

BROOKINGS

Assessing the Impact of Coronavirus on
European Growth in Real Time

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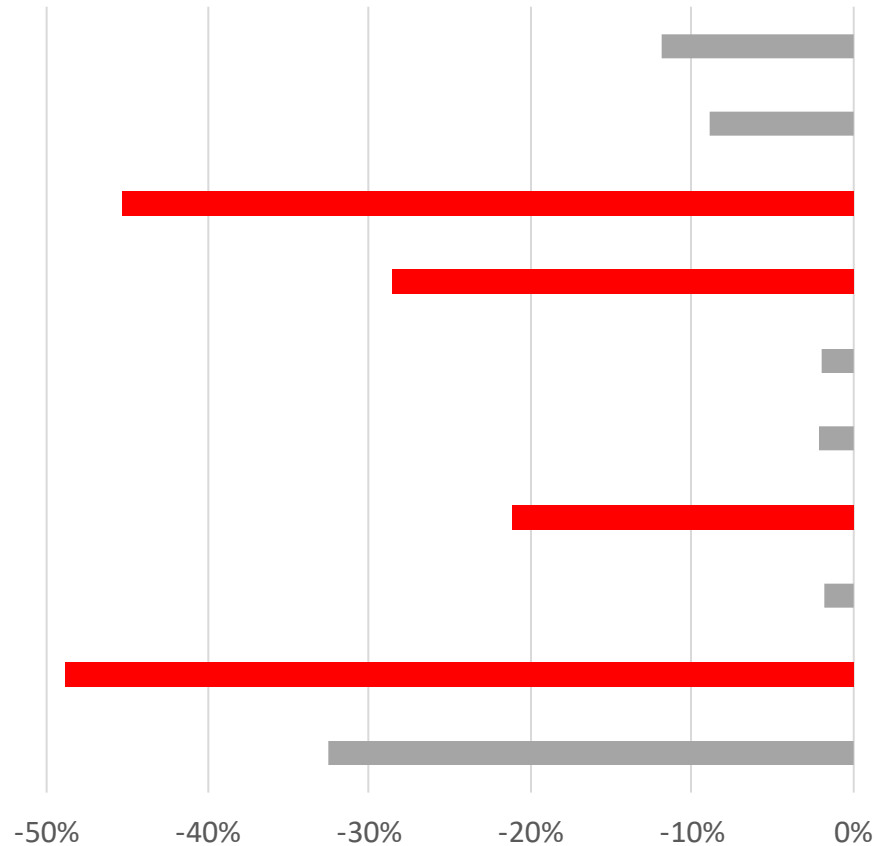
London Business School and Now-Casting Economics

March 19th, 2020

Asian survey data for March shows a sharp decline

RECENT SURVEY DATA FROM ASIA
% change in index level from previous month

Reference month February
 March



Publication date	Country	Survey
25 February	S Korea	Business Conditions
25 February	S Korea	Economic Sentiment
29 February	China	Official PMI Services
29 February	China	Official PMI Manufacturing
2 March	Japan	PMI Manufacturing
2 March	S Korea	PMI Manufacturing
2 March	China	Markit PMI Manufacturing
3 March	Japan	Consumer Confidence
4 March	China	Markit PMI Services
9 March	Japan	Economy Watchers*

