

Konjunktur

# Economic Outlook – Leading Indicators at a Glance 10/2024

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Germany

# 1 Germany

## Leading indicators remain weak

Many leading indicators for the German economy continue to point downwards. The ifo business climate has fallen for the fourth time in a row, and both the assessment of the current situation and the expectations have deteriorated. The Economic Sentiment Indicator also fell. The purchasing managers' indices however could slightly improve. While the services index is listed at 51.4 points, the index for the industry remains with 42.6 points significantly below the growth threshold of 50 points. The ZEW economic expectations index stabilised after significant declines. The sentix Economic Index also recovered slightly, but all components remain deep in the negative territory. According to toll statistics, lorry mileage continued to weaken.



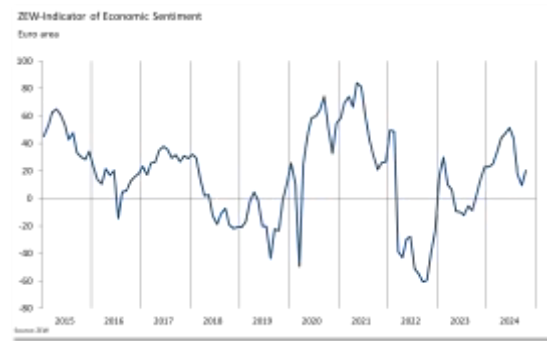


Eurozone

## 2 Eurozone

### Differentiated, but overall weak development of leading indicators

The leading indicators for the Eurozone are developing in a more differentiated manner, but also remain weak overall. All components of the sentix Economic Index are in negative territory. While expectations continued to recover, the current situation assessment was again rated worse than in the previous month. The Purchasing Managers' Index for the industry improved slightly, but remains with 45.9 points below the growth threshold. The index for the service sector lost 0.2 to 51.2 points. The ZEW Economic Expectations Index also improved again slightly following the sharp decline. The Economic Sentiment Indicator is moving sideways at a below-average level. By contrast, the OECD leading indicator for the major European economies is pointing upwards and is slightly above the long-term average.

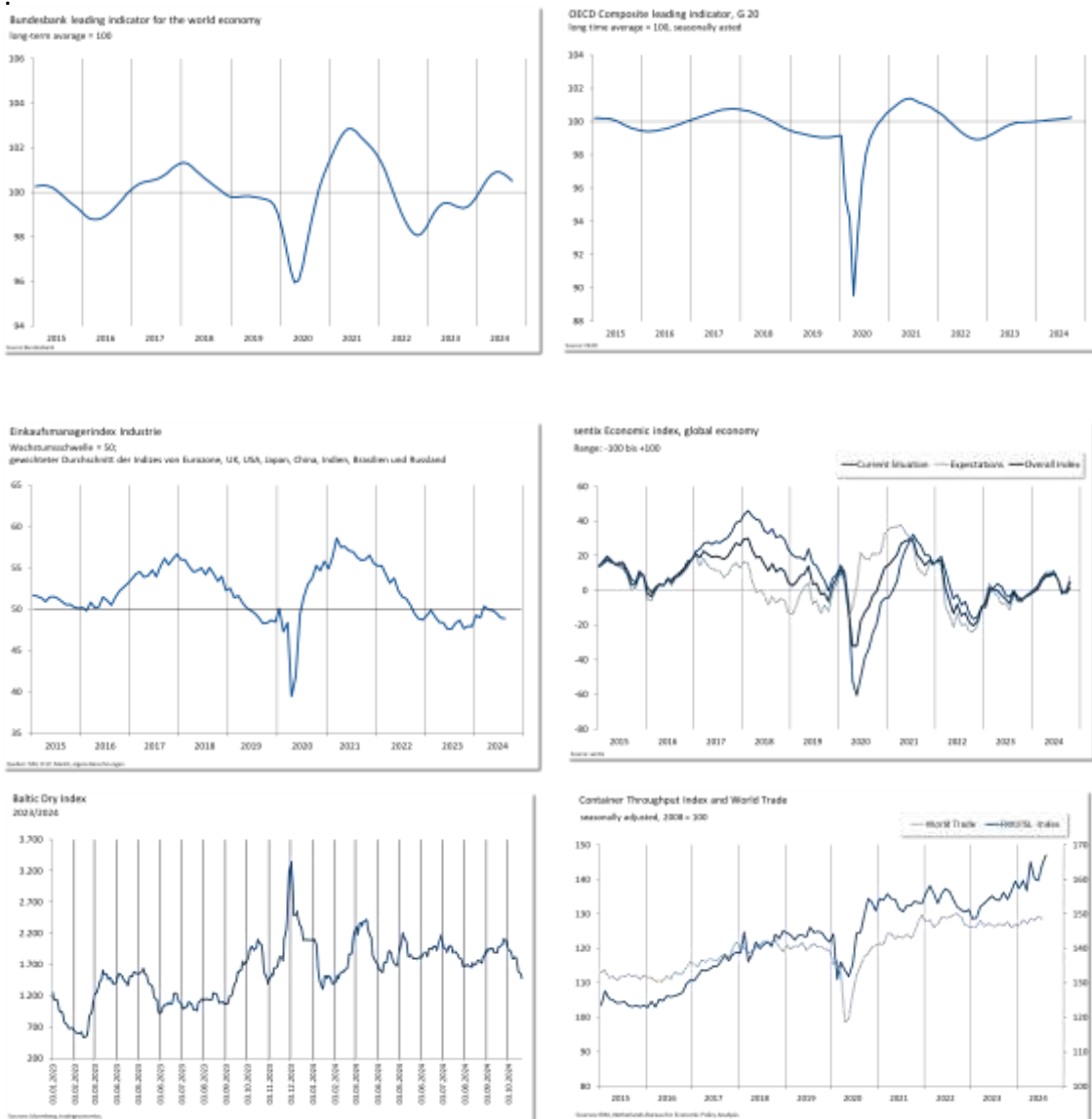




## 3 Global Economy

### Mixed signals from global leading indicators

The leading indicators for the global economy continue to develop in different ways. The Bundesbank leading indicator for the global economy continued its decline. The Purchasing Managers' Index for global industry also fell slightly and remains below the growth threshold of 50 points. At the same time, the OECD leading indicator improved slightly once again. The sentix Economic Index also rose, with both the current assessment of the situation and expectations now slightly in positive territory. The RWI Container Throughput Index has risen further, but global trade is barely able to keep pace with this development. The Baltic Dry Index, on the other hand, has recently fallen significantly.



## Appendix: Descriptions of Leading Indicators

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- 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.



## Contact / Imprint

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