

Konjunktur

Economic Outlook – Leading Indicators at a Glance 08/2024

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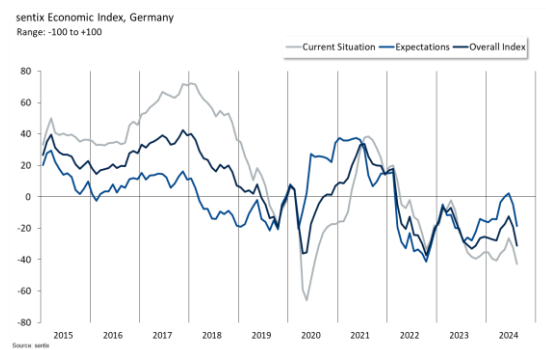
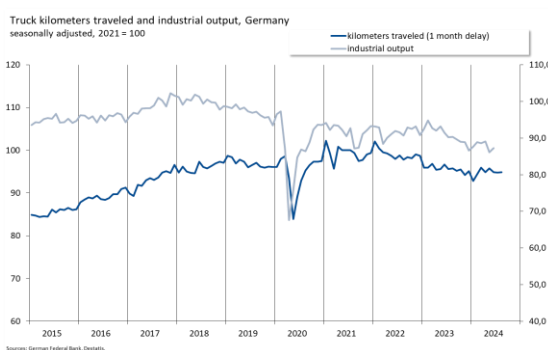
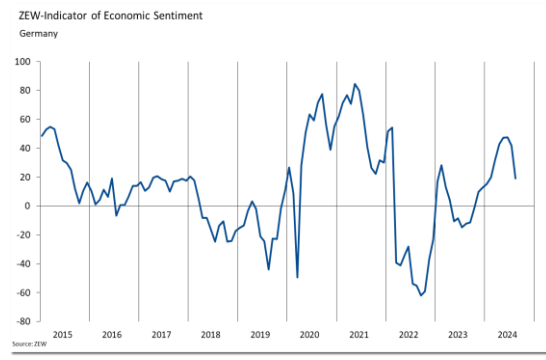
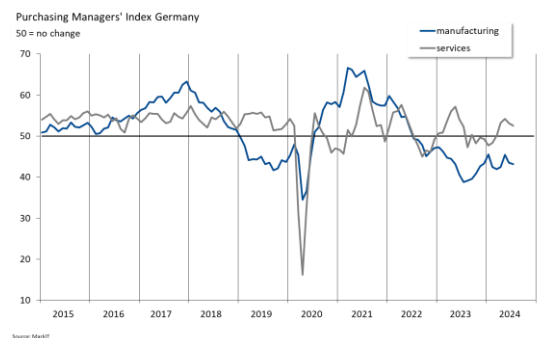
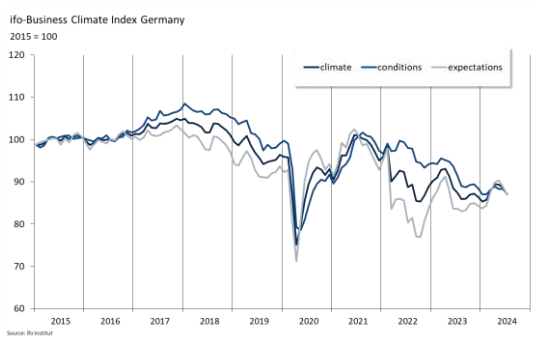


Germany

1 Germany

Leading indicators back on the decline

After appearing to recover for a while, the leading indicators for the Germany economy have declined again recently. The ifo business climate showed both the current assessment of the economic situation and expectations to be worse than in previous months. The sentix Economic Index also saw a decline in all components, these now being clearly in negative territory. Also the Purchasing Managers' Indices are again trending downwards with the Services Index still remaining above the growth threshold. The ZEW Economic Sentiment Index also fell recently – although from a high level. The Economic Sentiment indicator has been stable, but remains at a very low level. According to toll statistics, there was also no positive momentum seen in truck mileage traveled.



