

"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

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Entrepreneurs sentiment downsized in June, after the strong growth registered in April. Nevertheless, the index remained on historically high level, superior than the average of the first half of 2007 and of the whole 2006.

Many of the collected variables revealed an upward trend compared to the beginning of 2007, even if they showed a decrease in the current month compared with the past one.

The confidence climate index decreased from 102.0 registered in May to 99.8, due to a reduction in order books, in particular on national market. Instead, production forecast bettered slightly and stock inventories continued to diminish also in June.

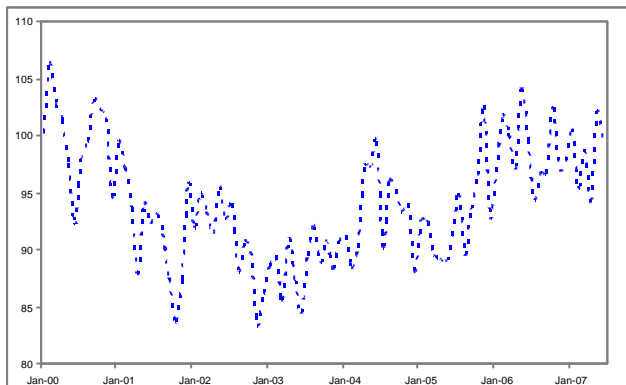
Industrial production and turnover balances contracted, while employment improved, registering a null value after four months of negative trends.

With regard to short term prospects, expectations on domestic orders remained unchanged compared with May.

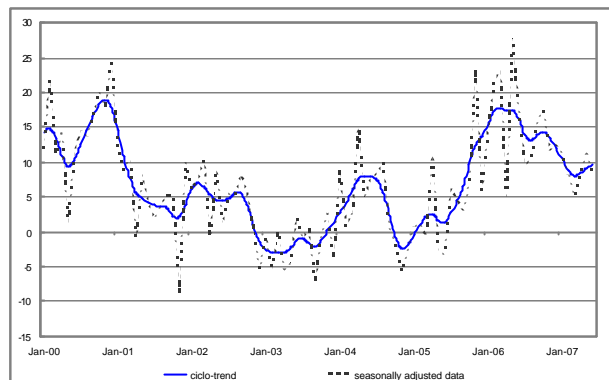
On the contrary, prospects on foreign orders and opinion on general economic situation reduced.

1 Graphs

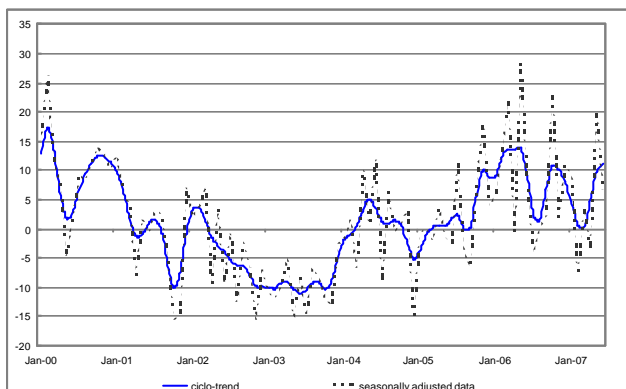
Graph 1 - Confidence Climate¹



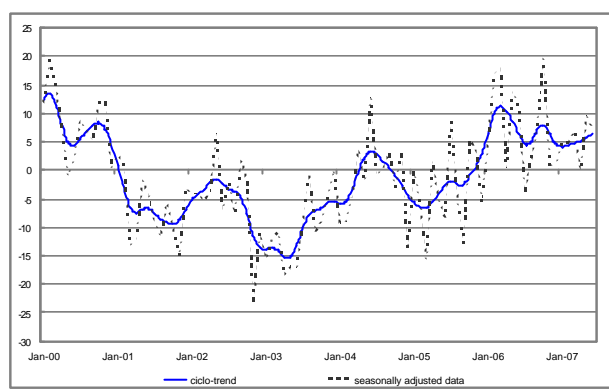
Graph 2 - Production assessment



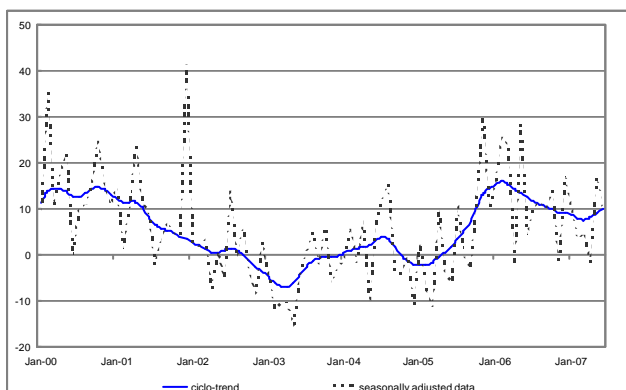
Graph 3 - Assessment on domestic orders



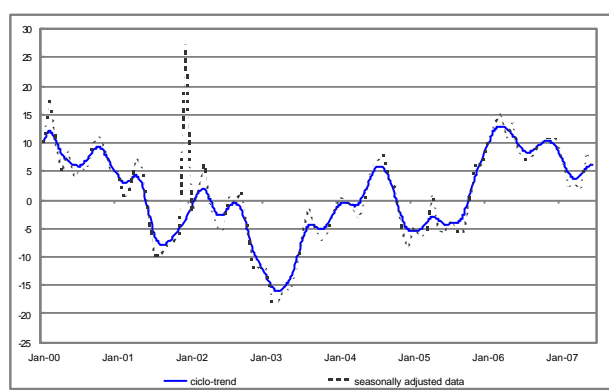
Graph 4 - Assessment on foreign orders



Graph 5 - Assessment on domestic turnover



Graph 6 - Assessment on foreign turnover



2 Data

Table 1 - Confidence climate¹

Reference period	Index (2000=100)
March-07	98,8
April-07	94,2
May-07	102,0
June-07	99,8

Table 2 - Production

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
March-07	5	27	26	28
April-07	8	-18	24	29
May-07	11	37	21	23
June-07	8	4	22	18

Table 3 - Domestic orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
March-07	3	22	25	26
April-07	-4	-24	27	26
May-07	20	35	20	22
June-07	7	8	20	16

Table 4 - Foreign orders

Reference period	Assessment seasonally adj. data	Assessment raw data	Expectations seasonally adj. data	Expectations raw data
March-07	7	21	21	17
April-07	0	-14	25	30
May-07	10	21	27	28
June-07	7	9	18	14

Table 5 - Domestic turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
March-07	5	30
April-07	-2	-30
May-07	17	43
June-07	11	8

Table 6 - Foreign turnover

Reference period	Assessment seasonally adj. data	Assessment raw data
March-07	3	26
April-07	2	-25
May-07	8	33
June-07	5	0

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
March-07	1	4	-1	1	17	19
April-07	7	12	-1	1	18	23
May-07	-3	2	-6	-2	17	19
June-07	-4	-3	0	2	12	9

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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.