

APFIPP/Universidade Católica Savings' Indicator: June 2014

In June the APFIPP/Universidade Católica Savings' Indicator increased to 108.5 after 107.9 in May.

Table 1: Indicator, Dec 2000 = 100

2013						2014					
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
128.5	126.2	124.3	122.5	116.5	114.9	111.8	108.8	108.6	107.4	107.9	108.5

Source: APFIPP, Universidade Católica Portuguesa

Preliminary remarks

This month, the APFIPP / Universidade Católica Savings' Indicator incorporates the updates of quarterly national accounts data by institutional sector of the first quarter of 2014, published by INE – Statistics Portugal, as well as a slight upward revision of the GDP for 2014 Q2.

Chart 1: APFIPP/Universidade Católica Savings' Indicator

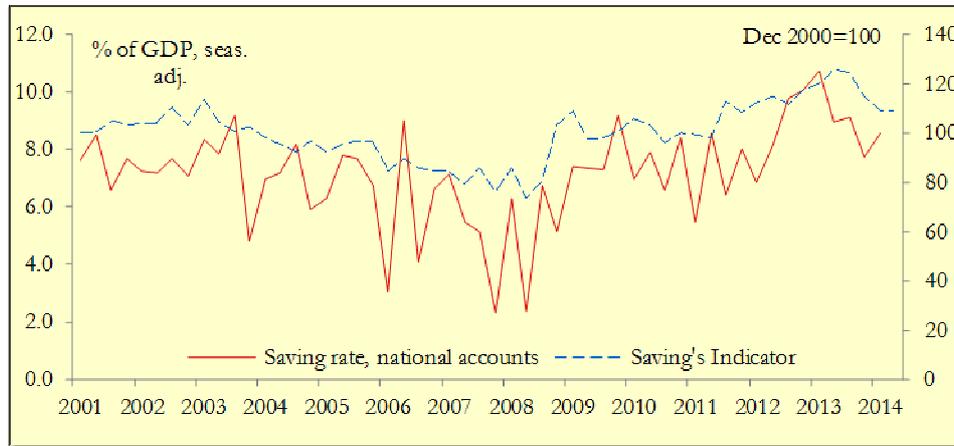


Source: APFIPP, Universidade Católica Portuguesa.

APFIPP / Universidade Católica Savings' Indicator shows a new slight increase in June

APFIPP/Universidade Católica Savings' Indicator increased slightly to 108.5 in June after 107.9 in May.

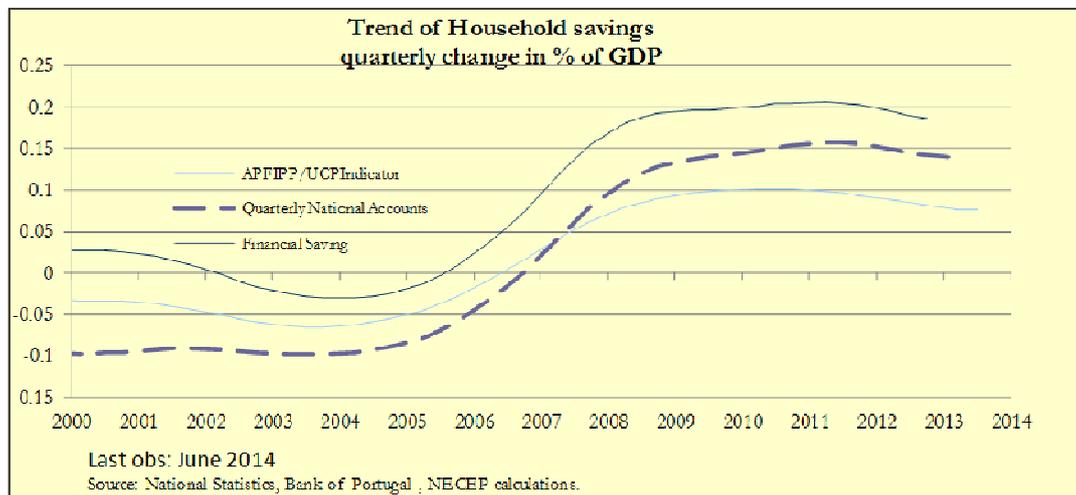
Chart 2: APFIPP/Universidade Católica Savings' Indicator and actual Household Saving



Source: APFIPP, Universidade Católica Portuguesa, INE – Statistics Portugal, seasonally adjusted by the authors

The Indicator shows a downward trend in household savings, measured by the quarterly variation of the smoothed series, after having remained for several years at historically high levels. The marginal increases of the Indicator in May and June were not yet sufficient to reverse this trend and may indicate a stabilization.

Chart 3: Trends in Household savings, quarterly variation of smoothed series in % of GDP



Source: INE – Statistics Portugal, Bank of Portugal, NECEP (unit of the Economics Faculty of Lisbon's Catholic University) calculations

Methodological Information about the Indicator

- The APFIPP/ Universidade Católica Savings' Indicator seeks to anticipate the evolution of Portuguese Households' savings rate, expressed as % of GDP, seasonally adjusted;
- The series started in 2000;
- The indicator is published in the 2nd week of each month;
- CNT refers to the Quarterly National Accounts series published by the National Statistics: demand details, external balance, net financial lending / borrowing capacity and Employment data.
- The Financial Saving refers to the statistics of the National Financial Accounts published quarterly by the Bank of Portugal.
- The indicator is the result of the analysis of the behavior of a wide range of statistical sources;
- The figures disclosed are subject to frequent revisions and the latest estimates are presented.
- The indicator assumes the value 100 in the last quarter of 2000 when the savings rate was about 8% of GDP. Therefore, every 12.5 points of the indicator represents about 1% of GDP. When the indicator reaches the value 125 household saving is about 10% of GDP, on the other hand when the indicator reaches values in the order of 75 household saving reaches approximately 6% of GDP.

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