



European Periphery Macro Daily

20 November 2018
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Macro Update

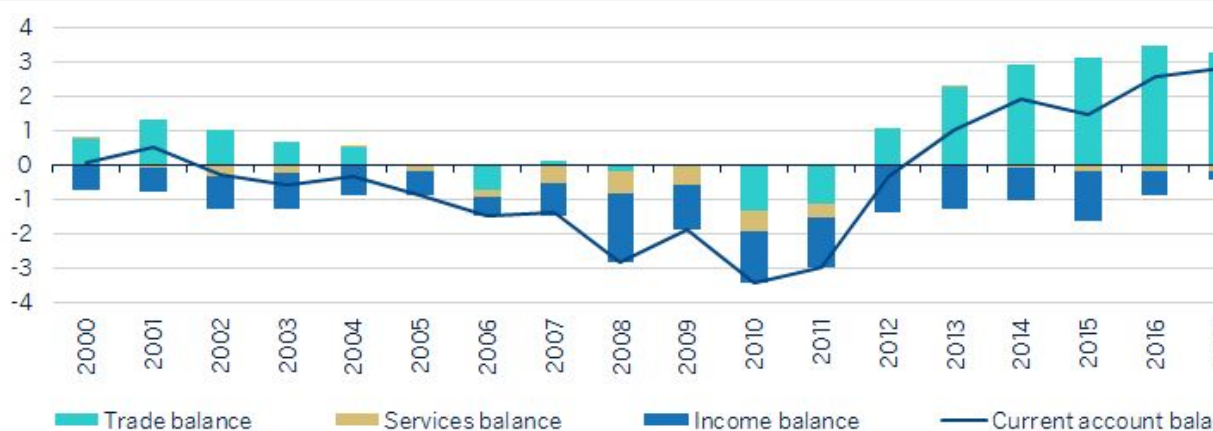
Today

- **Italy current and financial account (September).** Italy registered a current account surplus of EUR3.2bn for September. The financial account showed that the net outflow of foreign investment in Italy contracted in September (EUR1.6bn).
- **Macro releases today.** There are no relevant data to comment on today.

Yesterday

- **Italy current and financial account (September).** Italy registered a current account surplus of EUR3.2bn for September. In YtD terms the surplus reached EUR31.2bn (c.5% YoY below the cumulative figure recorded in same period in 2017). The slight deterioration in the external balance is mainly due to the reduction in the surplus on the balance of trade (-12% YoY), which outweighed the improvement in the surplus on the service balance and the reduction in the deficit on the income balance (-32% YoY).

Italy current account and breakdown by balances (% of GDP)



Source: BBVA GMR based on Eurostat
*2018 12-month cumulated up to September

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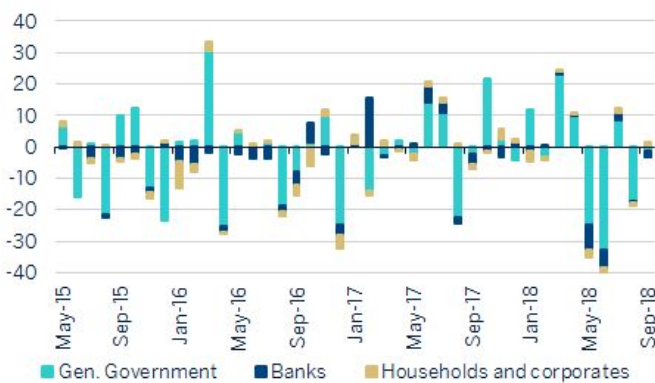
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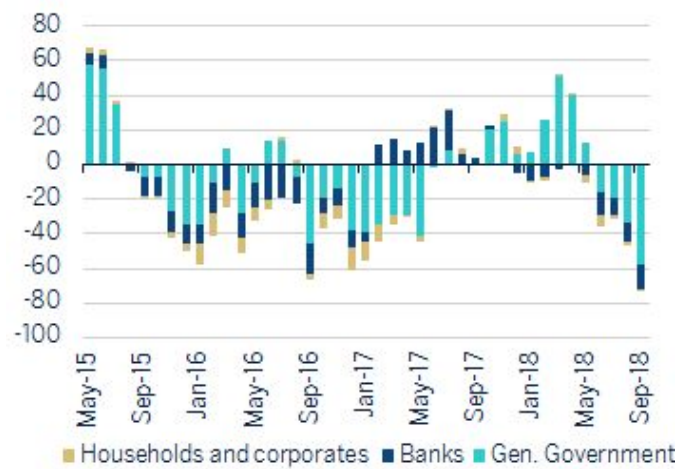
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The financial account showed that the net outflow of foreign investment in Italy contracted in September, after having registered quite negative figures in August. More specifically, a net outflow of foreign portfolio investment of around EUR1.6bn was registered in September, less than the cumulative outflow of c.EUR19bn registered in the previous month. This trend in foreign portfolio investment was pretty similar across all the different asset classes, with a net outflow (of c.EUR1.6bn in public debt securities, c.EUR2bn in bank securities), offset by the inflow of c.EUR1.5bn in the non-financial private sector. August and September figures combined show a more moderate selling flow (EUR21bn) than in June and July together (EUR28bn).

Foreign portfolio investment in Italy. Net monthly flows (EUR bn)



Foreign portfolio investment in Italy. Net flows (6-month cumulative, EUR bn)



Source: BBVA GMR based on Bank of Italy

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