*Data for Economy Watchers survey was collected from 25th to 29th February

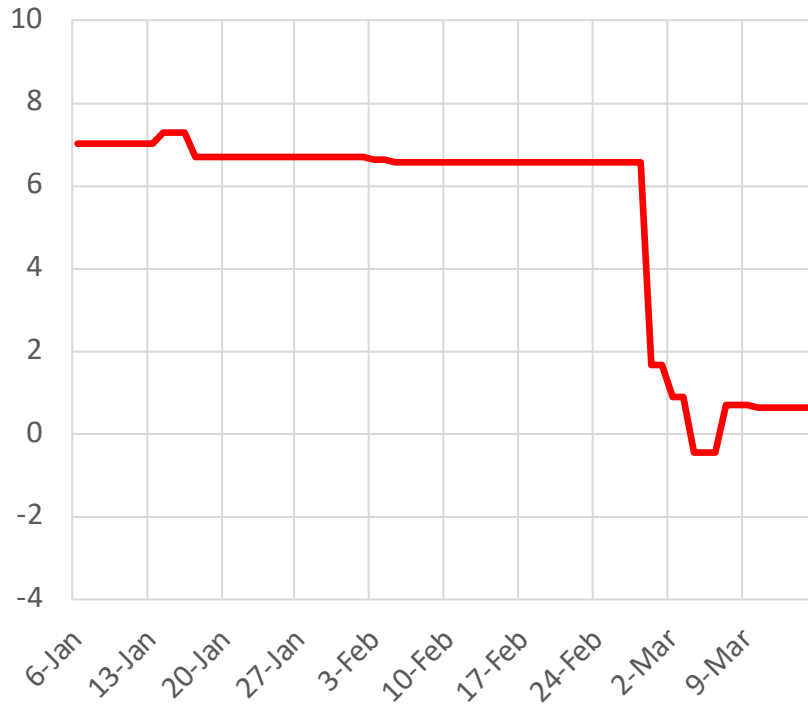
NEW MODEL – BROAD INTERNATIONAL SCOPE, PLUS GOOGLE TRENDS DATA

country	series	country	series	country	series
US	Industrial Production	Germany	Industrial Production	China	Real Gross Value Added
US	Retail Sales	Germany	PMI Manufacturing	China	Electricity Production
US	University of Michigan: Consumer Sentiment	Germany	PMI Services	China	Imports
US	PMI Services	Germany	Ifo Business Climate	China	Exports
US	Richmond Fed Manufacturing Survey	Germany	GDP	China	Volume of Transportation in Major Harbours
US	GDP	Germany	Google Trends: Crisis	China	Official PMI Manufacturing
US	Google Trends: 'Crisis'	Germany	Google Trends: Recession	China	Official PMI Services
US	Google Trends: 'Recession'	Italy	Industrial Production	China	HSBC/Markit PMI Manufacturing
US	Google Trends: 'Unemployment'	Italy	PMI Manufacturing	China	HSBC/Markit PMI Services
EA	Industrial Production	Italy	PMI Services	China	GDP
EA	Retail Sales	Italy	ISTAT Consumer Confidence	China	Google Trends: Crisis
EA	PMI Services	Italy	GDP	China	Google Trends: Recession
EA	Business Climate Indicator	Italy	Google Trends: Crisis	Japan	Economy Watchers Survey
EA	Consumer Confidence	Italy	Google Trends: Recession	Japan	Industrial Production
EA	GDP	France	Industrial Production	Japan	PMI Manufacturing
		France	Retail Sales	Japan	Consumer Confidence
Global	Baltic Dry Index	France	PMI Manufacturing	Japan	Google Trends: Crisis
Global	Thomson Reuters Commodity Equity Index	France	GDP	Japan	Google Trends: Recession
Global	Thomson Reuters Weighted Commodity Index	France	Google Trends: Crisis	South Korea	Industrial Production
		France	Google Trends: Recession	South Korea	Economic Sentiment
		UK	Industrial Production	South Korea	Business Survey
		UK	New Passenger Car Registrations	Asia	Sentix Asia ex Japan Overall Economic Sentiment
		UK	GDP		

