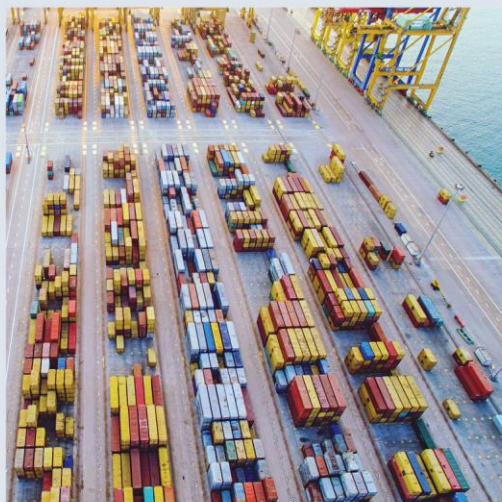


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Information

# Economic Outlook – leading indicators at a glance

Stand: January 2018  
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## Table of Contents

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<b>1</b>	<b>Germany</b> .....	<b>1</b>
<b>2</b>	<b>Eurozone</b> .....	<b>2</b>
<b>3</b>	<b>World Economy</b> .....	<b>3</b>
	Appendix: Descriptions of leading indicators .....	4

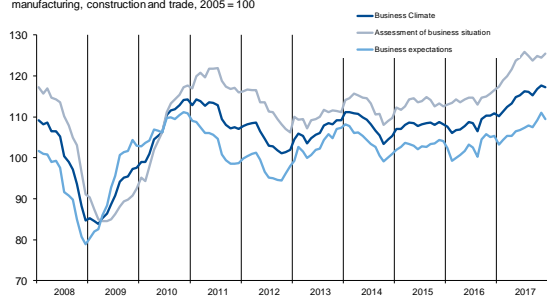
# 1 Germany

## Leading indicators continue to signal growth

The leading indicators for the German economy remain at a high level. Recently though, they have developed inconsistently. The Purchasing Managers' Index for the German Industry (*Einkaufsmanagerindex*) increased as well, reaching an all-time high of 63.3 points. The Economic Sentiment Indicator was also able to improve. After its decline in December 2017, the sentix Economic index picked up slightly at the beginning of the new year. By contrast, the Ifo Business Climate Index (*Ifo-Geschäftsklima-index*) eased somewhat, reflecting weaker expectations. The assessment of the situation was more positive than in the previous month. The ZEW Indicator of Economic Sentiment (*ZEW-Konjunkturindikator*) also fell slightly. According to toll statistics, the truck performance was expanded to a similar extent as in the previous month.

**Ifo-Business Climate Index Germany**

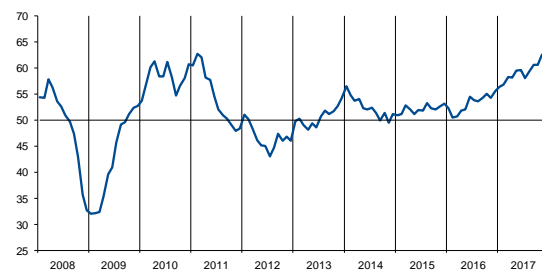
manufacturing, construction and trade, 2005 = 100



