



"Studi e Analisi" presents surveys and analyses carried out by the Research Department in its areas of interest

Assolombarda Business Survey of the Manufacturing Sector in the Milan Area

January 2010

by Valeria Negri

In January 2010 manufacturing confidence in the Milan Area rose to the value of November 2009, recovering completely the reduction of December. The index performance in the last months confirmed to be discontinuous: since September 2009 the confidence fluctuated around a trend of mild growth, after the strong increase in the first part of the year.

In January positive signals emerged from short-term forecasts on production and demand, whose positive balances increased further. Moreover, inventories continued to reduce.

The confidence climate index grew from 89.9 in December to 93.7 in January. The rise of the indicator reflected an improvement in production prospects for the short-term (on its highest balance since 2008), an increase in demand and a new reduction of inventories (for the fourth consecutive month on balances widely below the normal levels).

In terms of assessments, industrial production remained stable on the negative value of last December, while orders increased both on national and on foreign side. In particular, foreign orders reached their highest level since May 2008.

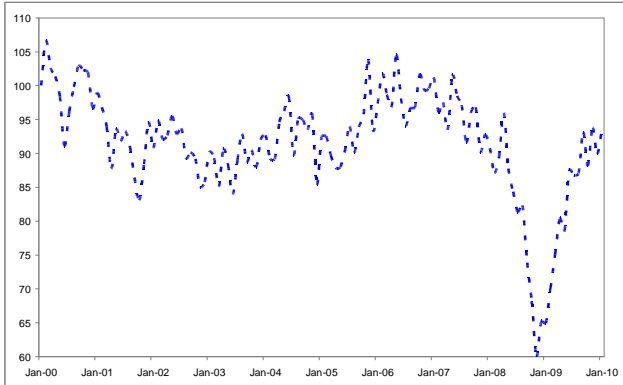
Turnover grew in the national market, while foreign turnover and employment remained substantially unchanged for the third consecutive month.

With reference to forecasts for the next 3-4 months, expectations on production and on foreign demand soared on their highest values for the last two year, while prospects on national orders and opinions on the Italian economic situation were steady on December's values.

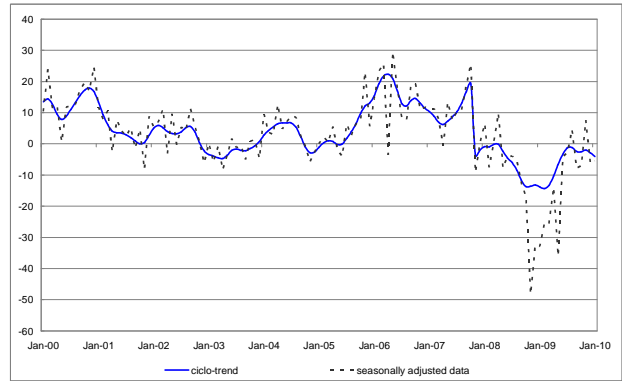
Research Department
Andrea Fioni <i>Head of Department</i> <i>Social issues and labour market</i>
Maria Grazia De Maglie <i>Macroeconomy and service sector</i>
Valeria Negri <i>Macroeconomy and industrial sector</i>
http://www.assolombarda.it/
mailto:stud@assolombarda.it
main tel: 02.58370.328

