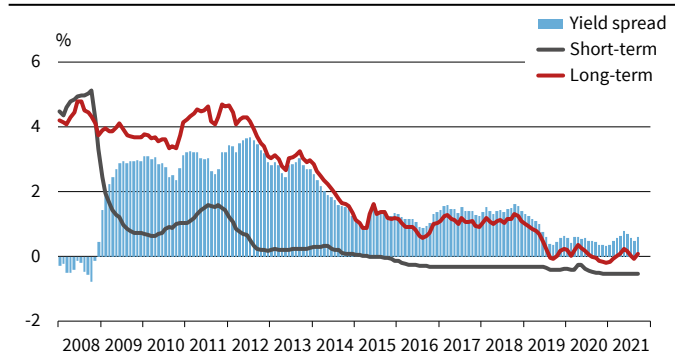


Statistics Update

Financial Conditions in the Euro Area

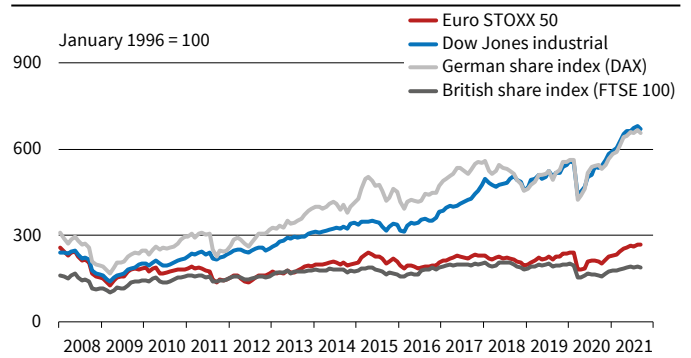
Nominal Interest Rates^a



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

In the three-month period from July 2021 to September 2021 short-term interest rates remained rather stable: the three-month EURIBOR rate was -0.54% in July 2021 and reached -0.55% in August and September 2021. The ten-year bond yields increased from 0.02% in July 2021 to 0.07% in September 2021, while the yield spread also increased from 0.56% to 0.62% between July 2021 and September 2021.

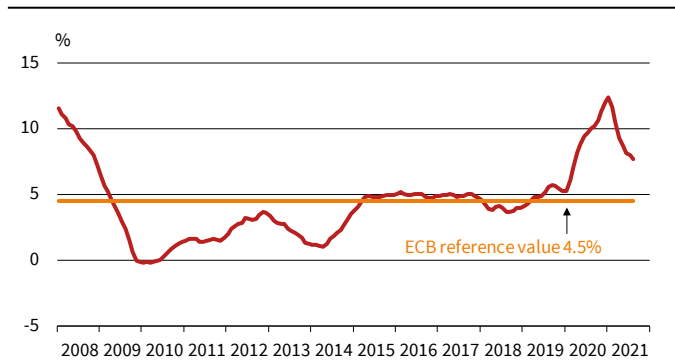
Stock Market Indices



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 steady rise of the German stock index DAX continued in September 2021, averaging 15,584 points compared to 15,573 points in July 2021, while the UK FTSE-100 also increased from 7,048 to 7,065 points over the same period. Furthermore, the Euro STOXX amounted to 4,158 in September 2021, up from 4,063 in July 2021. Yet, the Dow Jones Industrial decreased, averaging 34,719 points in September 2021, compared to 34,798 points in July 2021.

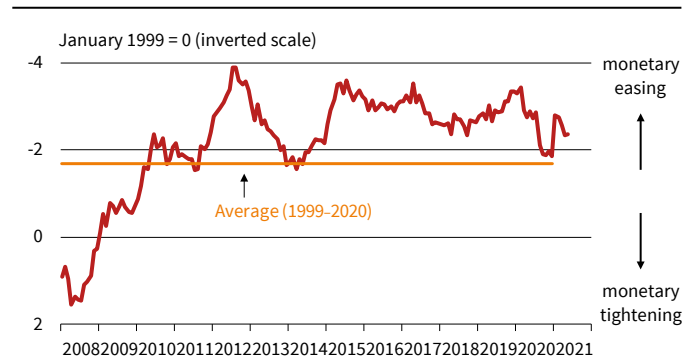
Change in M3^a



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

The annual growth rate of M3 decreased to 7.4% in September 2021, from 7.9% in August 2021. The three-month average of the annual growth rate of M3 over the period from July 2021 to September 2021 reached 7.6%.