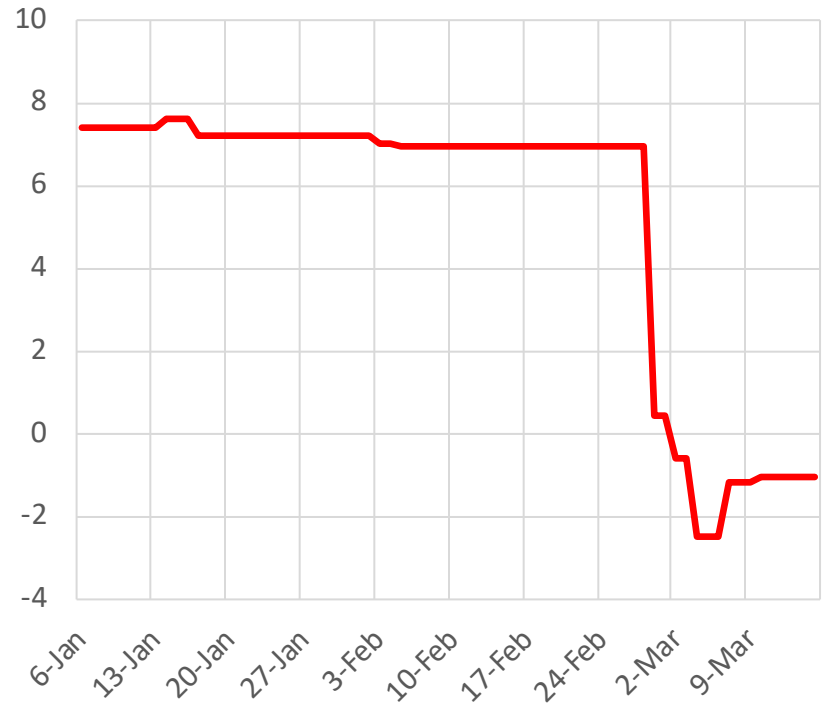
CHINA – NOWCAST AND FORECAST

Quarterly GDP growth, year-on-year, %

Q1 2020



Q2 2020

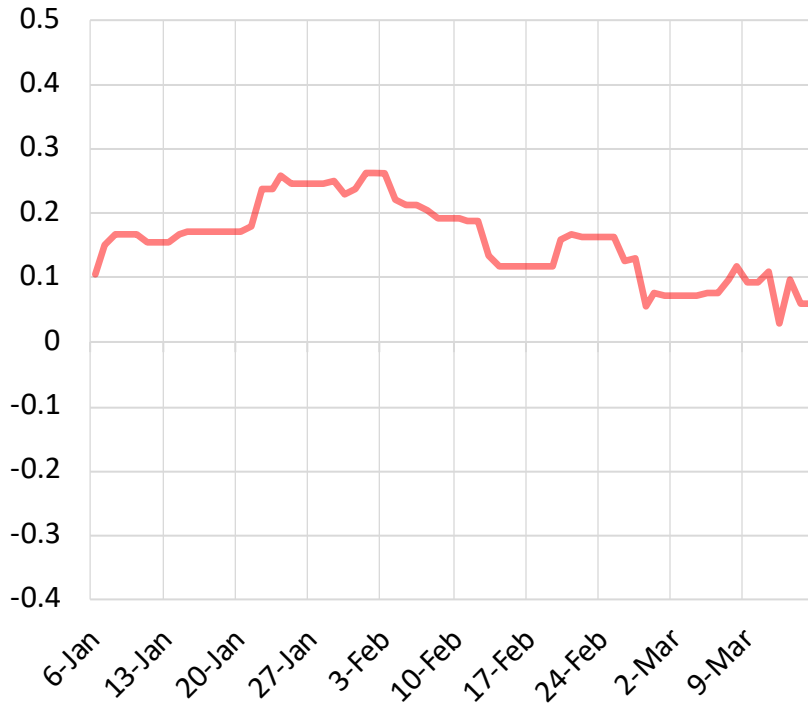


Source: live Now-Casting model

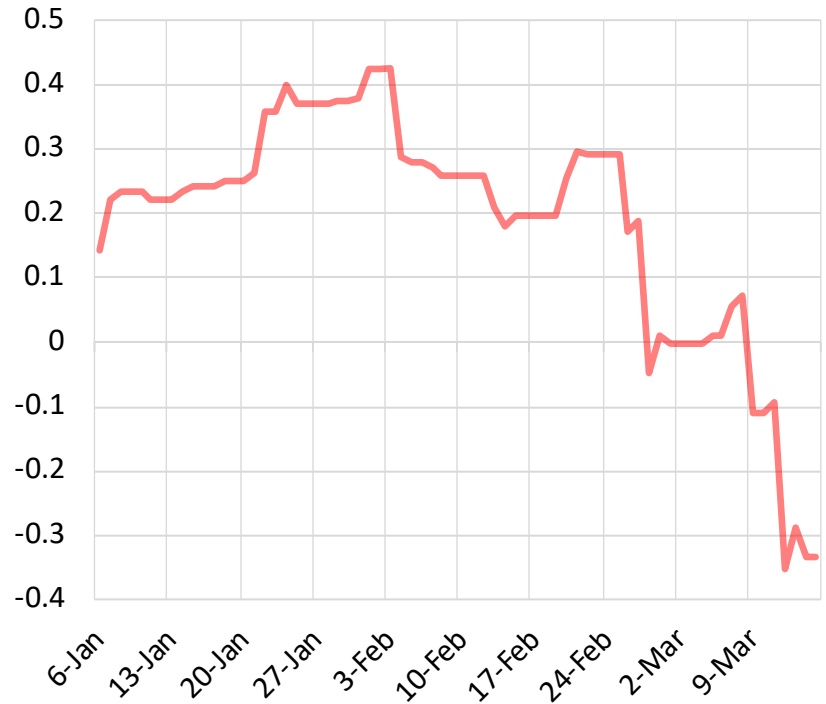
EURO AREA – NOWCAST AND FORECAST

