

Press Release

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ZEW Indicator of Economic Sentiment for Germany

+7.4 points (-5.7 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

+12.5 points (-7.6 vs. previous month)

Assessment of the Current Situation in Germany

-91.4 points (-4.5 vs. previous month)

Assessment of the Current Situation in the Eurozone

-43.8 points (-3.0 vs. previous month)

120/2024

12 November 2024

ZEW Indicator of Economic Sentiment**Falling Economic Expectations After Trump Victory**

The ZEW Indicator of Economic Sentiment for Germany slightly declined in the November 2024 survey. At 7.4 points, it is 5.7 points below the previous month's value. Assessments of the current economic situation in Germany are also increasingly pessimistic. The corresponding indicator fell 4.5 points and is now at minus 91.4 points.

“Economic expectations for Germany have been overshadowed by Trump's victory and the collapse of the

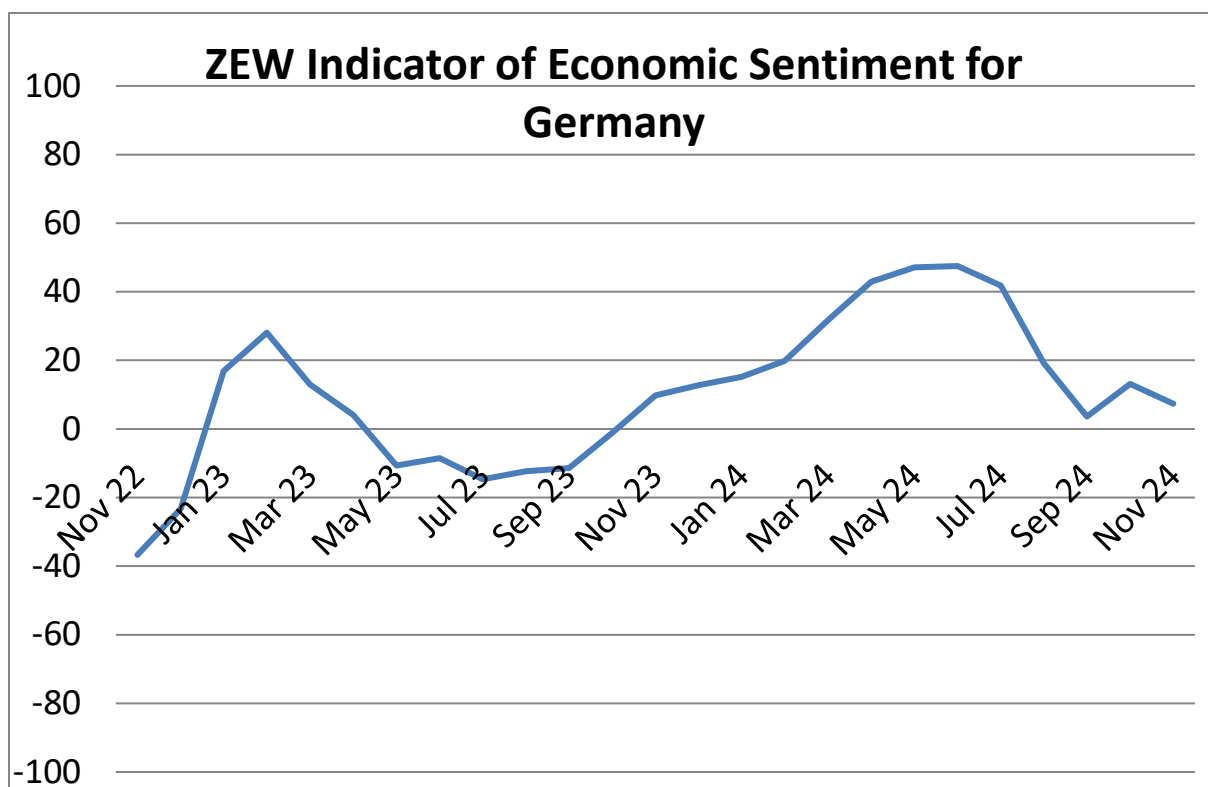
German government coalition. In the current survey, economic sentiment has declined – and the outcome of the US presidential election is likely to be the main reason for this. The fact that economic expectations for the USA are clearly rising, while economic sentiment for China and the eurozone is falling, supports this view. Still, more optimistic voices were heard in the last survey days, expecting economic prospects for Germany to improve with snap elections on the horizon. Overall, what we're currently observing is a very dynamic development of economic expectations," comments ZEW President Professor Achim Wambach on the survey results.

The financial market experts' sentiment concerning the economic development in the eurozone experienced a decrease in November. At 12.5 points, the indicator lost 7.6 points compared to October. However, the assessment of the current economic situation in the eurozone has hardly changed, with the situation indicator falling by 3.0 points to a new reading of minus 43.8 points.

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Source: ZEW – Leibniz Centre for European Economic Research

152 analysts and institutional investors participated in the November 2024 ZEW Financial Market Survey, which was conducted in the period 4–11 November 2024. They 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.