BANCO DE PORTUGAL
EUROSYSTEM

COINCIDENT INDICATORS
22 December 2022

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 those aggregates. In the current juncture, 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 smoothing properties underlying the methodology used to compute the indicators may over time imply monthly revisions with differing signs.

In November, the coincident indicators for economic activity and for private consumption continued to record a rate smaller than the one of the previous month (Charts 1 and 2 and Table 1).

Table 1 • Coincident Indicators

	2021	2022	Three-month period ended in 2022					2021	2022				
		a.r.	Jul.	Aug.	Sep.	Oct.	Nov.	m-12	Jul.	Aug.	Sep.	Oct.	Nov.
Economic activity indicator	3.5	6.5	6.7	6.3	6.0	5.6	5.4	6.5	6.3	6.0	5.6	5.4	5.2
Private consumption indicator	4.8	4.8	4.9	4.2	3.6	3.0	2.5	7.5	4.2	3.5	2.9	2.5	2.1

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.

Chart 1 • Monthly coincident indicator for economic activity

Monthly coincident indicator for economic activity — GDP (y-o-y rate of change)
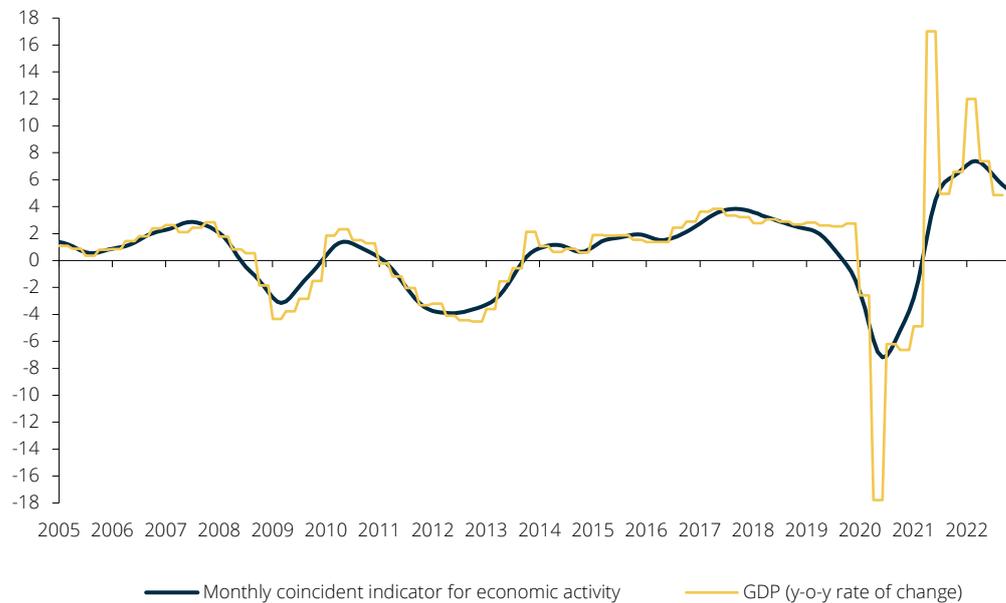
Chart 2 • Monthly coincident indicator for private consumption

Monthly coincident indicator for private consumption — Private consumption (y-o-y rate of change)
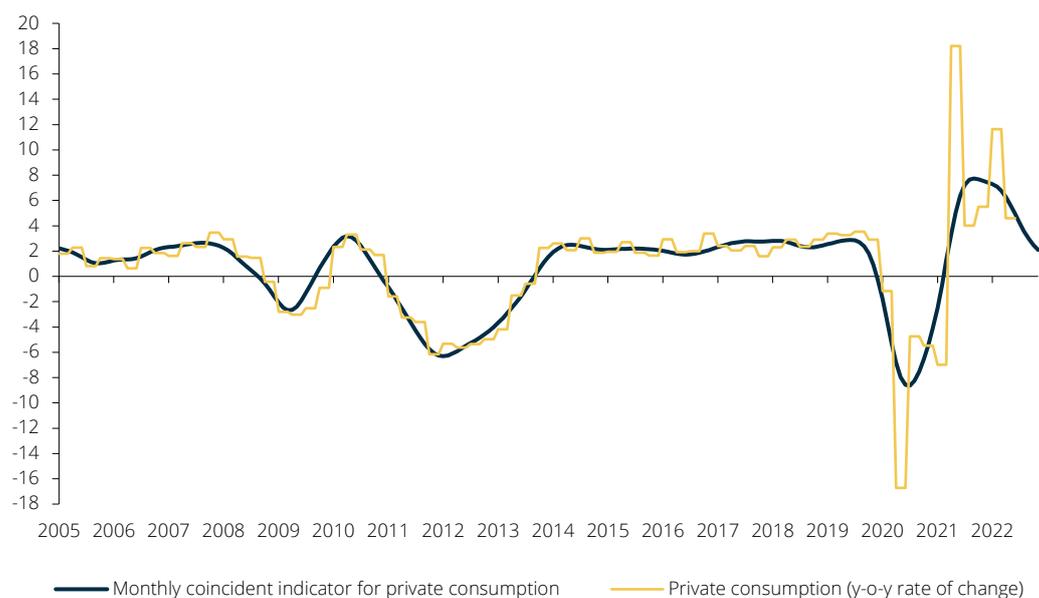
Methodological note:

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. This behavior influences the reading of the indicators in periods of inflection of the series. 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: 12 January 2023.