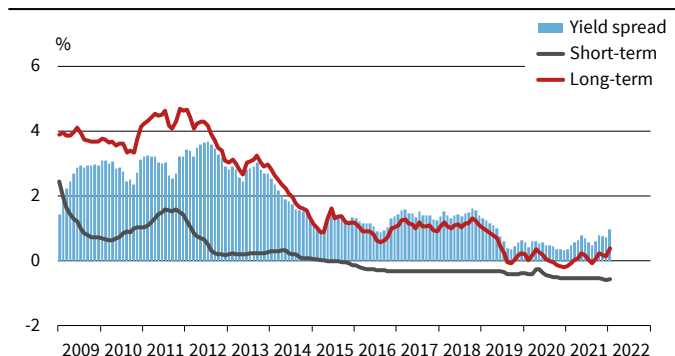


Statistics Update

Financial Conditions in the Euro Area

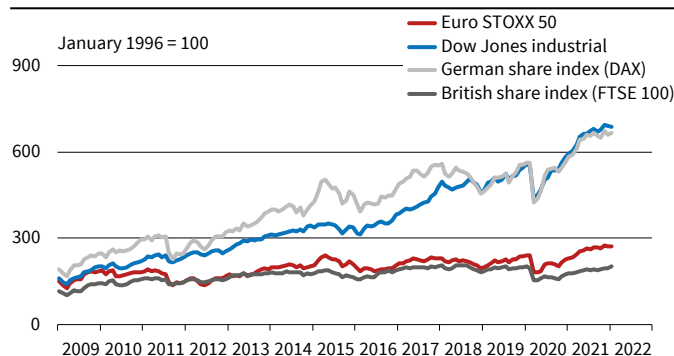
Nominal Interest Rates^a



^a Weighted average (GDP weights).
Source: European Central Bank; calculations by the ifo Institute. © ifo Institute

In the three-month period from November 2021 to January 2022 short-term interest rates increased: the three-month EURIBOR rate was - 0.57% in November 2021 and reached - 0.56% in January 2022. The ten-year bond yields increased from 0.18% in November 2021 to 0.40% in January 2022, while the yield spread also increased from 0.75% to 0.96% between November 2021 and January 2022.

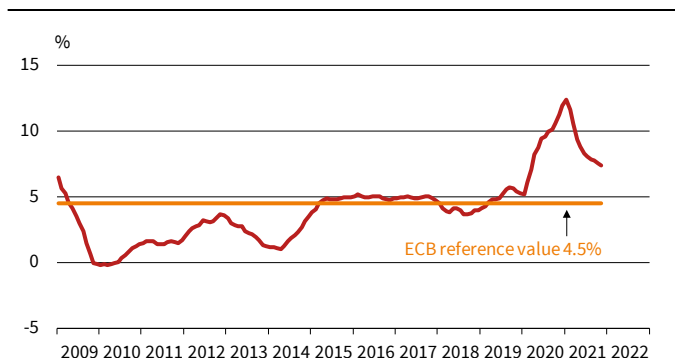
Stock Market Indices



Source: Deutsche Börse; Dow Jones; FTSE; STOXX. © ifo Institute

The global fears about the spread of the Coronavirus, oil price drops caused by an oil price war between Russia and the OPEC countries, and the possibility of a recession led to the stock market crash in March 2020, and global stocks saw a severe downturn in this month. The subsequent rise of the German stock index DAX continued in January 2022, averaging 15,763 points compared to 15,608 points in December 2021, while the UK FTSE-100 also increased from 7,280 to 7,501 points over the same period. The Euro STOXX amounted to 4,252 in January 2022, up from 4,207 in December 2021. Yet, the Dow Jones Industrial decreased, averaging 35,478 points in January 2022, compared to 35,655 points in December 2021.

