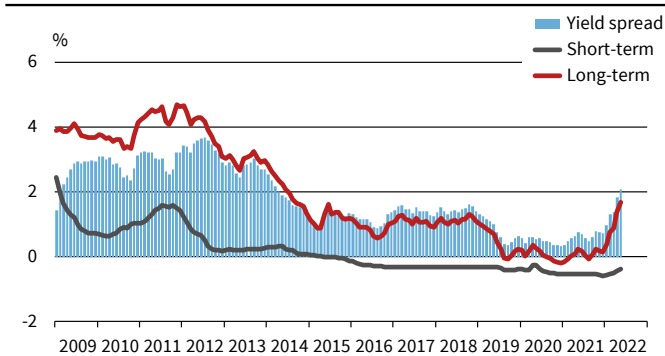


Statistics Update

Financial Conditions in the Euro Area

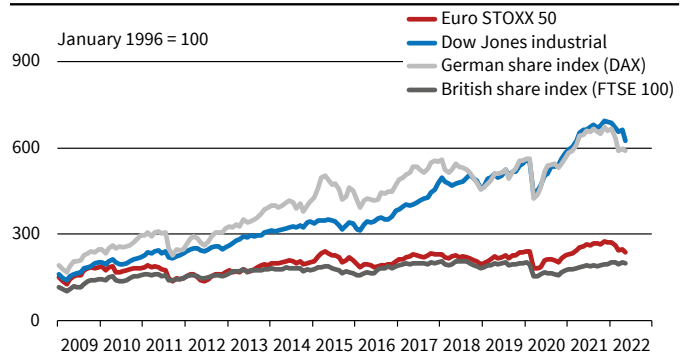
Nominal Interest Rates^a



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

In the three-month period from March 2022 to May 2022 short-term interest rates increased: the three-month EURIBOR rate was -0.50% in March 2022 and reached -0.39% in May 2022. The ten-year bond yields increased from 0.89% in March 2022 to 1.69% in May 2022, while the yield spread also increased from 0.96% to 1.38% between March 2022 and May 2022.

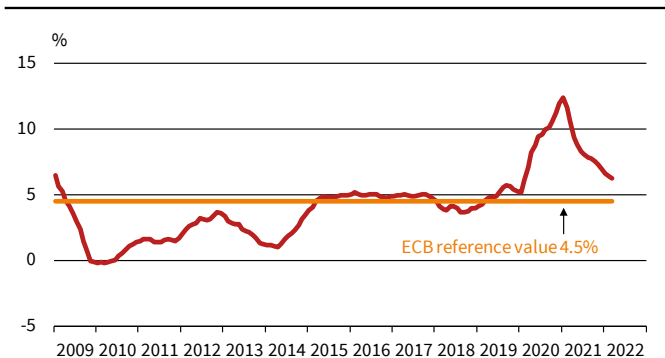
Stock Market Indices



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 was halted in February 2022, when the war in Ukraine began: the index decreased in May 2022, averaging 13,992 points, down from 14,167 points in April 2022. The UK FTSE-100 also fell from 7,555 to 7,448 points over the same period. The Euro STOXX amounted to 3,692 in May 2022, down from 3,838 in April 2022. Furthermore, the Dow Jones Industrial decreased, averaging 32,417 points in May 2022, compared to 34,321 points in April 2022.

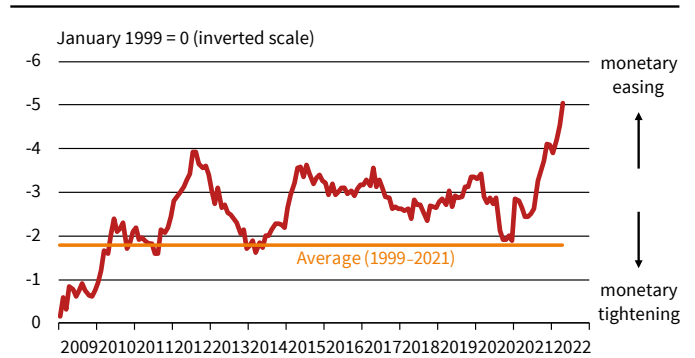
Change in M3^a



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

The annual growth rate of M3 decreased to 6.0% in April 2022, from 6.3% in March 2022. The three-month average of the annual growth rate of M3 over the period from February 2022 to April 2022 reached 6.2%.