Quarterly GDP growth, quarter-on-quarter, %

Q1 2020



Q2 2020

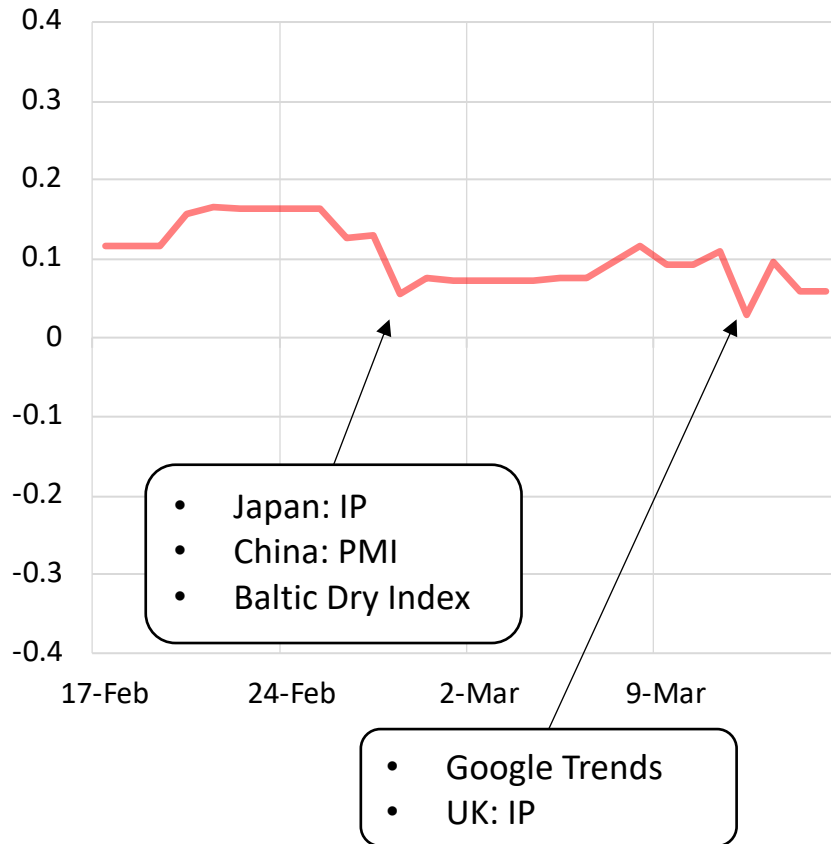


Source: new, international nowcasting model

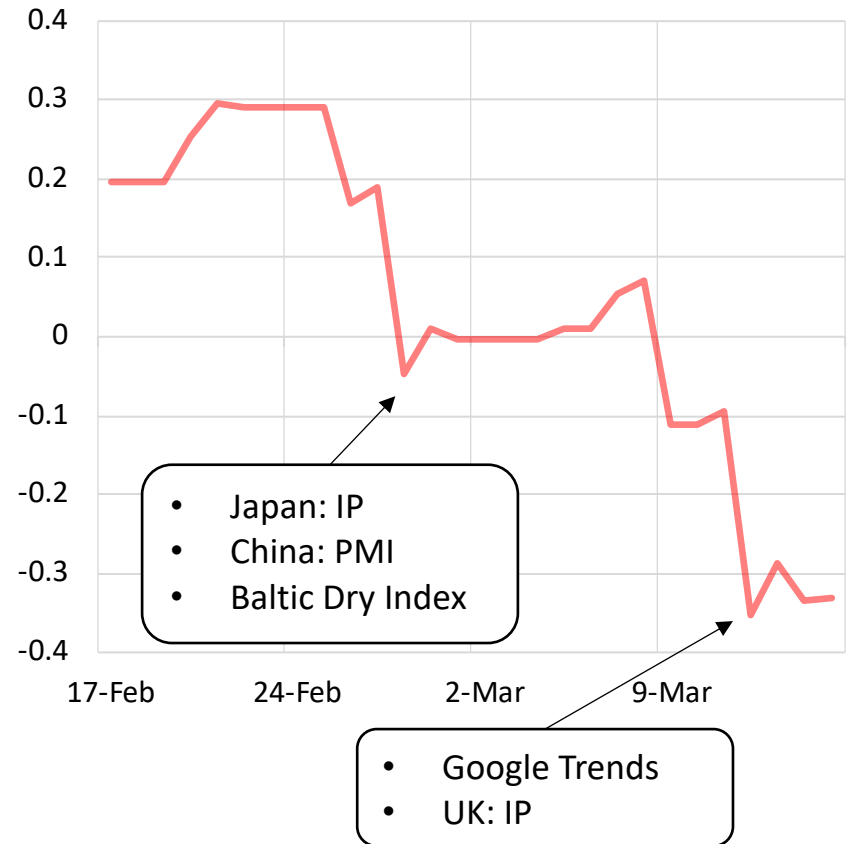
EURO AREA – NOWCAST AND FORECAST – ZOOM ON LAST 4 WEEKS