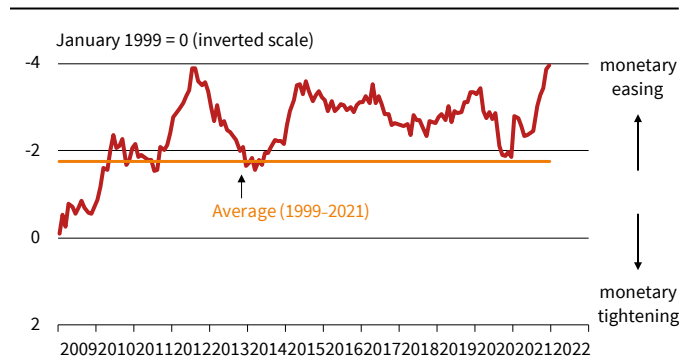
Change in M3^a



^a Annual percentage change (3-month moving average).
Source: European Central Bank. © ifo Institute

The annual growth rate of M3 decreased to 6.9% in December 2021, from 7.4% in November 2021. The three-month average of the annual growth rate of M3 over the period from October 2021 to December 2021 reached 7.3%.

Monetary Conditions Index

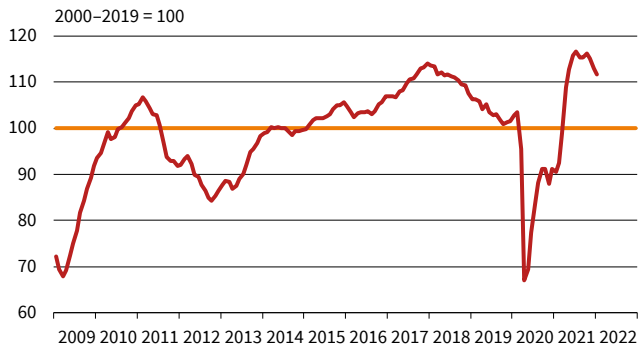


Source: European Commission. © ifo Institute

Between April 2010 and July 2011, the monetary conditions index had remained stable. Its rapid upward trend since August 2011 had led to the first peak in July 2012, signaling greater monetary easing. In particular, this was the result of decreasing real short-term interest rates. In May 2017 the index had reached one of the highest levels in the investigated period since 2007 and its slow downward trend was observed thereafter. A steady upward trend that had prevailed since October 2018 was abruptly halted in March 2020 with the onset of the Covid-19 crisis, and the index continued to decline in 2020. The rapid increase of the index in January 2021 was followed by a decline in the period February to April 2021, while a continuous increase was again recorded since May 2021.

EU Survey Results

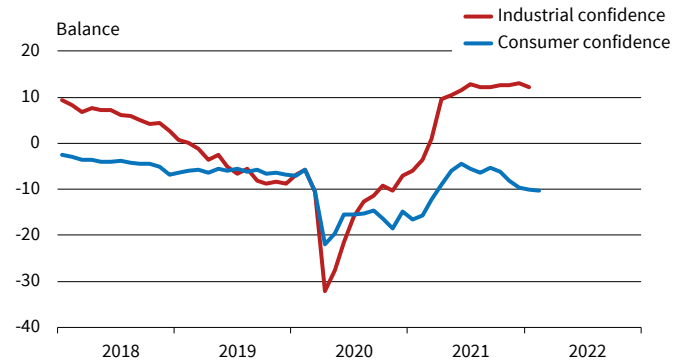
EU27 Economic Sentiment Indicator
Seasonally adjusted



Source: European Commission. © ifo Institute

In January 2022, the *Economic Sentiment Indicator* (ESI) eased further in both the EU (- 1.4 points to 111.6) and the euro area (- 1.1 points to 112.7) but remained high overall. In the EU, the ESI's decrease in January 2022 was driven by a decline in services, construction and, to a lesser extent, industry and consumer confidence, while confidence rebounded in retail trade.

