

### TOY STORY



*Buzz : «They're cannibals!»*

*Woody: «Aaah!»*

*Buzz: «May day! May day! Come in, Star Command! Send reinforcements!... Star Command, do you copy? I've set my laser from stun to kill».*

*Woody: «Oh, great, great. Yeah, and if anyone attacks us we can blink 'em to death».*

*From Toy Story, by John Lasseter*

“May day! May day!”: Ten days are left to understand what is going to become of Brexit. The spotlight is on April 10th, the date on which the next European Council was convened to discuss the issue.

Leaving Great Britain for the East, it is better not to «set the laser from stun to kill»: China isn't calling any «May day!». March's manufacturing PMI index showed a clear rebound, reaching the maximum of the last six months: 50.5 from February's 49.2. The Caixin Markit China was also published, again relating to the manufacturing PMI, which rose to 50.8 in March from the previous month's 49.9. This is the first growth in the last four months. The numbers reassured the operators, that feared a significant slowdown of the second largest economy in the world due, above all, to the trade war with the United States. China has made it known that the suspension of tariffs on autos and car parts imported from the USA continues, in order to create an optimal atmosphere for a dialogue with the States. The US Treasury Secretary, Steven Mnuchin, tweeted last Friday: “I have concluded constructive trade talks in Beijing”. A new round of consultations is scheduled this week in Washington.

And Europe? Too soon to launch a «May day!» but the data of the Old Continent are not reassuring. The Italian manufacturing PMI edged down to 47.4 in March for the sixth consecutive month, falling from February's 47.7. In France the data went to 49.7 from the previous 51.5, in Germany to 44.1 from 47.6. Considering the Eurozone manufacturing PMI, we are going from February's 49.3 points to March's 47.5. Europe's weakness mainly derives from intermediate and capital goods. In both cases, a sharp deterioration was reported, in sharp contrast to what was recorded in the consumer goods sector where an increase, even if moderate, was highlighted. But there is also a positive note for Europe: the weakness of inflation could push the ECB to proceed on the path of an expansive monetary policy, which would be welcomed by the markets.

Zooming in on Italy, the OECD returns to launch its “May day!” on growth just a few days after writing the Economic and Financial Document. The organization's secretary, Angel Gurría, after confirming the estimate of -0.2% of GDP for this year (the positive sign will return in 2020) said that the country is «officially in a stalemate». The rejection of the «Quota 100» is strong: «It is going to slow down growth in the medium term, reducing employment among older people and, if not fairly applied in terms of actuarial factors, it is going to increase generational inequality and the public debt». The analysis aroused the anger of the Italian vice premier Luigi Di Maio, who spoke of an «interference» by the OECD.

But for Italy it is almost “May day!” also on the work front. In fact, unemployment is up again, reaching the 10.7% in February, up 0.1 points. This is the situation revealed by Istat's provisional data. Employees seeking employment increased by 34 thousand units (+ 1.2%), for a total of 2 million 771 thousand. On an annual basis, however, the number of unemployed people is declining (-1.4%). Making a comparison between the current unemployment rate and the pre-crisis minimum (5.8% in April 2007), it emerges that the figure is still almost 5 percentage points higher.

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Eurostat has instead updated the figures for the Eurozone: in February unemployment remains stable on a monthly basis at 7.8%, and is declining if compared to the same month last year (8.5%). In the whole EU the percentage of unemployed remains at 6.5%.

The markets, flooded with conflicting data, ultimately gave

more importance to positive news. No «May day!» to be reported for April 1st: the main European indexes have closed up.



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