Quarterly GDP growth, quarter-on-quarter, %

Q1 2020



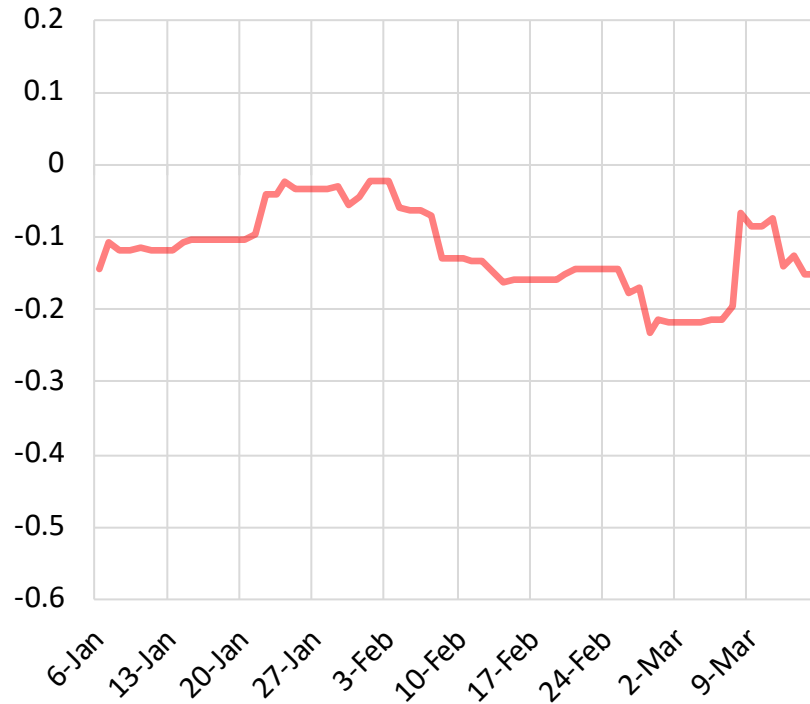
Q2 2020



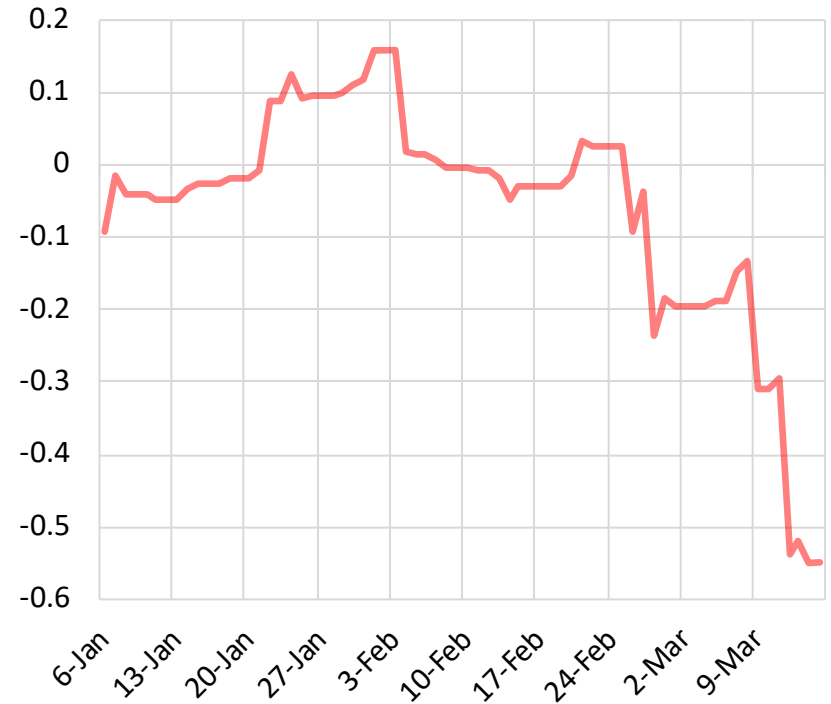
ITALY – NOWCAST AND FORECAST

Quarterly GDP growth, quarter-on-quarter, %

Q1 2020



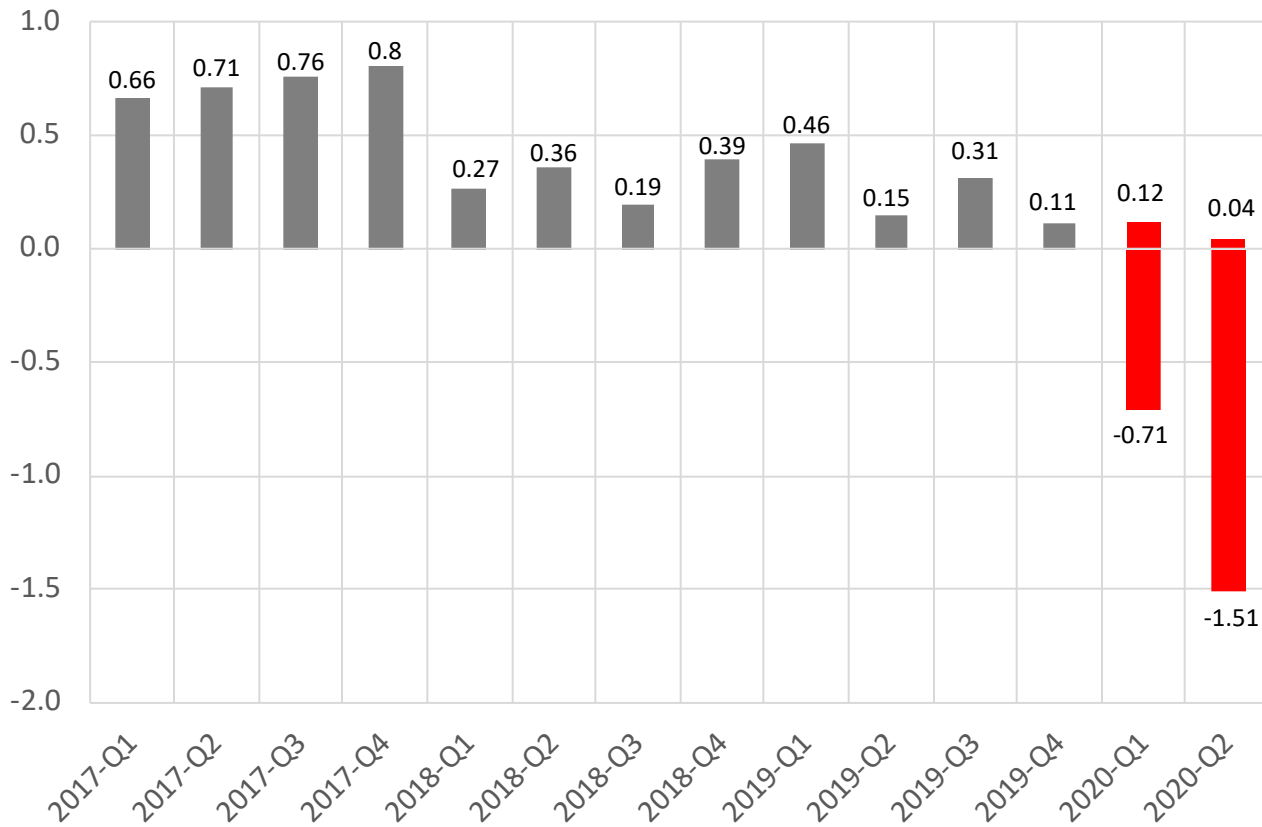
Q2 2020



Source: new, international nowcasting model

CONDITIONAL FORECAST FOR EURO AREA GDP

GDP growth, quarter-on-quarter, %



Decline in March surveys used as input for conditional forecasts

-10%

-20%

Source: live Now-Casting model