

Press Release

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ZEW Indicator of Economic Sentiment for Germany

-1.1 points (+10.3 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

+2.3 points (+11.2 vs. previous month)

Assessment of the Current Situation in Germany

-79.9 points (-0.5 vs. previous month)

Assessment of the Current Situation in the Eurozone

-52.4 points (-9.8 vs. previous month)

61/2023

17 October 2023

ZEW Indicator of Economic Sentiment

Expectations Rise, Low Point of Situation Indicator Reached?

The ZEW Indicator of Economic Sentiment for Germany recorded a significant increase in the current October 2023 survey. At minus 1.1 points, it is 10.3 points above the previous month's value. In addition, the assessment of the economic situation in Germany has stabilised. The corresponding indicator slightly fell by 0.5 points and currently stands at minus 79.9 points.

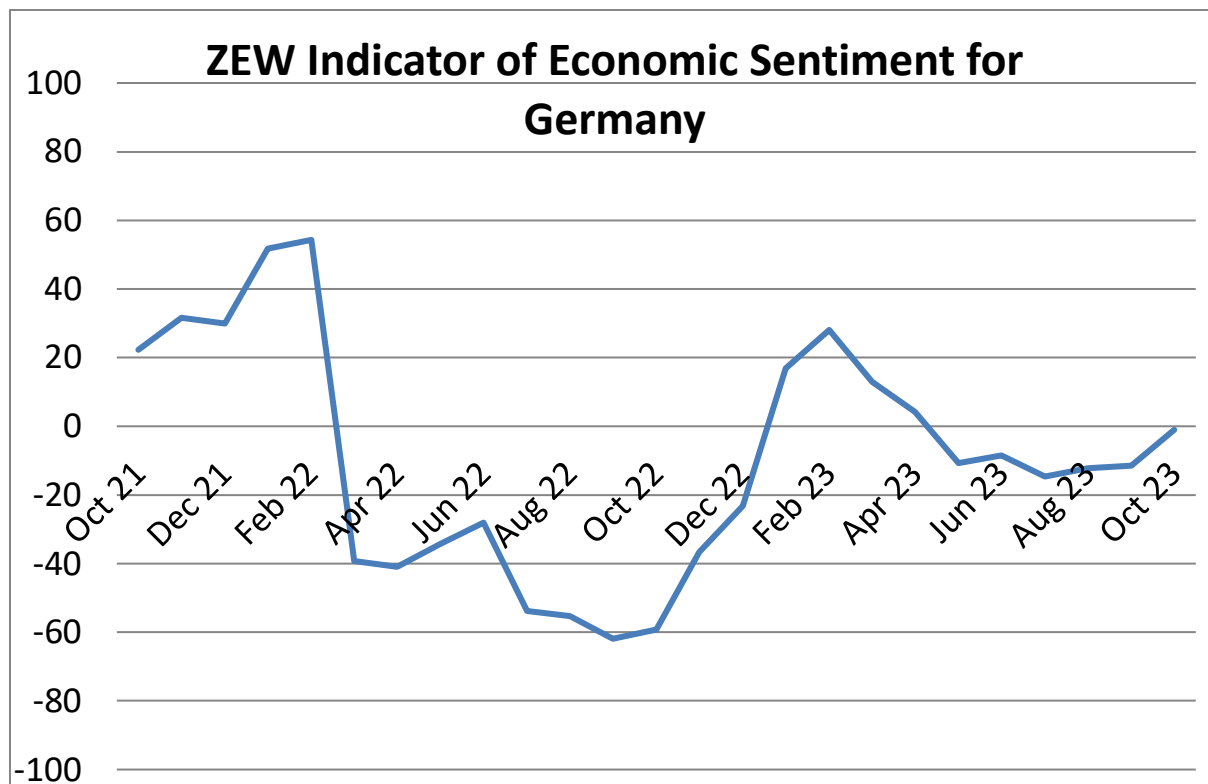
“It seems that we have passed the lowest point. There's a noticeable uptick in the economic expectations of financial

market experts in October 2023. In contrast, the assessment of the current economic situation in Germany has barely changed. The heightened economic expectations are accompanied by the anticipation that inflation rates will decrease further and the fact that now more than three-quarters of respondents anticipate stable short-term interest rates in the eurozone. Negative factors such as the Israel conflict – cited by some respondents as a reason for revising their growth forecasts downward – had only limited impact on the overall more optimistic outlook,” comments ZEW President Professor Achim Wambach on the survey results. The financial market experts’ sentiment concerning the economic development of the eurozone experienced an increase in October and currently stands at plus 2.3 points, back in the positive range and 11.2 points above the previous month’s value. In contrast, the situation indicator decreased considerably, falling 9.8 points to a new reading of minus 52.4 points. This must be taken into account when assessing the increased expectations.

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Source: ZEW – Leibniz Centre for European Economic Research

164 analysts participated in the October 2023 ZEW Financial Market Survey, which was conducted in the period 9–16 October 2023. The analysts were surveyed regarding their mid-term expectations concerning economic development and capital market trends. The ZEW Indicator of Economic Sentiment is the balance between positive and negative expectations of the future economic development in Germany over a timeframe of six months.

ZEW – Leibniz Centre for European Economic Research

ZEW Mannheim conducts research in the field of applied and policy-oriented economics and provides access to important data sets for national and international researchers. The institute provides advice to policymakers, private companies, and government institutions at both the national and EU level on how to tackle current economic policy challenges. The central concern of ZEW's research is to analyse and design markets and institutions that allow for the sustainable and efficient development of knowledge-based economies in Europe. By keeping the public informed on its latest research and providing further training to researchers and business leaders alike, ZEW acts as a guide through economic change. ZEW was founded in 1991 and is a member of the Leibniz Association. ZEW currently employs a staff of approximately 200, two thirds of whom are researchers.

Research at ZEW:

Pensions and Sustainable Financial Markets; Labour Markets and Social Insurance; Digital Economy; Health Care Markets and Health Policy; Economics of Innovation and Industrial Dynamics; Market Design; Environmental and Climate Economics; Inequality and Public Policy; Corporate Taxation and Public Finance.