

Business Cycle I International

# Economic Outlook – Leading Indicators at a Glance 04/2024

Statistics

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Bavarian Industry Association

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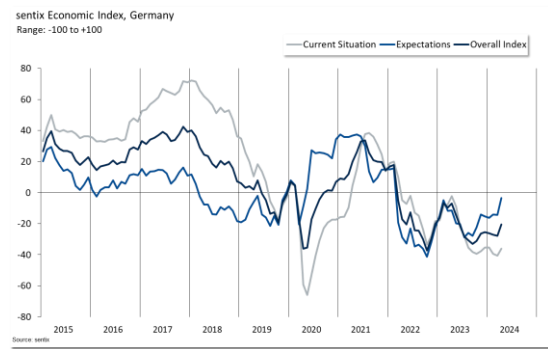
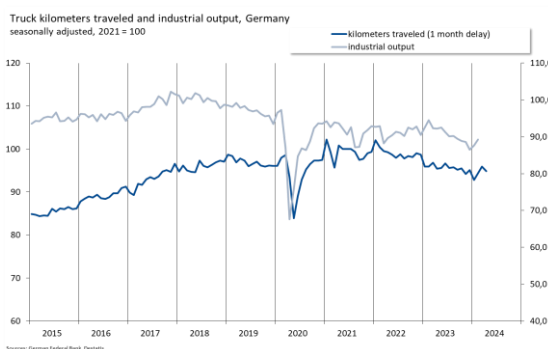
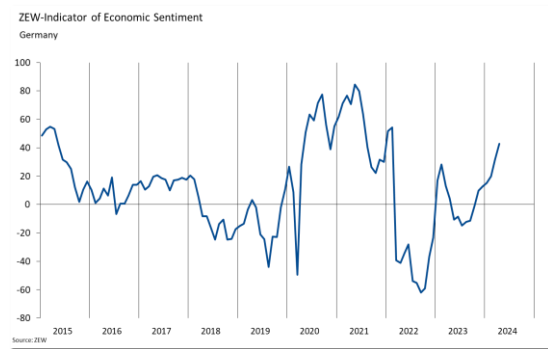
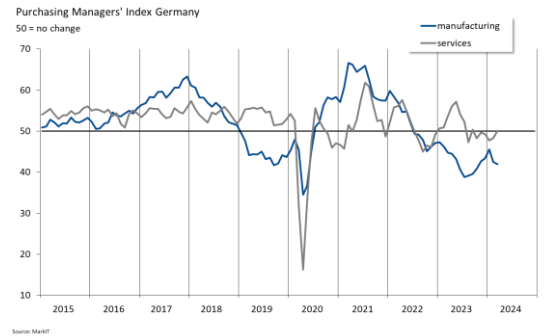
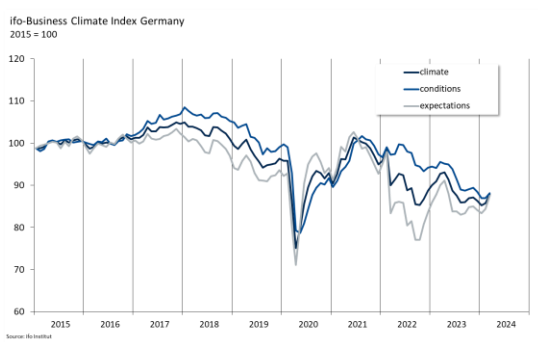


Germany

# 1 Germany

## Leading indicators remain weak despite some recovery

Leading indicators for the German economy still fail to point to any improvement in the state of the economy. Although the ifo Business Climate Index is up for the second time in a row, it remains at a low level. The sentix Economic Index also picked up again, but remains clearly in negative territory. The same applies to the Economic Sentiment Indicator. The Purchasing Managers' Indices are showing mixed trends. The index for industry fell again and, at 41.9 points, is well below the growth threshold of 50 points. The index for services, on the other hand, rose to 50.1 points while truck mileage traveled declined slightly, according to toll statistics. The ZEW Indicator of Economic Sentiment also shows a further improvement and is clearly in positive territory.



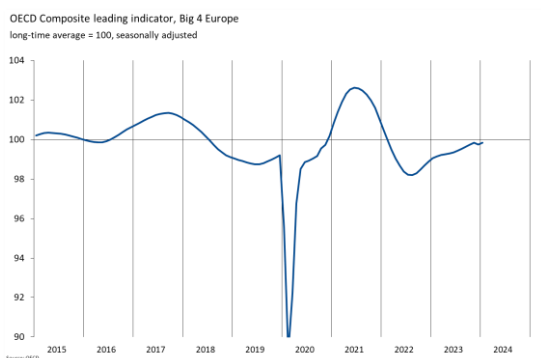
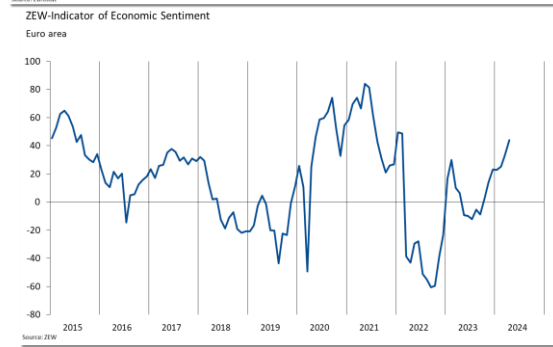
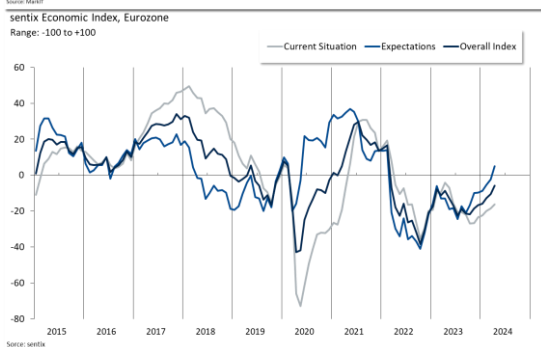
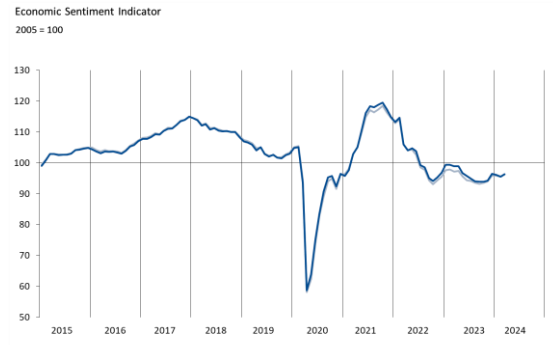