Monetary Conditions Index

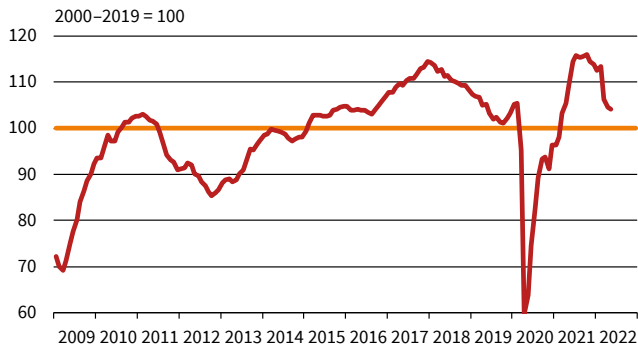


Source: European Commission. © ifo Institute

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

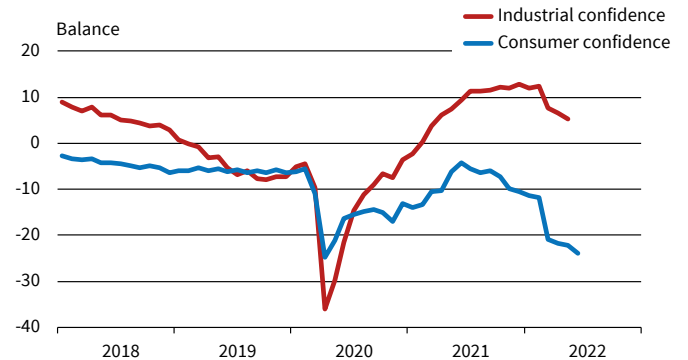
EU27 Economic Sentiment Indicator
Seasonally adjusted



Source: European Commission. © ifo Institute

In May 2022, the *Economic Sentiment Indicator (ESI)* decreased slightly in the EU (- 0.5 points to 104.1), while it stayed broadly unchanged in the euro area (+ 0.1 points to 105.0). In the EU, the decline in the ESI in May was due to weaker confidence among industry managers and, to a lesser degree, consumers. Services, retail trade and construction confidence remained virtually unchanged.

EU27 Industrial and Consumer Confidence Indicators
Percentage balance, seasonally adjusted

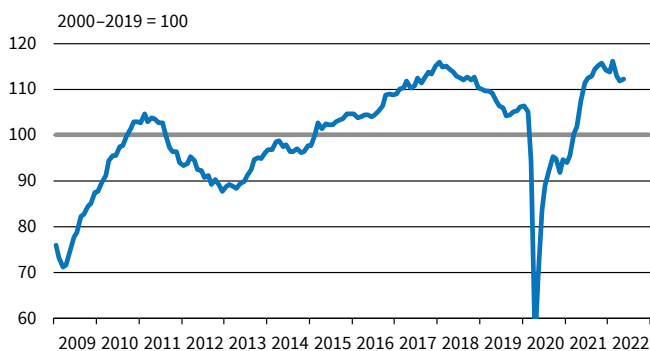


Source: European Commission. © ifo Institute

* 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 May 2022, the *industrial confidence indicator* fell by 1.4 points both in the EU and in the euro area, compared to April 2022. In June 2022 the *consumer confidence indicator* decreased in both the EU (1.9 points down from May) and the euro area (2.4 points down).

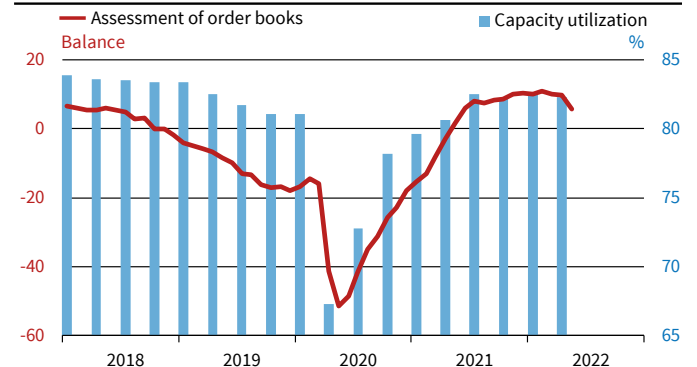
EU27 Employment Expectations Indicator
Seasonally adjusted



Source: European Commission. © ifo Institute

In May 2022, the *Employment Expectations Indicator (EEI)* increased mildly + 0.5 points to 112.3 in the EU and + 0.3 points to 112.9 in the euro area.

