (the latter with inverted sign) from the survey of manufacturing industry. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted.	DG ECFIN
Services confidence indicator	The services confidence indicator is the arithmetic average of the balances (%) referring to the questions on business situation and recent and expected evolution of demand from the survey of services. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted.	DG ECFIN
Industrial production	Monthly Industry Production Index (2010=100), NACE Rev.2, Total industry (excluding construction). Mom % ch. and qoq% ch. are seasonally adjusted, yoy% ch. are working-day adjusted.	Eurostat
Gross domestic product	Real Gross domestic product at constant market prices (chain-linked volumes (2010), ESA 2010), EUR. Data are seasonally and working-day adjusted.	Eurostat
Labour productivity	Labour productivity defined as the difference between GDP growth and employment growth.	Eurostat
GDP divergence	Standard deviation of GDP growth of the euro-area Member States.	Eurostat
2. Private consumption		
Consumer confidence indicator	The consumer confidence indicator is the arithmetic average of the balances (%) referring to the questions on the financial situation of households, general economic situation, unemployment expectations (with inverted sign) and savings; all over next 12 months. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted.	DG ECFIN
Retail confidence indicator	The retail confidence indicator is the arithmetic average of the balances (%) referring to the questions on the present and the future business situation and the volume of stocks (with inverted sign). The long-term average refers to the period from publishing of the indicator up to now. Data are seasonally adjusted.	DG ECFIN
Private consumption	Real Household & NPISH final consumption expenditure at constant market prices (chain-linked volumes (2010), ESA 2010), EUR. Data are seasonally and working-day adjusted.	Eurostat
Retail sales	Retail trade (NACE Rev.2 G47) excluding motor vehicles, motorcycles; Deflated turnover, mom % ch. and qoq% ch. are seasonally adjusted, yoy% ch. are working-day adjusted.	Eurostat
3. Investment		
Capacity utilisation	In percent of full capacity in the manufacturing sector. Data are seasonally adjusted (collected in January, April, July and October).	DG ECFIN
Production expectations	Production expectations in manufacturing sector. Data are seasonally adjusted.	DG ECFIN
Gross fixed capital formation	Real Gross fixed capital formation at constant market prices (chain-linked volumes (2010), ESA 2010), EUR. Data are seasonally and working-day adjusted.	Eurostat
Equipment investment	Gross fixed capital formation at constant market prices (chain-linked volumes, reference year (2010), ESA 2010), EUR, real machinery and equipment and weapons systems. Data are seasonally and working-day adjusted.	Eurostat
Construction investment	Gross fixed capital formation at constant market prices (chain-linked volumes, reference year (2010), ESA 2010), EUR, dwellings and other buildings and structures. Data are seasonally and working-day adjusted.	Eurostat
Change in stocks	Changes in inventories and acquisitions less disposals of valuables (at prices of previous year).	Eurostat
Profit share	Ratio of nominal gross operating surplus and gross mixed income to nominal GDP	Eurostat

