

Preview

19 June 2009

EMU economic indicators (week of 22 to 28 June 2009)

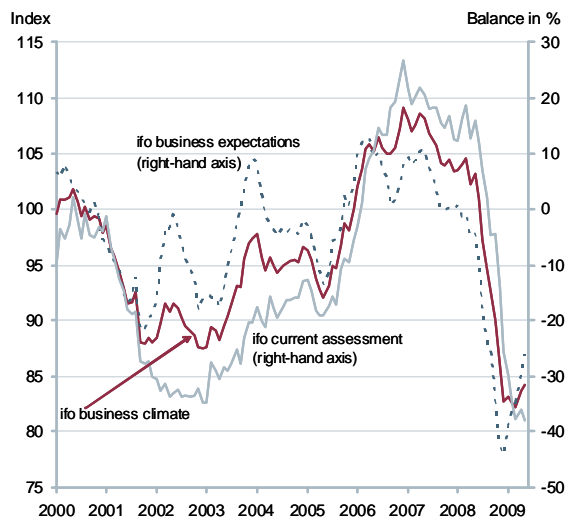
- **German ifo business climate** (June): improvement
- **PMI manufacturing indices Germany and EMU** (June): up
- **German CPI inflation** (June): Slightly positive

Region	Indicator	Date	BHF forecast	Previous
GE	ifo business climate index / Jun	Mon 22 Jun, 10:00	85.0 1.0% mom	84.2 0.6% mom
GE	GfK consumer climate / Jul	Tues 23 Jun, 8:10	2.5	2.5
FR	Consumer spending / May	Tues 23 Jun, 8:45	0.2% mom -0.4% yoy	0.7% mom 0.6% yoy
FR	Business confidence / Jun	Tues 23 Jun, 8:50	74 2.0 pp mom	72 1.0 pp mom
GE	PMI mfg / Jun	Tues 23 Jun, 9:30	41.6 2.0 pp mom	39.6 4.2 pp mom
EMU	PMI mfg / Jun	Tues 23 Jun, 10:00	43.2 2.5 pp mom	40.7 3.9 pp mom
BE	Business confidence / Jun	Tues 23 Jun, 15:00	-25.6 2.0 pp mom	-27.6 1.8 pp mom
IT	Consumer confidence / Jun	Wed 24 Jun, 9:30	108.0 3.0% mom	104.9 0.0% mom
EMU	Current account (nsa) / Apr	Wed 24 Jun, 10:00	-€7.0bn	-€3.5bn
IT	Business confidence / Jun	Thur 25 Jun, 9:30	70.4 2.5% mom	68.7 4.9% mom
EMU	Industrial new orders / Apr	Thur 25 Jun, 11:00	83.1 0.0% mom -31.9% yoy	83.1 -0.6% mom -31.3% yoy
GE	CPI / Jun	Fri 26 Jun, at the latest	0.3% mom 0.1% yoy	-0.1% mom 0.0% yoy
FR	GDP / Q1 rev	Fri 26 Jun, 8:45	-1.2% qoq -3.2% yoy	-1.5% qoq -1.7% yoy
FR	Consumer confidence / Jun	Fri 26 Jun, 8:50	-39 1.0 pp mom	-40 1.0 pp mom

The preliminary results for **national German CPI** for **June** are due to be released on Friday at the latest. We expect German consumer prices to have gone up by 0.3 % month-on-month; the annual rate would then increase slightly to 0.1 %. The monthly inflation will have been mainly due to significant price increases for gasoline and heating oil. These products are likely to have pushed inflation up by about 0.3 percentage points. Increasing gas prices and decreasing electricity prices could have more or less cancelled each other out. Prices for package tours and accommodation services could have had a slightly positive impact on monthly inflation. On the other hand, clothing is likely to have had a dampening effect

and food prices could have fallen further. As from July, year-on-year inflation is expected to fall into negative territory for some months.

Germany: ifo business climate, current assessment and business expectations



In **June**, the **ifo business climate for Germany** might have risen more sharply than the previous month. The German ZEW economic sentiment and the US ISM manufacturing index have both improved. German yield spreads have widened somewhat, as short-term interest rates had been stabilising and long-term rates had been going up until recently. The DAX has recovered too on the whole. On the other hand, the euro has appreciated and crude oil prices had been increasing until recently.

For similar reasons, most of the other economic climate indicators in the EMU – **Belgian, French and Italian business confidence** as well as **French and Italian consumer confidence** – are likely to have improved in **June**. The **German GfK consumer confidence for July** could have remained unchanged.

French consumer spending probably went up slightly in **May**, as consumer confidence improved. **EMU industrial new orders** might have remained more or less unchanged in **April**, just like the corresponding German figure. Following its usual seasonal pattern, the **EMU current account** is likely to have deteriorated in **April**. **French Q1 GDP** might be revised downwards.

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