Monetary Conditions Index



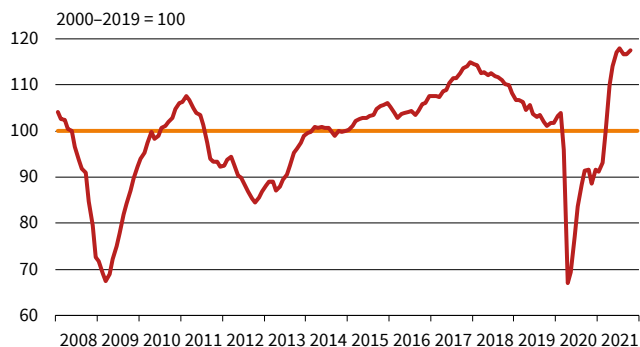
Source: European Commission. © ifo Institute

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 slight increase was again recorded in May 2021.

EU Survey Results

EU27 Economic Sentiment Indicator

Seasonally adjusted

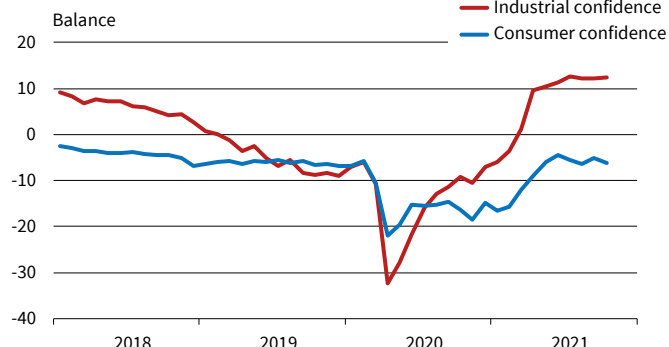


Source: European Commission. © ifo Institute

In October 2021, the *Economic Sentiment Indicator* (ESI) increased in both the EU (+ 0.9 points, to 117.6) and the euro area (+ 0.8 points, to 118.6). In the EU27, the ESI's increase in October 2021 was driven by improving confidence in services, construction, and retail trade, while confidence remained virtually unchanged in industry.

EU27 Industrial and Consumer Confidence Indicators

Percentage balance, seasonally adjusted



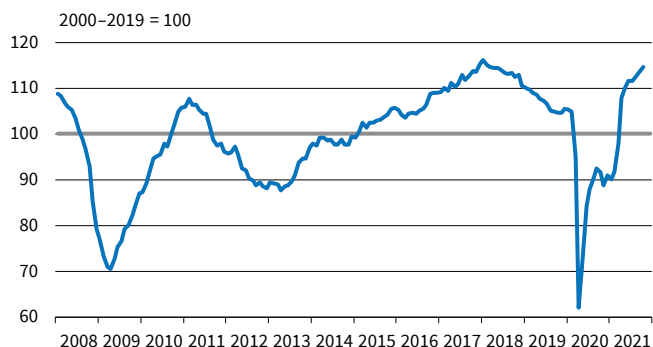
Source: European Commission. © ifo Institute

* 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 October 2021, the *industrial confidence indicator* increased by 0.3 points in the EU and by 0.1 points in the euro area, compared to September 2021. However, the *consumer confidence indicator* decreased by 0.9 points in the EU and by 0.8 points in the euro area in October 2021, compared to September 2021.

EU27 Employment Expectations Indicator

Seasonally adjusted

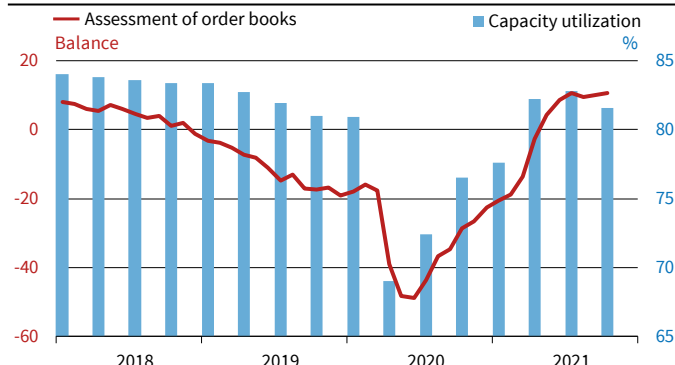


Source: European Commission. © ifo Institute

In October 2021, the *Employment Expectations Indicator* (EEI) continued to increase: + 1.2 points to 114.7 in the EU and 1.1 points to 114.5 in the euro area.

EU27 Capacity Utilisation and Order Books in the Manufacturing Industry

Seasonally adjusted

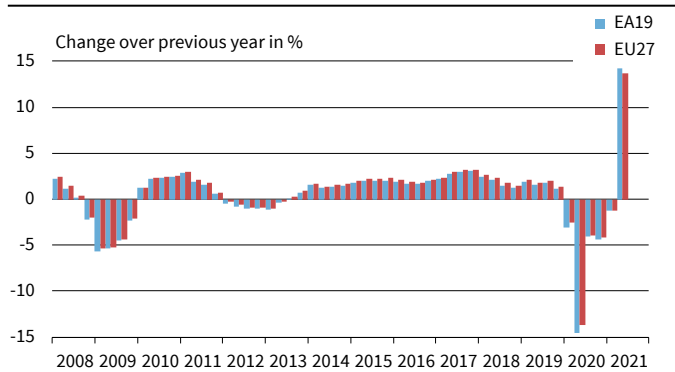


Source: European Commission. © ifo Institute

Managers' assessment of *order books* reached 10.6 in October 2021, compared to 10.0 in September 2021. In August 2021 the indicator had amounted to 9.3. *Capacity utilization* stood at 81.6 in the fourth quarter of 2021, down from 82.8 in the third quarter of 2021.

