

Press Release

Contact:

Pascal Ausäderer

Press Officer

Phone +49 (0)621/1235-103

E-Mail pascal.ausaederer@zew.de

ZEW Indicator of Economic Sentiment for Germany

+15.7 points (+8.3 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

+17.0 points (+4.5 vs. previous month)

Assessment of the Current Situation in Germany

-93.1 points (-1.7 vs. previous month)

Assessment of the Current Situation in the Eurozone

-55.0 points (-11.2 vs. previous month)

126/2024

17 December 2024

ZEW Indicator of Economic Sentiment

Snap Elections and ECB Monetary Policy

Grounds for Optimism

The ZEW Indicator of Economic Sentiment for Germany improved in the December 2024 survey. At 15.7 points, it is currently 8.3 points above the previous month's value. In contrast, assessments of the current economic situation in Germany have changed only slightly. The corresponding indicator fell 1.7 points and is now at minus 93.1 points.

“With snap elections ahead in Germany and the resulting expectations of an economic policy encouraging private

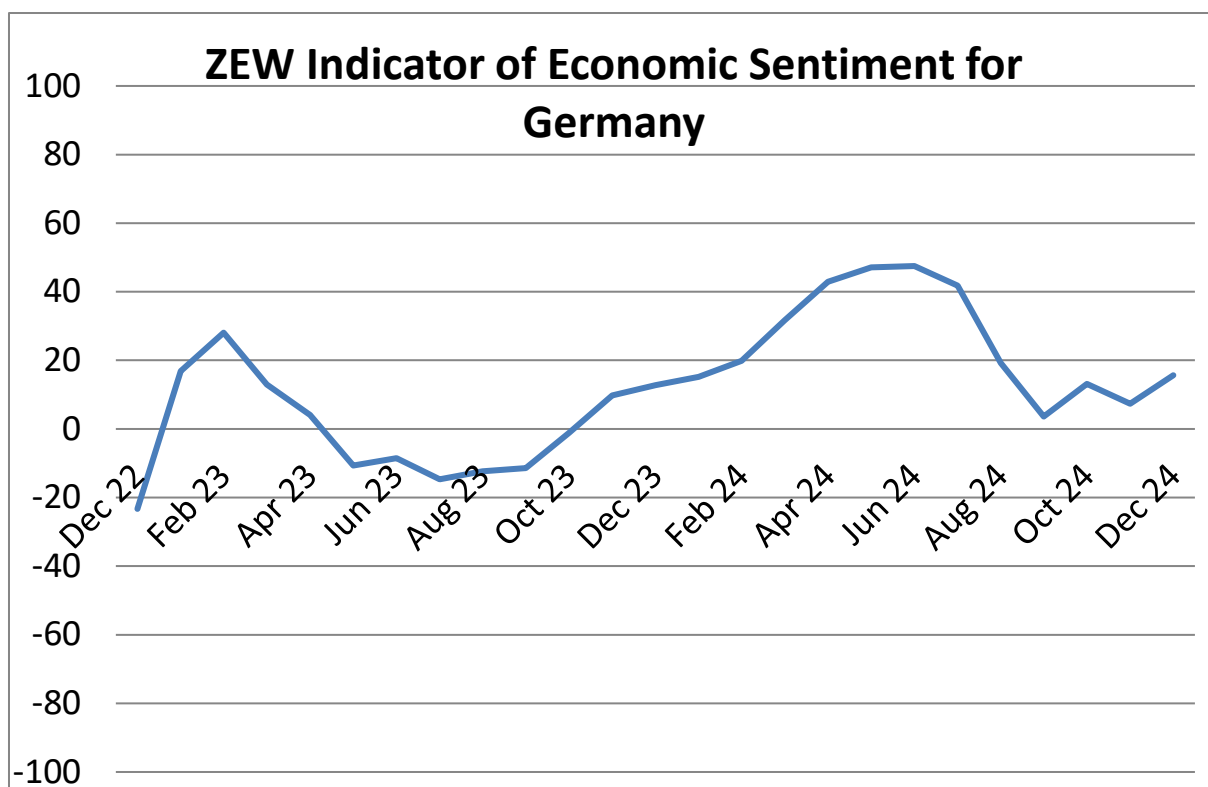
investment as well as the prospect of further interest rate cuts, the economic outlook is improving. Our daily analyses also show that after the meeting of the European Central Bank's Governing Council on 12 December, experts still expect further interest rate cuts for the coming year. The fact that the majority of the survey respondents expect a stable or falling inflation rate in the eurozone supports this assessment. The experts appear to assess the recent rise in inflation as a temporary phenomenon," comments ZEW President Achim Wambach on the survey results.

The financial market experts' sentiment concerning the economic development in the eurozone is currently more positive at 17.0 points, i.e. 4.5 points higher than in November. Nevertheless, the assessment of the current economic situation in the eurozone is clearly deteriorating, with the situation indicator falling by 11.2 points to a new reading of minus 55.0 points.

For further information, please contact:

Dr. Alexander Glas, Phone +49 (0)621/1235-398, E-Mail alexander.glas@zew.de

Dr. Lora Pavlova, Phone +49 (0)621/1235-145, E-Mail lora.pavlova@zew.de



Source: ZEW – Leibniz Centre for European Economic Research

160 analysts and institutional investors participated in the December 2024 ZEW Financial Market Survey, which was conducted in the period 9–16 December 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.