

Press Release

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ZEW Indicator of Economic Sentiment for Germany

-8.5 points (+2.2 vs. previous month)

ZEW Indicator of Economic Sentiment for the Eurozone

-10.0 points (-0.6 vs. previous month)

Assessment of the Current Situation in Germany

-56.5 points (-21.7 vs. previous month)

Assessment of the Current Situation in the Eurozone

-41.9 points (-14.4 vs. previous month)

35/2023

13 June 2023

ZEW Indicator of Economic Sentiment

Expectations Rise Slightly

The ZEW Indicator of Economic Sentiment for Germany recorded a slight increase in the current June 2023 survey. At minus 8.5 points, it is 2.2 points above the previous month's value.

In contrast, the assessment of the economic situation in Germany declined very sharply. The corresponding indicator fell 21.7 points to a new value of minus 56.5 points.

“The ZEW Indicator of Economic Sentiment shows a slight improvement, but it remains in negative territory. This means that experts do not anticipate an improvement in the

economic situation during the second half of the year. Particularly, sectors focused on exports are likely to perform poorly due to a weak global economy. However, the current recession is generally not considered particularly alarming,” comments ZEW President Professor Achim Wambach on the survey results.

The financial market experts’ sentiment concerning the economic development of the eurozone slightly decreases in June and currently stands at minus 10.0 points, 0.6 points below the previous month’s value. The situation indicator for the eurozone decreased, dropping 14.4 points to a new reading of minus 41.9 points.

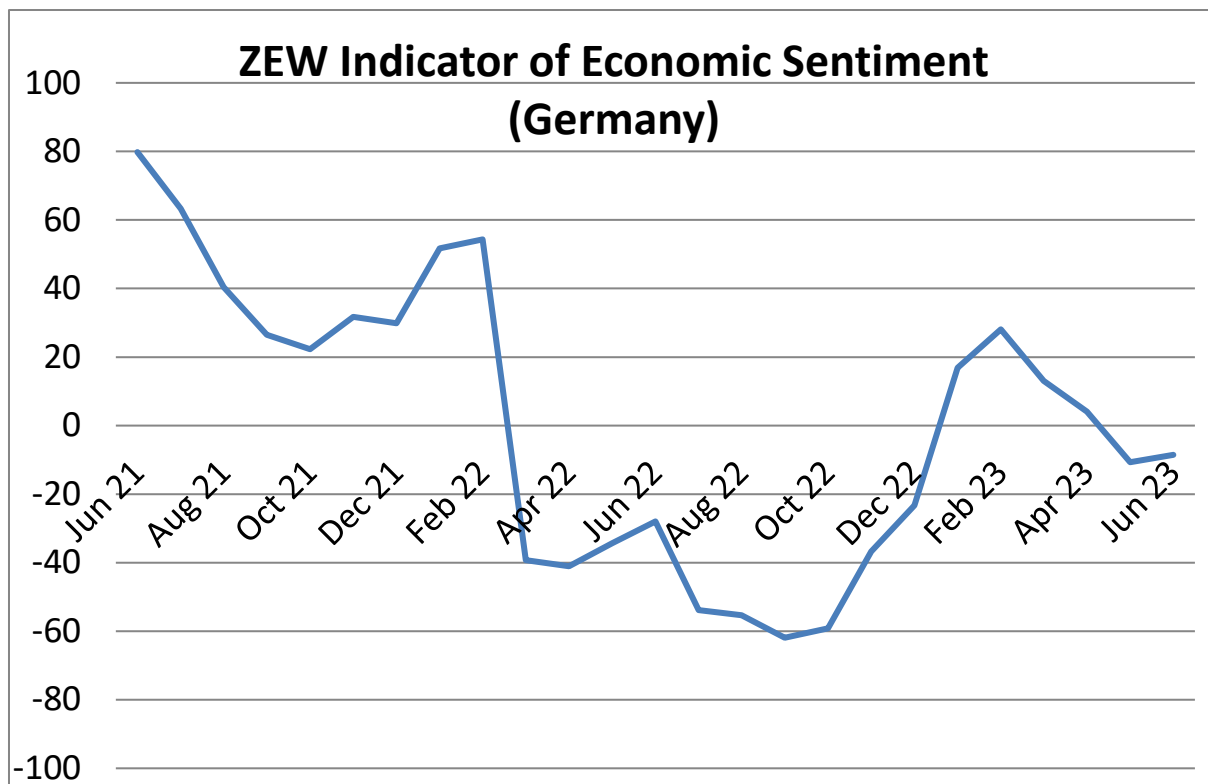
Experts’ expectations for monetary policy reveal diverging trends for the eurozone and the USA. The balance for short-term interest rates in the eurozone stands at 72.3 points, indicating an anticipated further increase in interest rates. Conversely, experts foresee no change in short-term interest rates for the USA, as indicated by a balance of 16.6 points.

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Source: ZEW – Leibniz Centre for European Economic Research

163 analysts participated in the June 2023 ZEW Financial Market Survey, which was conducted in the period 5–12 June 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 in 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.