



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

Assolombarda Business Survey of the Milan Area Manufacturing Sector September 2007

by Valeria Negri

In September entrepreneur sentiment recovered partially from its plummet in August, reaching a level a bit lower than in July. The improvement was driven by the return of stock inventories to a normal level, after their soaring performance in the previous month.

The confidence climate index grew to 97,1 from 92,9 in August, thanks to a plunge in inventories and an increase in foreign demand. Among the other components of the indicator, domestic orders remained steady at July and August levels, while short-term forecasts on production dropped slightly.

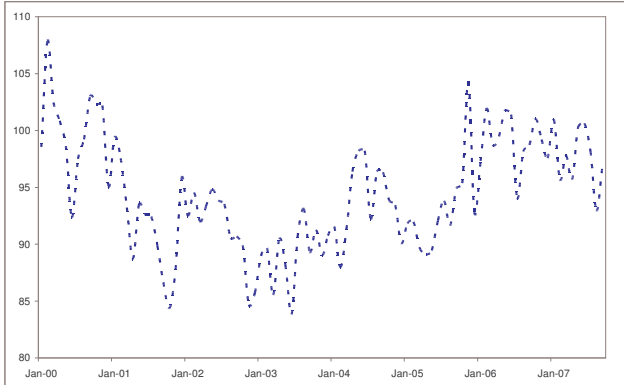
The industrial production balance improved for a sixth consecutive month, reaching the highest level since October 2006. With reference to August, turnover remained unchanged in the domestic market, while it showed a rise on the foreign side. Lastly, the employment balance went down, with more negative than positive indications from entrepreneurs.

With reference to short-term prospects, the domestic orders forecasts declined, while expectations of foreign demand improved. Finally, entrepreneurs' opinion on the general economic situation improved, after the fall registered in July and in August.

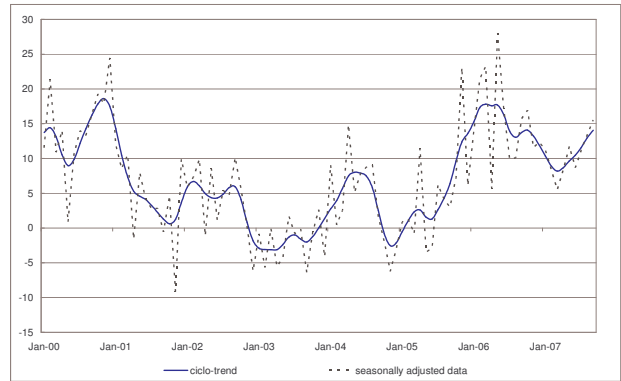
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1 Graphs

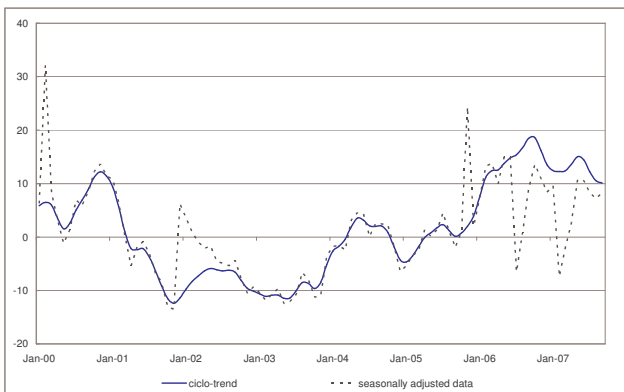
Graph 1 - Confidence Climate¹



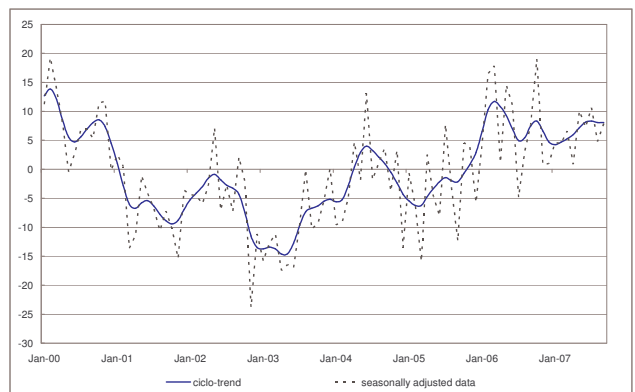
Graph 2 - Production assessment



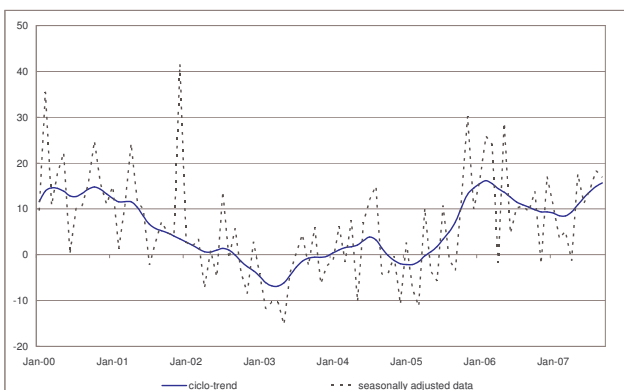
Graph 3 - Assessment on domestic orders



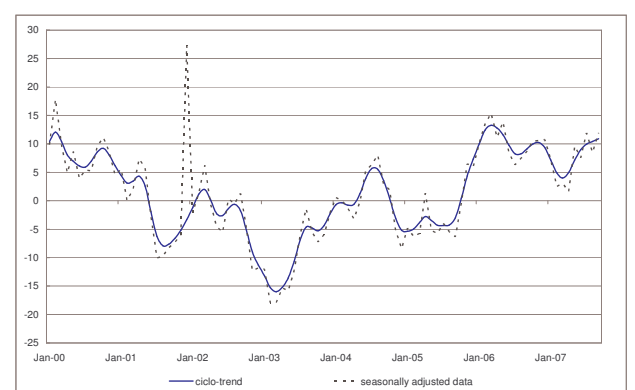
Graph 4 - Assessment on foreign orders



Graph 5 - Assessment on domestic turnover



Graph 6 - Assessment on foreign turnover



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
June-07	100,6
July-07	98,2
August-07	92,9
September-07	97,1

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
June-07	9	4	22	18
July-07	11	30	21	18
August-07	13	-52	17	15
September-07	16	51	15	11

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
June-07	11	8	19	16
July-07	8	25	11	10
August-07	7	-51	14	16
September-07	8	39	12	10

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
June-07	7	9	17	14
July-07	11	24	16	20
August-07	5	-48	9	10
September-07	8	34	16	14

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
June-07	11	8
July-07	14	31
August-07	18	-47
September-07	17	49

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
March-07	8	0
April-07	12	38
May-07	9	-53
June-07	12	44

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
June-07	-4	-3	0	2	11	9
July-07	4	3	-5	-4	-1	-3
August-07	14	9	0	-4	-1	-8
September-07	0	0	-3	2	9	2

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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.