EU27 Industrial and Consumer Confidence Indicators
Percentage balance, seasonally adjusted

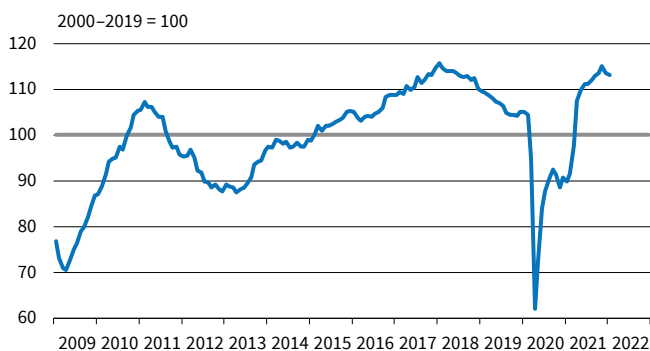


Source: European Commission. © ifo Institute

* The industrial confidence indicator is an average of responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).
** New consumer confidence indicators, calculated as an arithmetic average of the following questions: financial and general economic situation (over the next 12 months), unemployment expectations (over the next 12 months) and savings (over the next 12 months). Seasonally adjusted data.

In January 2022, the *industrial confidence indicator* decreased by 0.9 points in the EU and by 0.7 points in the euro area, compared to December 2021. The *consumer confidence indicator* decreased by 0.2 points in the EU and by 0.3 points in the euro area in February 2022, compared to January 2022.

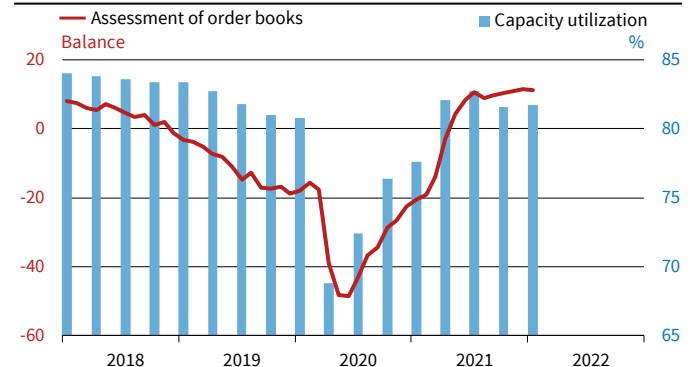
EU27 Employment Expectations Indicator
Seasonally adjusted



Source: European Commission. © ifo Institute

In January 2022, the *Employment Expectations Indicator* (EEI) decreased slightly for the second month in a row in the EU (- 0.5 points to 113.1) and the euro area (- 0.2 points to 113.3).

EU27 Capacity Utilisation and Order Books in the Manufacturing Industry
Seasonally adjusted

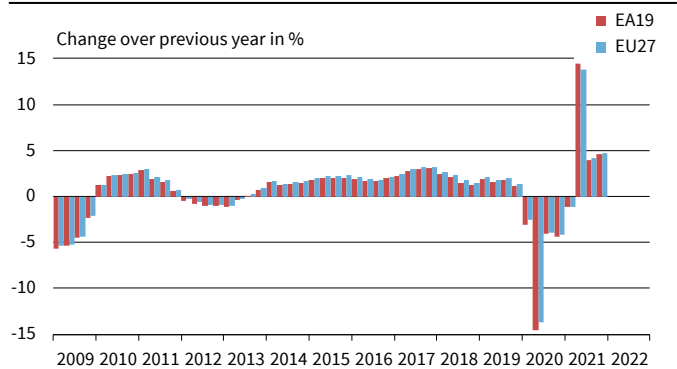


Source: European Commission. © ifo Institute

Managers' assessment of *order books* reached 11.2 in January 2022, compared to 11.6 in December 2021. In November 2021 the indicator had amounted to 11.0. *Capacity utilization* stood at 81.7 in the first quarter of 2022, slightly up from 81.6 in the fourth quarter of 2021.

