

Preview

12 June 2009

EMU economic indicators (week of 15 to 21 June 2009)

➤ **German ZEW economic sentiment (June): up**

Region	Indicator	Date	BHF forecast	Previous
IT	HICP / May final	Tues 16 Jun, 11:00	0.2% mom 0.8% yoy	0.6% mom 1.1% yoy
EMU	HICP / May final	Tues 16 Jun, 11:00	0.1% mom 0.0% yoy	0.4% mom 0.6% yoy
GE	ZEW economic sentiment / Jun	Tues 16 Jun, 11:00	41.1 10.0 pp mom	31.1 18.1 pp mom
EMU	Trade balance (nsa) / Apr	Wed 17 Jun, 11:00	-€1.0bn	€0.4bn

The **German ZEW economic sentiment** will probably have risen again in **June**, but not as sharply as the previous month. The ifo business expectations and the US ISM manufacturing index have both improved. German yield spreads have widened somewhat, as short-term interest rates have stabilised and long-term rates have gone up. The DAX has continued to recover too. On the other hand, the euro has appreciated and crude oil prices have increased.

Following its usual seasonal pattern, the **EMU trade balance** will probably have deteriorated slightly in **April**, just like the corresponding German figure.

Final HICP inflation in the eurozone will probably be confirmed at 0.0% in **May**; this would correspond with a monthly inflation rate of 0.1%. But year-on-year inflation could also turn out to be slightly positive. As from June, inflation will fall into negative territory for some months.

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