Source: IfoWirtschaft

**Purchasing Managers' Index**

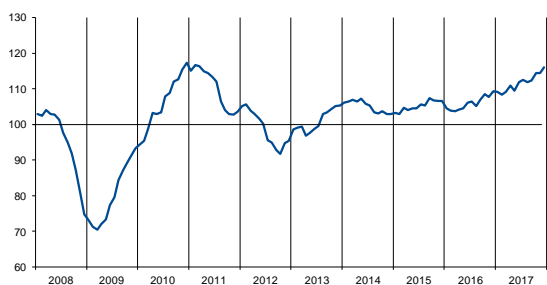
Germany, manufacturing, 50 = no change



Source: IfoW

**Economic Sentiment Indicator, Germany**

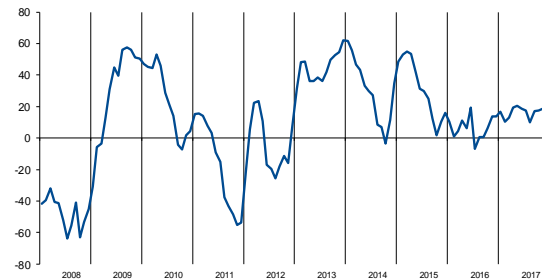
2005 = 100



Source: Eurostat

**ZEW-Indicator of Economic Sentiment**

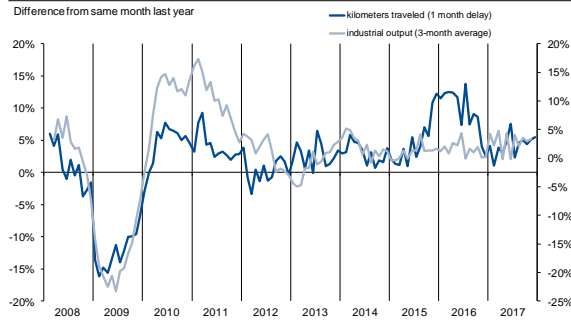
Germany



Source: ZEW

**Truck kilometers traveled and industrial output, Germany**

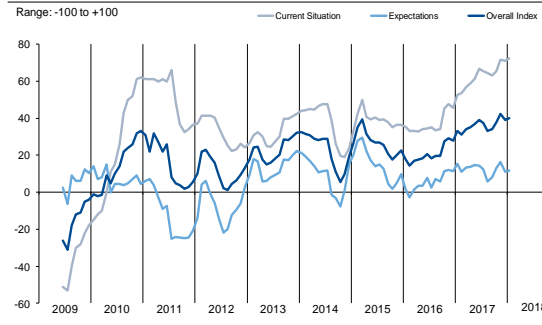
Difference from same month last year



Source: German Federal Office for Goods and Transport (BAG), Destatis

**sentix Economic Index, Germany**

Range: -100 to +100



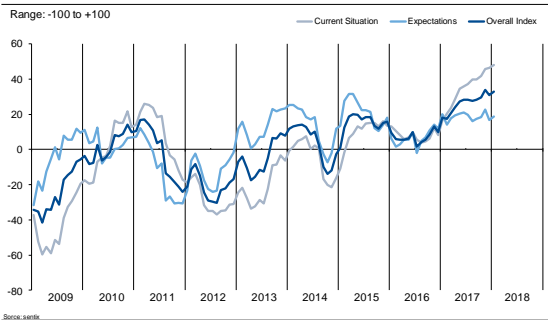
Source: sentix

## 2 Eurozone

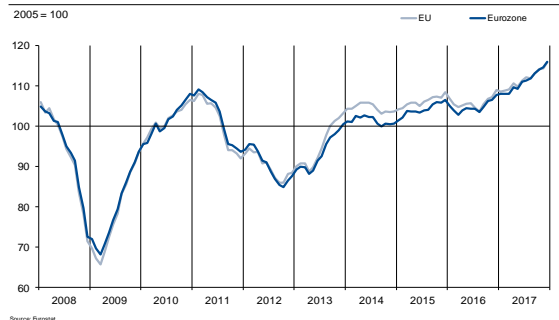
### Leading indicators on the rise

The leading indicators for the Eurozone continue to show a positive economic development. The Sentix Economic Index (*sentix-Konjunkturindex*) rose again in January, with both the assessment of the situation and expectations improving. The Economic Sentiment Indicator (ESI) also continued to rise, for the Eurozone as well as for the EU as a whole. The manufacturing Purchasing Managers' Index for the Industry (*Einkaufsmanagerindex*) climbed up to 60.6 points, a level never seen before. Only the ZEW Indicator of Economic Sentiment (*ZEW-Konjunkturindikator*) eased slightly. The most recent quarterly Ifo Index for the Eurozone was published in November. The index has improved, with the balance rising from +35.2 to +37.0 percentage points. However, the expected balance fell by 5.8 to +31.3 points, the balance of the situation assessment increased by 9.5 to +42.9 points.