Eurozone

## 2 Eurozone

### Only a slight recovery of leading indicators

Most leading indicators for the Eurozone suggest a moderate upswing. This applies in particular to the sentix Economic Index. Expectations were even marginally positive again in April, whereas the assessment of the current economic situation as well as the overall index have remained below the zero line. The OECD leading indicator for major European economies has improved marginally. The same can be said of the Economic Sentiment Indicator, although it is still slightly lower than its long-term average. The Purchasing Managers' Indices are showing mixed trends. The index for the industry fell and, at 46.1 points, is below the growth threshold of 50 points. The index for services, on the other hand, rose to 51.1 points. The ZEW Indicator of Economic Sentiment also recorded an improvement and is clearly in positive territory.

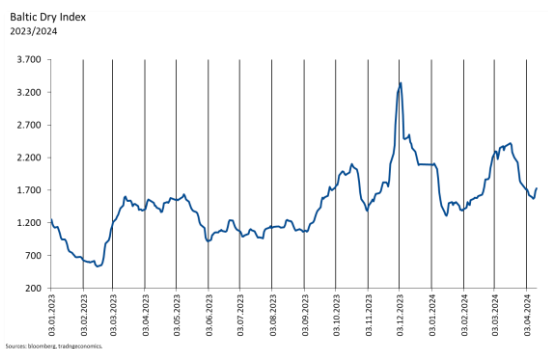
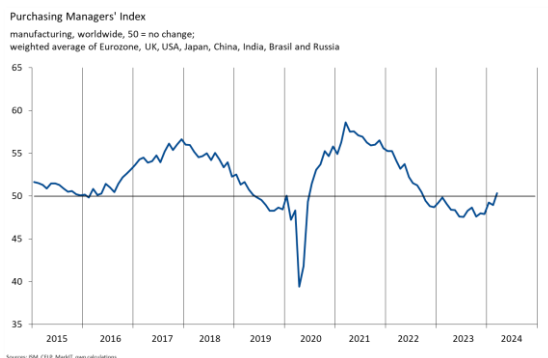
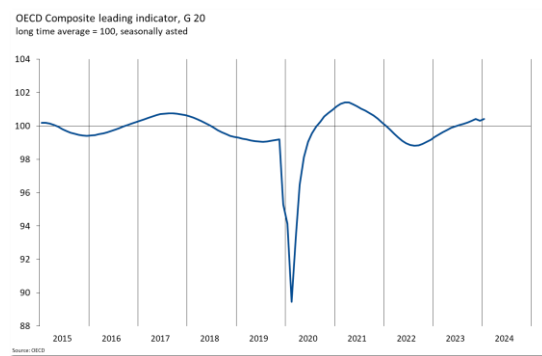
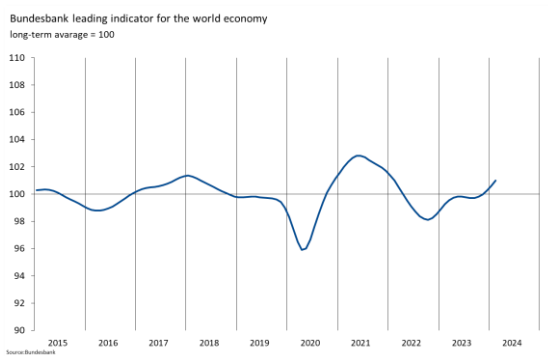




# 3 World Economy

## Global leading indicators show a moderate upward trend

The leading indicators for the global economy are showing a moderate upward trend. Both the OECD leading indicator for the G20 and the Bundesbank leading indicator for the world economy have continued to improve and are above their long-term average. The sentix Economic Index has also seen a further rise and is well above the zero line. This applies to both the assessment of the situation and to expectations. The Purchasing Managers' Index for the industry also showed an improvement and, at 50.3 points, is slightly above the growth threshold for the first time in 18 months. The Container Throughput index is also showing an upward trend, although global trade has not yet mirrored this positive development. The Baltic Dry Index, on the other hand, fell again recently.



## Appendix: Descriptions of Leading Indicators

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- The Ifo Business Climate Index 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 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 Brazil, 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). It is also published separately for the Eurozone.
- 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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