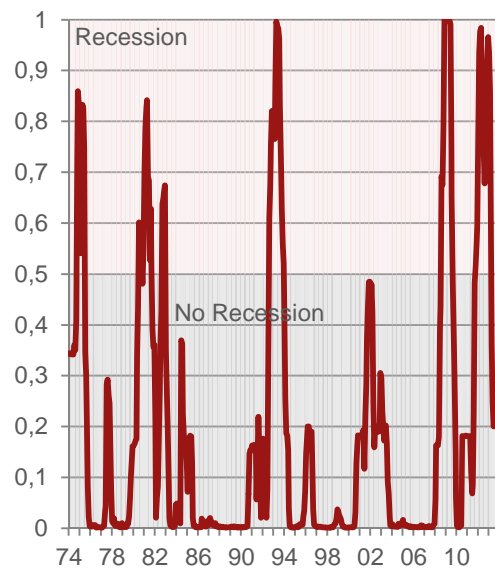


Start-End Recession Index: Confirmed signal of recession exit in the euro area

The start-end recession indicator (IESR) has strongly decreased from 0.66 in March 2013 to 0.21 in July. Therefore, it overpassed the significant 0.5 threshold at the beginning of the second quarter of 2013, sending a signal of recession exit in the euro area. The 0.3 % rebound of the euro area GDP growth in the second quarter might confirm that signal but more data are needed to make a final statement (the last recession April 2009 exit was ascertained by the CEPR in October 2010, with therefore a delay of 18 months).

The delay given by the European Commission to adjust the budgetary deficits and the new supportive monetary policy by ECB bring together a more favourable economic environment which boosts confidence. As a matter of fact, business and households surveys are improving and financial markets are on the rise. Those conditions are, together with the renewed growth in the second quarter of 2013, reinforcing the IESR recession exit signal

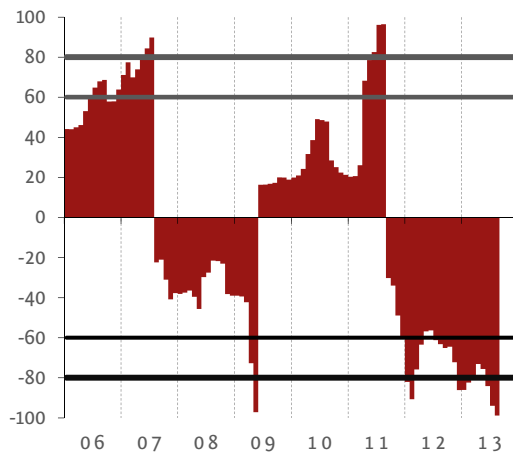
Updated September 11, 2013



Leading Indicator: persistent signal of growth cycle trough in mid-2013

The IARC indicator has been crossing the -80 threshold with difficulty but is now converging towards -100 since July. This sends a signal of a growth cycle trough in mid-2013 implying a growth climbing over the trend annualized growth rate estimated at 0.9 %. Financial variables continue to be positively oriented: low short-term interest rates and bullish stock market. Survey results for the intermediate goods industry are strongly improving. The global world-wide environment is regaining strength with a 3.3 % GDP increase in the second quarter against only 1.9 % in the first quarter. The turning points ABCD sequence would be respected with a recession trough in the first quarter followed by a growth trough in the second or third quarter.

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An indicator above 80 signals a slowdown (peak of the cycle), an indicator below -80 a rebound (trough of the cycle).

The latest data

	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13
Start-End Recession Index	0.79	0.40	0.25	0.20	0.21	
Leading Indicator	-80.7	-73.1	-75.6	-84.1	-93.9	-98.8

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