Euro Area Indicators

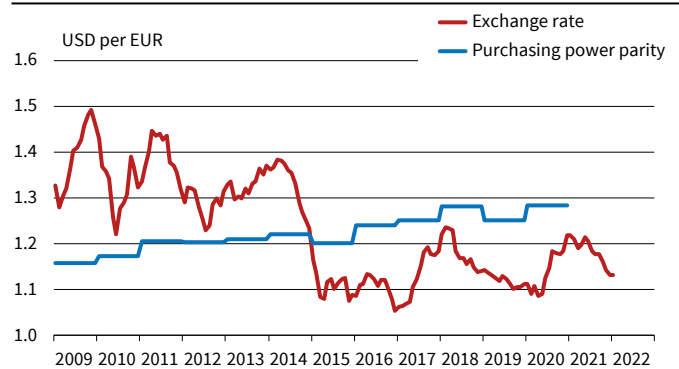
Gross Domestic Product in Constant 2015 Prices



Source: Eurostat. © ifo Institute

According to the Eurostat estimates, seasonally adjusted GDP increased by 0.3% in the euro area and by 0.4% in the EU during the fourth quarter of 2021, compared to the previous quarter. Compared to the fourth quarter of 2020, i.e., year over year, (seasonally adjusted) GDP increased by 4.6% in the EA19 and by 4.8% in the EU27 in the fourth quarter of 2021.

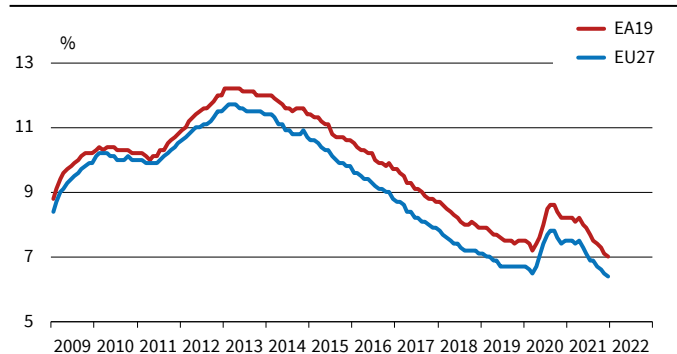
Exchange Rate of the Euro and Purchasing Power Parity



Source: European Central Bank; OECD. © ifo Institute

The exchange rate of the euro against the US dollar averaged approximately 1.13 \$/€ between November 2021 and January 2022. (In October 2021 the rate had also amounted to around 1.16 \$/€.)

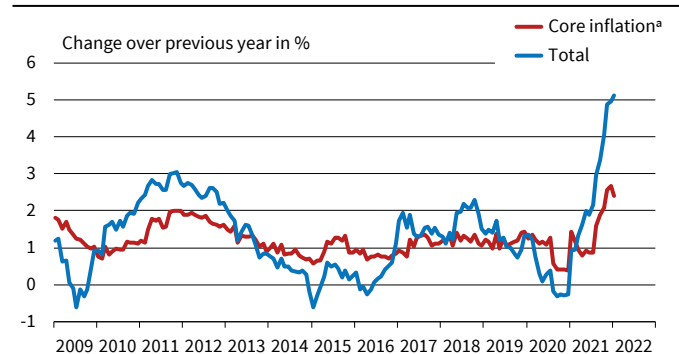
Unemployment Rate



Source: Eurostat. © ifo Institute

Euro area unemployment (seasonally adjusted) amounted to 7.0% in December 2021, down from 7.1% in November 2021. The EU27 unemployment rate was 6.4% in December 2021, down from 6.5% in November 2021. In December 2021 the lowest unemployment rate was recorded in Czechia (2.1%), Poland (2.9%), and Germany (3.2%), while the rate was highest in Spain (13.0%) and Greece (12.7%).

Euro Area Inflation Rate (HICP)



Source: Eurostat. © ifo Institute

Euro area annual inflation (HICP) amounted to 5.1% in January 2022, up from 5.0% in December 2021. Year-on-year EA19 core inflation (excluding energy and unprocessed foods) was 2.4% in January 2022, down from 2.7% in December 2021.