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

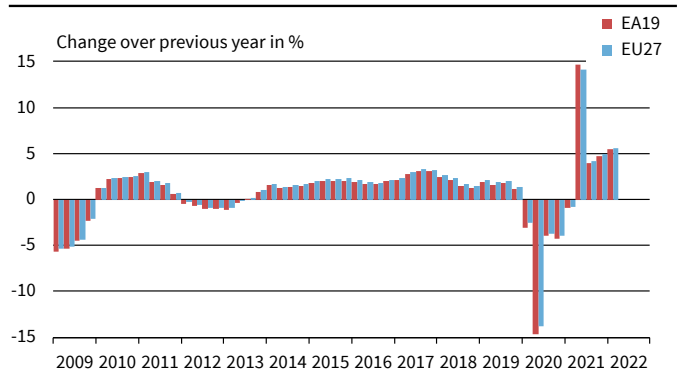


Source: European Commission. © ifo Institute

Managers' assessment of *order books* reached 5.6 in May 2022, compared to 9.6 in April 2022. In March 2022 the indicator had amounted to 9.9. *Capacity utilization* stood at 82.3 in the second quarter of 2022, slightly down from 82.5 in the first quarter of 2022.

Euro Area Indicators

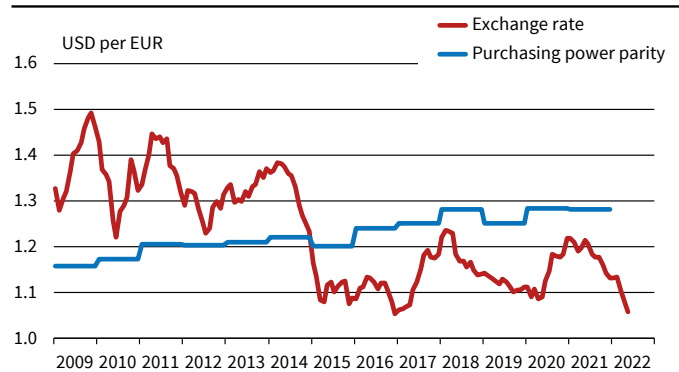
Gross Domestic Product in Constant 2015 Prices



Source: Eurostat. © ifo Institute

According to the Eurostat estimates, seasonally adjusted GDP increased by 0.6% in the euro area and by 0.7% in the EU during the first quarter of 2022, compared to the previous quarter. Compared to the first quarter of 2021, i.e., year over year, (seasonally adjusted) GDP increased by 5.4% in the EA19 and by 5.6% in the EU27 in the first quarter of 2022.

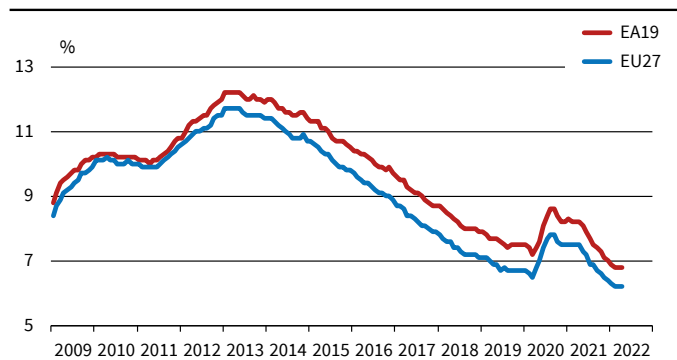
Exchange Rate of the Euro and Purchasing Power Parity



Source: European Central Bank; OECD. © ifo Institute

The exchange rate of the euro against the US dollar averaged approximately 1.08 \$/€ between March 2022 and May 2022. (In February 2022 the rate had also amounted to around 1.13 \$/€.)

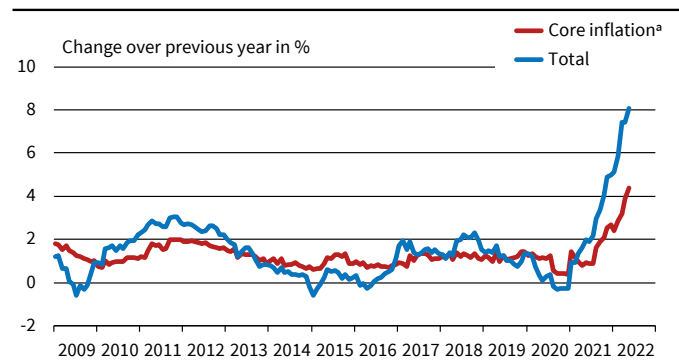
Unemployment Rate



Source: Eurostat. © ifo Institute

Euro area unemployment (seasonally adjusted) amounted to 6.8% in April 2022, stable compared with March 2022. The EU unemployment rate was 6.2% in April 2022, also stable compared with March 2022. In April 2022 the lowest unemployment rate was recorded in Czechia (2.4%), Poland and Germany (both 3.0%), while the rate was highest in Spain (13.3%), Greece (12.7%), and Italy (8.4%).

Euro Area Inflation Rate (HICP)



Source: Eurostat. © ifo Institute

Euro area annual inflation (HICP) amounted to 8.1% in May 2022, up from 7.4% in April 2021. Year-on-year EA19 core inflation (excluding energy and unprocessed foods) was 4.4% in May 2022, up from 3.9% in April 2022.