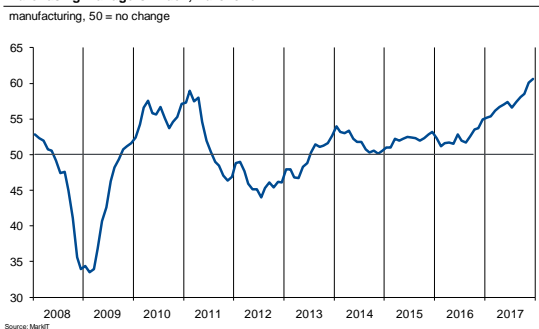
sentix Economic Index, Eurozone



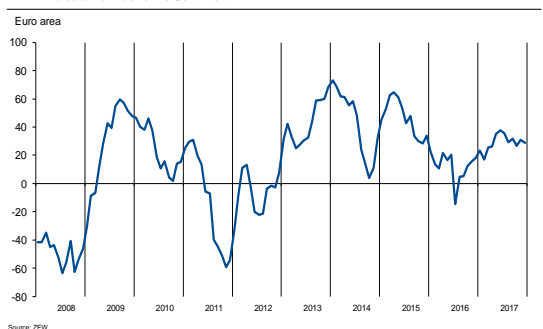
Economic Sentiment Indicator



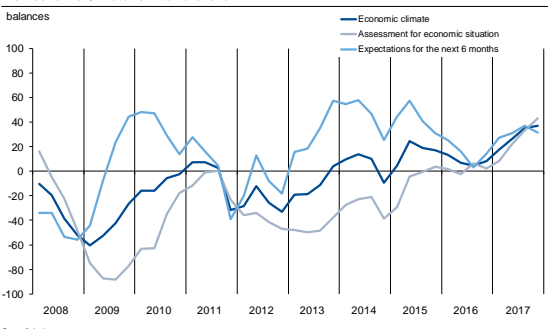
Purchasing Managers' Index, Eurozone



ZEW-Indicator of Economic Sentiment



ifo Economic Climate for the Eurozone



## 3 World Economy

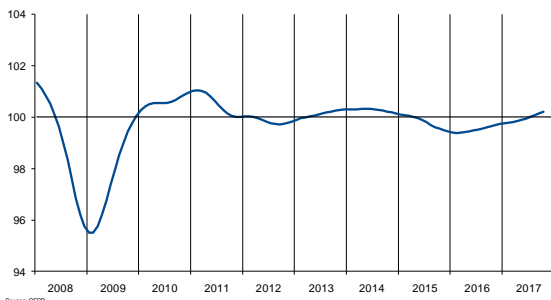
Global leading indicators are pointing upwards

The leading indicators for the global economy are pointing upwards as well. The OECD business climate index (*OECD-Geschäftsklima*) improved as did the German Federal Bank's leading indicator (*Bundesbank Frühindikator*), both above their long-term average. The Purchasing Managers' Index for the global Industry (*Einkaufsmanagerindex*) also continued to rise, reaching 56.7 points at the end of the year. The RWI Container Throughput Index also increased slightly, whereas the Baltic Dry Index declined over the past few weeks.

The most recent quarterly Ifo Index for the world economy was published in November 2017. Compared to the previous quarter, the index has increased by 3.9 points up to +17.1 points. This development goes back to an improvement of the assessment of the situation by 4.7 to +17.2 percentage points and an increase in expectations by 2.9 to +16.9 points.