1 Graphs

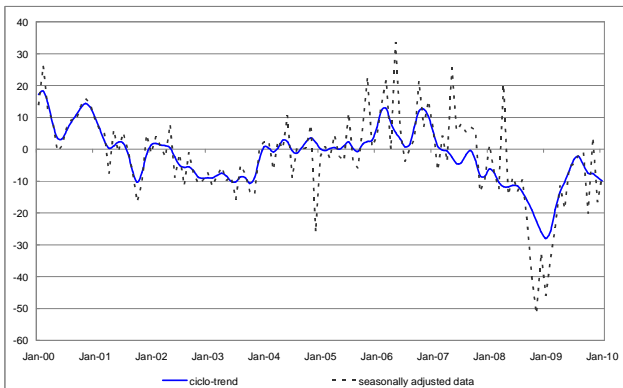
Graph 1 - Confidence Climate¹



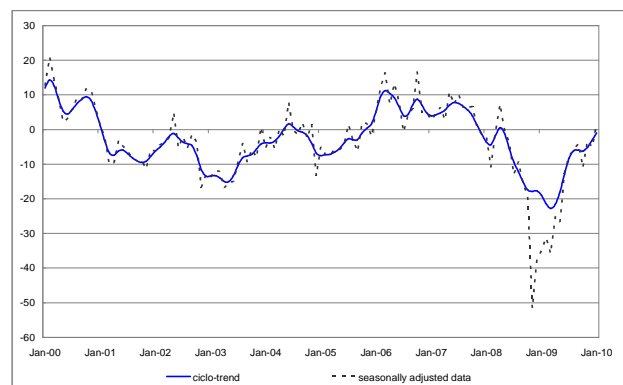
Graph 2 - Production assessment



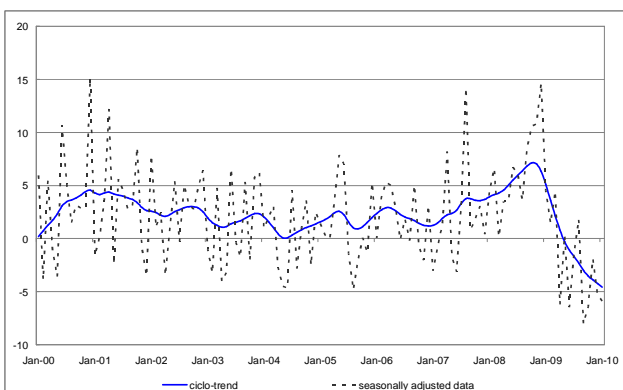
Graph 3 - Assessment on domestic orders



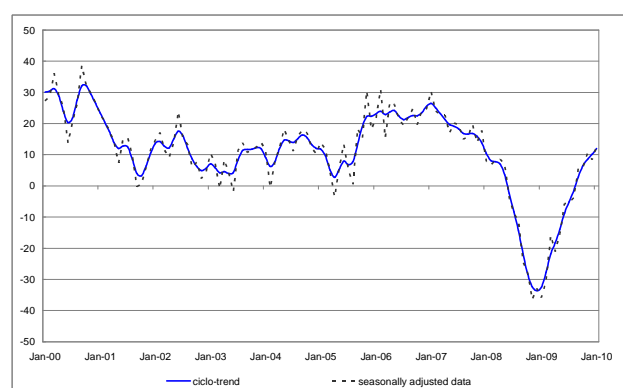
Graph 4 - Assessment on foreign orders



Graph 5 - Inventories



Graph 6 - Production expectations



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
October-09	88,2
November-09	93,8
December-09	89,9
January-10	93,7

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
October-09	-7	-9	6	-8
November-09	8	2	10	-1
December-09	-6	-38	8	12
January-10	-6	-8	13	16

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
October-09	-20	-16	3	-9
November-09	4	-6	10	3
December-09	-17	-38	6	11
January-10	-8	-12	7	15

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
September-09	-4	34	1	4
October-09	-11	-13	5	1
November-09	-4	-7	4	-2
December-09	-6	-24	12	19

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
October-09	-5	-7
November-09	10	-3
December-09	-9	-38
January-10	-6	-16

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
October-09	-11	-14
November-09	-1	-5
December-09	0	-24
January-10	1	-9

Table 7 - Other balances

Reference period	Inventories seasonally adj. data	Inventories raw data	Employment seasonally adj. data	Employment raw data	Expectations on economic situation seasonally adj. data	Expectations on economic situation raw data
October-09	-6	-7	-15	-13	-8	-9
November-09	-2	-4	-8	-8	-2	-2
December-09	-5	-8	-9	-16	-5	-5
January-10	-6	-6	-8	-15	-5	-7

Documento: ENG_Rapida_Jan10.doc

¹ The industrial confidence indicator is the arithmetic average of the seasonally adjusted data on production expectations, order books and stocks of finished products (with inverted sign). The index base is 2000=100.