

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

Assolombarda Business Survey on the Manufacturing Sector of the Milan Area

January 2007¹

by Valeria Negri

Entrepreneurs sentiment improved in January for the second consecutive month and short term expectations on firm variables and on economic situation remained extremely positive.

The confidence climate index grew to 99.1 from 98.3 of the previous month, thus exceeding 2006 average.

Production forecasts contributed, also in January, to the rising of the confidence climate index, which grew further if compared to December. Also reduction of inventories and rise in foreign demand gave a positive contribution to the indicator. On the contrary, domestic orders slowed down with respect to previous month.

Assessment on industrial production and on foreign turnover remained stable on balances registered at the end of 2006, while domestic turnover lowered after the bound registered in December. Employment improved slightly.

With regard to prospects for the next 3-4 months, expectations on domestic and foreign orders stabilized on historically high levels of the last period.

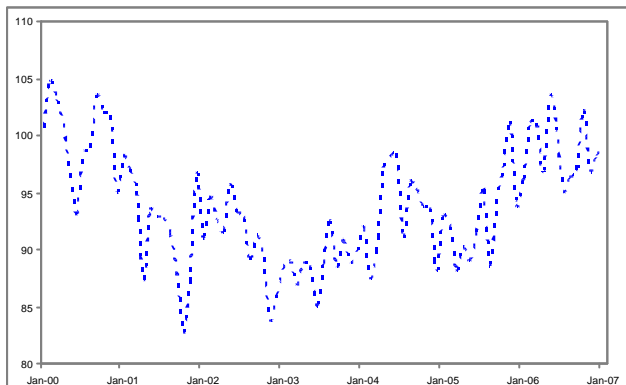
Entrepreneurs expectations for the general economic situation grew further, reaching the maximum level since May 2001, when the collection of this variable started.

¹ From current month balances of expectations on orders, expectations on economic situation and employment are seasonally adjusted. Therefore, all the variables of this survey are now deperated from seasonal factors..

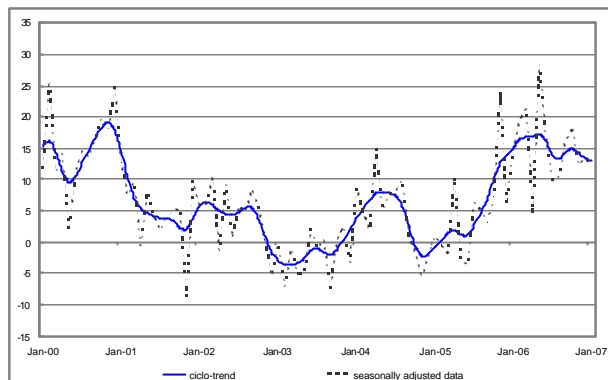
Research Department
<i>Giuseppe Panzeri</i>
Head of Department
<i>Maria Grazia De Maglie</i>
Macroeconomy and service sector
<i>Edoardo Della Torre</i>
Labour market
<i>Andrea Fioni</i>
Social issues and labour market
<i>Valeria Negri</i>
Macroeconomy and industrial sector
http://www.assolombarda.it/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

1 Graphs

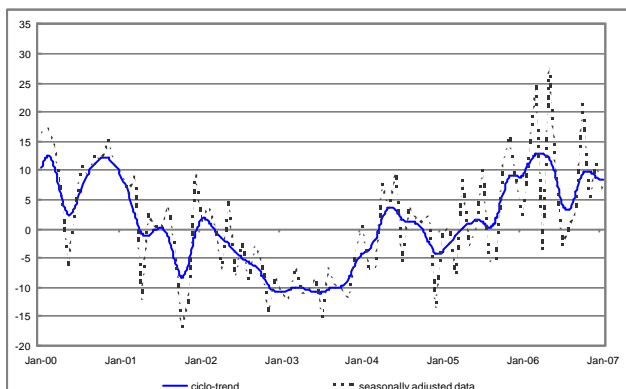
Graph 1 - Confidence Climate¹



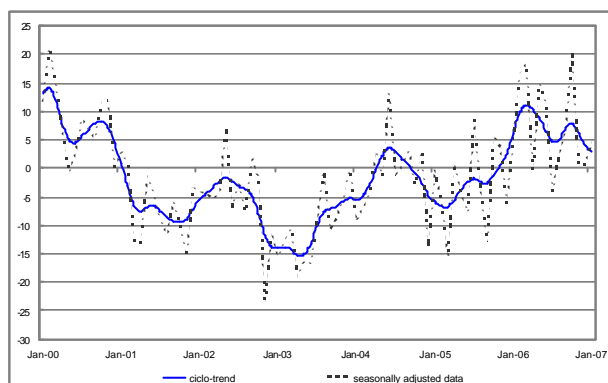
Graph 2 - Production assessment



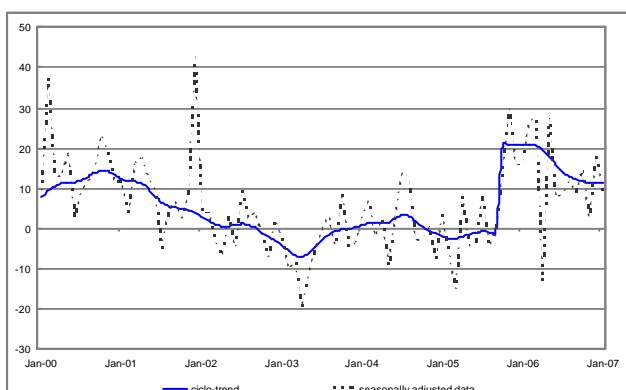
Graph 3 - Assessment on domestic orders



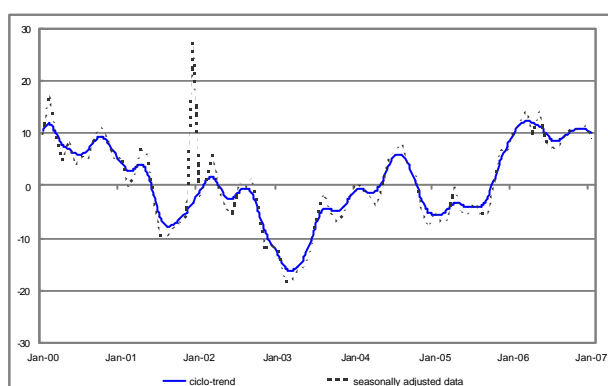
Graph 4 - Assessment on foreign orders



Graph 5 - Assessment on domestic turnover



Graph 6 - Assessment on foreign turnover



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
October-06	102,3
November-06	97,0
December-06	98,3
January-07	99,1

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
October-06	18	25	19	6
November-06	12	8	20	15
December-06	13	-33	23	26
January-07	12	24	25	38

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
October-06	18	25	19	6
November-06	12	8	20	15
December-06	13	-33	23	26
January-07	12	24	25	38

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
October-06	18	25	19	6
November-06	12	8	20	15
December-06	13	-33	23	26
January-07	12	24	25	38

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
September-06	9	49
October-06	15	23
November-06	3	-6
December-06	19	-25

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
September-06	10	44
October-06	11	20
November-06	11	5
December-06	12	-27

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-06	-1	-2	3	6	6	7
November-06	0	-4	1	2	9	9
December-06	2	1	1	-8	19	18
January-07	0	-3	3	-2	28	29

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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.