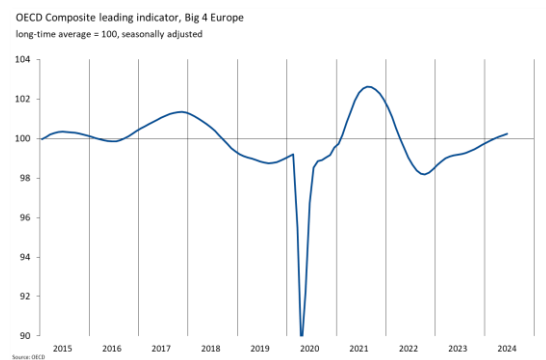
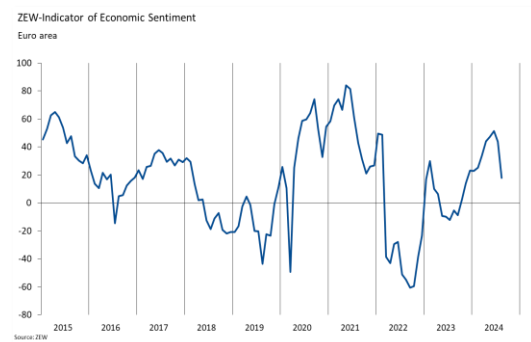
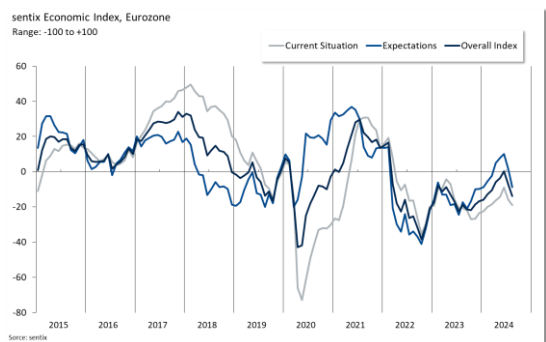
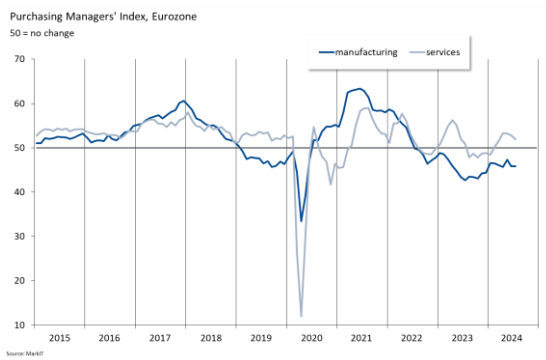


Eurozone

2 Eurozone

Weak performance of most leading indicators

Many leading indicators for the Eurozone were also on the decline again recently. The sentix Economic Index showed both the current situation assessment and expectations to have fallen noticeably which are now well below the zero line. The Purchasing Managers' Index for the services sector also yielded, although it still remains above the growth threshold. The index for the industry is significantly below the threshold and has remained unchanged. ZEW economic expectations have also declined, albeit from a relatively high level. On the other hand, the OECD leading indicator for the major European economies continued its rebound and is now slightly above its long-term average. The Economic Sentiment Indicator remains largely unchanged, but still at a below-average level.