Euro Area Indicators

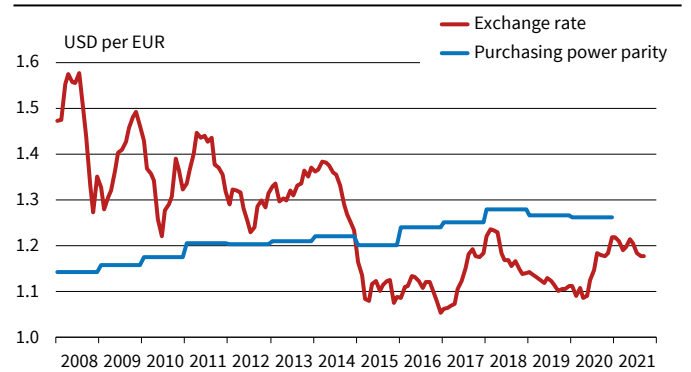
Gross Domestic Product in Constant 2015 Prices



Source: Eurostat. © ifo Institute

According to the Eurostat estimates, seasonally adjusted GDP increased by 2.2% in the euro area and by 2.1% in the EU during the second quarter of 2021, compared to the previous quarter. Compared to the second quarter of 2020, i.e., year over year, (seasonally adjusted) GDP increased by 14.3% in the EA19 and by 13.8% in the EU27 in the second quarter of 2021.

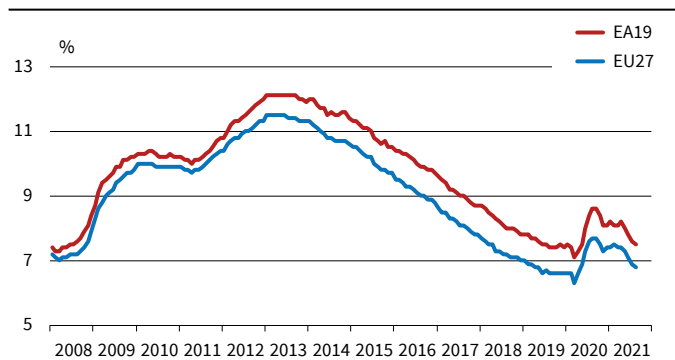
Exchange Rate of the Euro and Purchasing Power Parity



Source: European Central Bank; OECD; calculations by the ifo Institute. © ifo Institute

The exchange rate of the euro against the US dollar averaged approximately 1.18 \$/€ between July 2021 and September 2021. (In June 2021 the rate had also amounted to around 1.20 \$/€.)

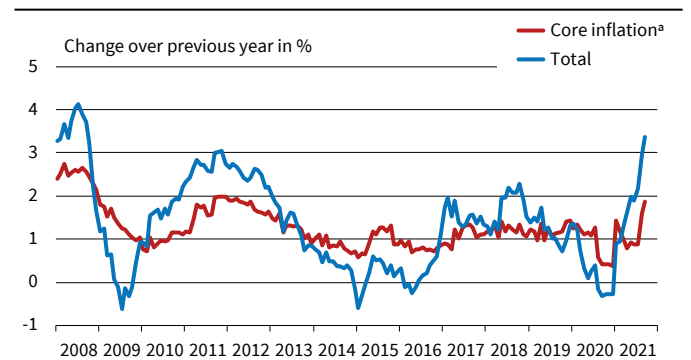
Unemployment Rate



Source: Eurostat. © ifo Institute

Euro area unemployment (seasonally adjusted) amounted to 7.5% in August 2021, down from 7.6% in July 2021. The EU27 unemployment rate was 6.8% in August 2021, down from 6.9% in July 2021. In August 2021 the lowest unemployment rate was recorded in Czechia (2.9%), Malta and the Netherlands (both 3.2%), while the rate was highest in Greece (13.2%) and Spain (14.0%).

Euro Area Inflation Rate (HICP)



^a Total excl. energy and unprocessed food. Source: Eurostat. © ifo Institute

Euro area annual inflation (HICP) amounted to 3.4% in September 2021, up from 3.0% in August 2021. Year-on-year EA19 core inflation (excluding energy and unprocessed foods) was 1.9% in September 2021, up from 1.6% in August 2021.