KEY INDICATORS FOR THE EURO AREA



4. Labour market		
Employment expectations (manufacturing)	Managers' employment expectations over the next three months in the manufacturing sector. Data are seasonally adjusted.	DG ECFIN
Employment expectations (services)	Managers' employment expectations over the next three months in the services sector. Data are seasonally adjusted.	DG ECFIN
Employment expectations (whole economy)	Weighted average of managers' employment expectations over the next three months in the manufacturing (19%), services (65%), construction (6%) and retail sectors (10%). Weights in brackets according to value-added share on GDP of the respective sector. Data are seasonally adjusted.	DG ECFIN
Employment	Total domestic employment (number of persons). Data are seasonally adjusted for Ireland, Greece, France, Cyprus, Malta, Netherlands, Portugal and Slovakia, and seasonally and working day adjusted data for the remaining Member States.	Eurostat
Compensation of employees per head	Nominal compensation of employees divided by the number of employees. Data are seasonally and working-day adjusted.	DG ECFIN
Unemployment expectations	Consumers' unemployment expectations over the next twelve months. Data are seasonally adjusted.	DG ECFIN
Unemployment rate	Harmonised unemployment rate (in percent of labour force), ILO definition. Data are seasonally adjusted.	Eurostat
Structural unemployment rate	Non-accelerating inflation rate of unemployment. Data are seasonally adjusted.	DG ECFIN
Total labour costs	Nominal wage- and non-wage costs less subsidies in the private business sector. Data are seasonally and working-day adjusted.	Eurostat
Wage costs	Nominal wage and salary costs include direct remunerations, bonuses, and allowances, payments to employees saving schemes, payments for days not worked and remunerations in kind. Data are seasonally and working-day adjusted.	Eurostat
Non-wage costs	Nominal non-wage costs include the employers' social contributions plus employment taxes less subsidies. Data are seasonally and working-day adjusted.	Eurostat
Labour productivity	Ratio between GDP and employment. Data are seasonally and working-day adjusted.	DG ECFIN
5. International transactions		
World trade	Volume, 2005=100, seasonally adjusted	CPB
Export order books	Managers' export order expectations in the manufacturing sector. Data are seasonally adjusted.	DG ECFIN
Extra-euro area exports	Nominal extra-euro area exports of goods, fob. Data are seasonally adjusted.	Eurostat
Extra-euro area imports	Nominal extra-euro area imports of goods, cif. Data are seasonally adjusted.	Eurostat
Extra-euro area trade balance	Difference between extra-euro area exports and extra-euro area imports. Data are seasonally adjusted.	Eurostat
Intra-euro area trade	Nominal intra-euro area trade in goods, fob. Data are seasonally adjusted.	Eurostat
Current-account balance	Transactions in goods and services plus income and current transfers between residents and non-residents of the euro area. Data are seasonally and working-day adjusted.	ECB
Exports of goods and services	Exports of goods and services at constant market prices (chain-linked volumes, reference year 2010), EUR. Data are seasonally and working-day adjusted.	Eurostat
Imports of goods and services	Imports of goods and services at constant market prices (chain-linked volumes, reference year 2010), EUR. Data are seasonally and working-day adjusted.	Eurostat
Direct investment	Nominal transactions/positions in assets abroad by euro-area residents less nominal transactions/positions in euro-area assets by non-residents. To be regarded as a direct investment, ownership in an enterprise must be equivalent to more than 10% of the ordinary shares or voting power.	ECB
Portfolio investment	Nominal transactions/positions in securities (including equities) abroad by euro-area residents less nominal transactions/positions in euro-area securities (including equities) by non-residents. To be regarded as a portfolio investment, ownership in an enterprise must be equivalent to less than 10% of the ordinary shares or voting power.	ECB

KEY INDICATORS FOR THE EURO AREA



6. Prices		
HICP	Harmonised index of consumer prices (index 2005=100)	Eurostat
Core HICP	HICP excluding energy and unprocessed food (index 2005=100)	Eurostat
Producer prices	Domestic producer price index, total industry excluding construction (index 2010=100)	Eurostat
Selling price expectation	Managers' selling-price expectations in the manufacturing sector. Data are seasonally adjusted.	DG ECFIN
Import prices	Import price index, manufacturing (index 2010=100)	Eurostat
Oil prices	Price of north sea Brent in USD/barrel and EUR/barrel	ICE
Non-energy commodity prices	Market price for non-fuel commodities in EUR terms (index 2010=100)	HWWI
7. Monetary and financial indicators		
Nominal interest rate (3-month)	3-month EURIBOR interbank rate (360 days)	ECB/ Global Insight
Nominal interest rate (10-year)	10-year interest rate on government bonds for euro area (based upon the 10-year German government bond)	ECB/ Global Insight
ECB repo rate	Minimum bid rate of main refinancing operations, end of period.	ECB/ Global Insight
Money demand (M3)	Monetary aggregate including currency in circulating (banknotes and coins), operational deposits in central bank, money in current accounts, saving accounts, money market deposits, certificates of deposit, all other deposits and repurchase agreements. Data are seasonally adjusted.	ECB
Loans to private sector	Loans by MFI (monetary and financial institutions) to euro area residents (excl government). Data are seasonally adjusted.	ECB
Real long-term interest rates	Nominal interest rate (10-year) deflated by HICP index	DG ECFIN
Real short-term interest rates	Nominal interest rate (3-month) deflated by HICP index	DG ECFIN
Stock markets	Eurostoxx50, Dow Jones and Nikkei indices (1.1.1999=100)	Global Insight
Exchange rates	EUR/USD and EUR/JPY reference rates	ECB
Nominal effective exchange rate	Graph – Monthly Nominal Effective Exch. Rates vs. rest of IC36 (index 2005 = 100) Table - ECB Nominal effective exch. rate, euro area-17 countries vis-à-vis the EER-20 group of trading partners against Euro	DG ECFIN/ ECB
8. Public finance		
General government balance	Net lending (+) or net borrowing (-) of general government	DG ECFIN
Primary government balance	Net lending (+) or net borrowing (-) of general government minus interest payment	DG ECFIN
Cyclically adjusted balance	Net lending (+) or net borrowing (-) of general government corrected for the influence of the business cycle	DG ECFIN
Cyclically adjusted primary balance	Primary government balance corrected for the influence of the business cycle	DG ECFIN
General government expenditures and receipts	Nominal expenditures and receipts; tax burden includes taxes on production and imports (incl. taxed paid to EU), current taxes on income and wealth (direct taxes) and actual social contributions	DG ECFIN
General government debt	Cumulative sum of net lending (+) or net borrowing (-) positions of general government	DG ECFIN