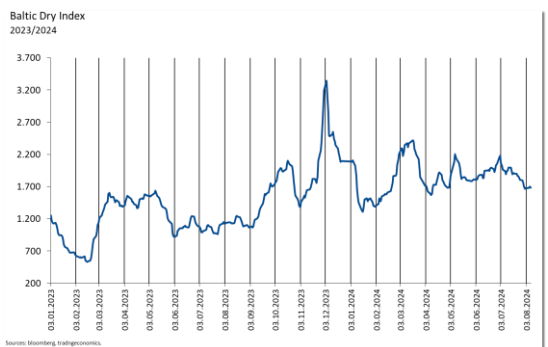
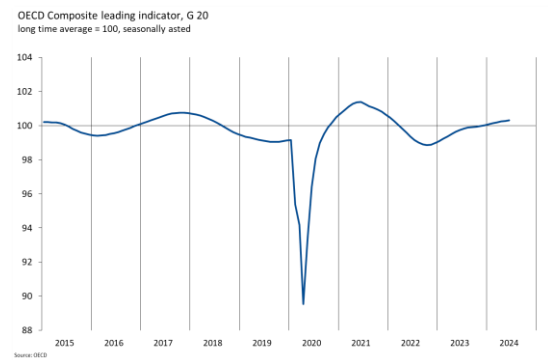
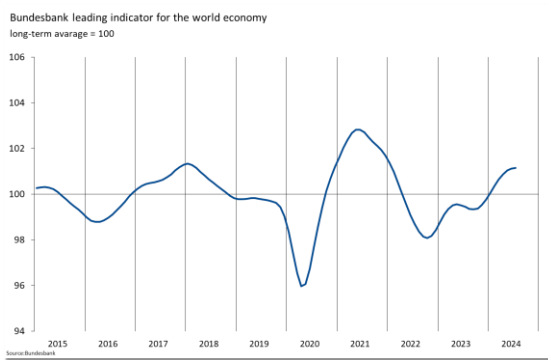




3 Global economy

Global leading indicators weaker

The leading indicators for the global economy, which have recently been trending upwards, are also falling again. While the Bundesbank leading indicator for the global economy is seeing further improvement, the pace is slowing down. A similar picture applies to the OECD composite leading indicator. The sentix Economic Index, on the other hand, has fallen and is again hovering in negative territory. This applies to both the assessment of the current situation and to expectations. Also the Purchasing Managers' Index for the industry declined further and is now well below the growth threshold of 50 points. The Container Throughput Index also decreased recently, although global trade has not mirrored this trend for some time now. The Baltic Dry Index is also pointing downwards.





Appendix

Appendix: Descriptions of Leading Indicators

- The Ifo Business Climate Index is a widely observed leading indicator for economic development in Germany. It is based on ca. 7,000 monthly survey responses of firms in manufacturing, construction, wholesaling and retailing.
- The Purchasing Managers' Index (PMI) for the German Industry (Einkaufsmanager-index) is based on estimations by purchasing managers of industrial companies. The PMI for the Industry in the world economy is calculated by us. It conveys the average of the PMIs of the Eurozone, the USA, the UK, Japan, China and Brazil, weighted according to their share of world GDP.
- The European Economic Sentiment Indicator is based on a survey of businesses from industry, trade, construction as well as service providers and consumers.
- The ZEW Indicator of Economic Sentiment (ZEW-Konjunkturindikator) is based on a survey of over 300 financial experts.
- The toll statistics account for the mileage of trucks that are liable to tolls on German autobahns measured in kms. The change of the amount compared with the same month of the previous year (adjusted for the calendar effect) serves as an indicator.
- The Sentix Economic Index (sentix-Konjunkturindex) is based on a survey of 2,500 private and institutional financial market participants.
- The OECD business climate index (OECD-Geschäftsklimaindex) is the weighted average of business climate indexes from 33 countries and is based on company surveys (OECD-members such as Brazil, China, India, Indonesia, Russia and South Africa). It is also published separately for the Eurozone.
- The German Federal Bank's leading indicator (Bundesbank Frühindikator) for the world economy is made up of several global indicators (Purchasing Managers' Index for industry, Purchasing Managers' Index for services, consumer climate for the current economic situation, consumer climate for business expectations, S&P Global 1200 stock index).
- The Baltic Dry Index is an important price index for tracking international shipping costs for dry bulk commodities.
- The Container Throughput Index is a joint project of the Rheinisch-Westfälisches Wirtschaftsforschungsinstitut (RWI) and the Institute of Shipping Economics and Logistics (ISL). It is based on market observations in 72 international ports that together make up about 60 percent of the worldwide container handling of manufactured goods.



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