**OECD composite leading indicator**

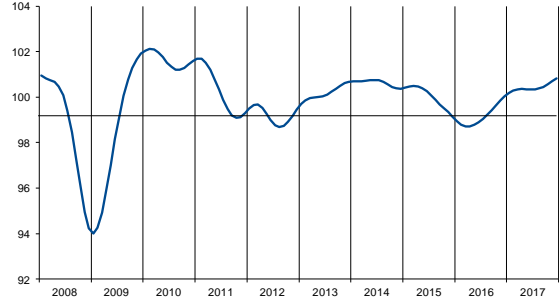
long-time average = 100, seasonally adjusted



Source: OECD

**Bundesbank leading indicator for the world economy**

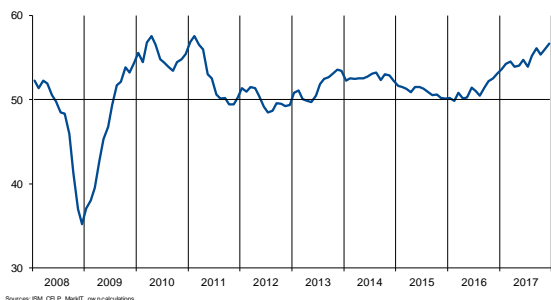
long-term average = 100



Source: Bundesbank

**Purchasing Managers' Index**

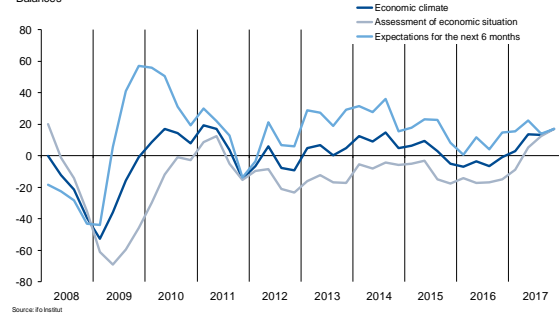
manufacturing, worldwide, 50 = no change; weighted average of Eurozone, UK, USA, Japan, China, India, Brasil and Russia



Sources: IHS, OPLP, Markit, see recalculations.

**ifo World Economic Climate**

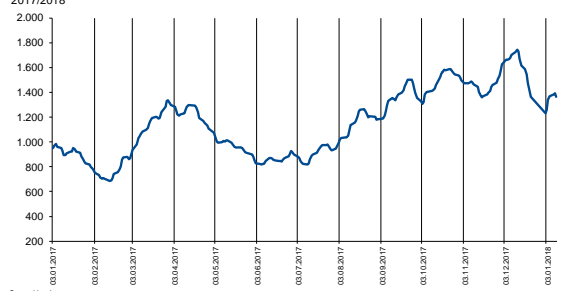
Balances



Source: Ifo Institut

**Baltic Dry Index**

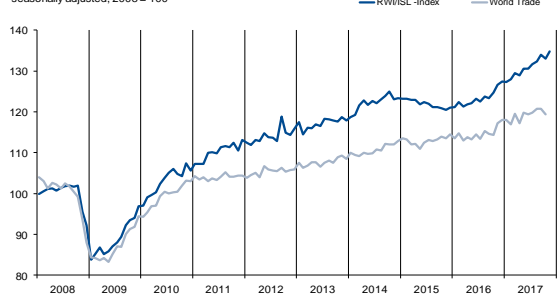
2017/2018



Source: bloomberg

**Container Throughput Index and World Trade**

seasonally adjusted, 2008 = 100



Sources: RWI, Netherlands Bureau for Economic Policy Analysis

## Appendix: Descriptions of leading indicators

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- The Ifo Business Climate 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 Ifo Index for the Economic Climate in the Eurozone as well as the Ifo World Economic Climate Index are based on a survey of 1,000 or 300 economic experts respectively.
- 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 Brasil, 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).
- 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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As a general rule, all information provided in this publication relates to both the female and male form. To facilitate readability, specific reference to the female form was in most cases dispensed with.

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