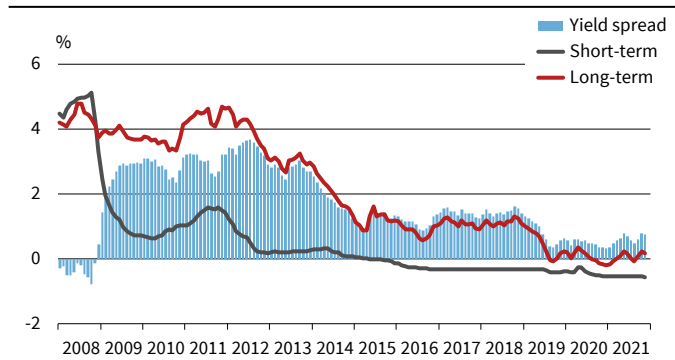


# Statistics Update

## Financial Conditions in the Euro Area

Nominal Interest Rates<sup>a</sup>



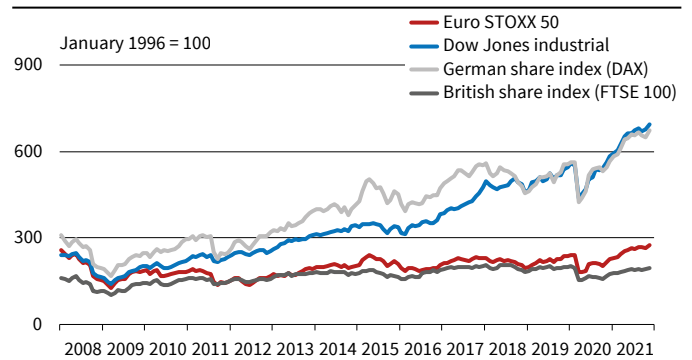
<sup>a</sup> Weighted average (GDP weights).

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

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In the three-month period from September 2021 to November 2021 short-term interest rates decreased: the three-month EURIBOR rate was -0.55% in September 2021 and reached -0.57% in November 2021. Yet, the ten-year bond yields increased from 0.07% in September 2021 to 0.18% in November 2021, while the yield spread also increased from 0.62% to 0.75% between September 2021 and November 2021.

Stock Market Indices

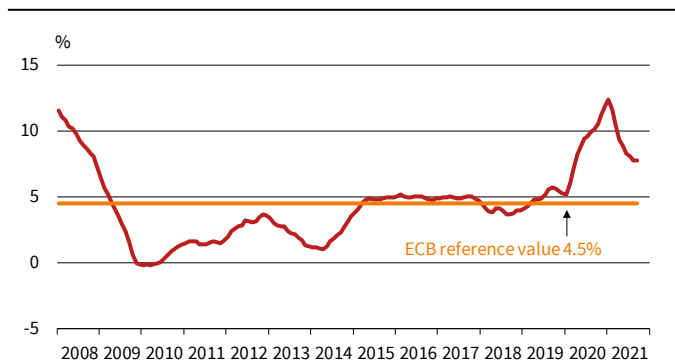


Source: Deutsche Börse; Dow Jones; FTSE; STOXX.

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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 November 2021, averaging 15,939 points compared to 15,402 points in October 2021, while the UK FTSE-100 also increased from 7,163 to 7,264 points over the same period. The Euro STOXX amounted to 4,306 in November 2021, up from 4,132 in October 2021. Furthermore, the Dow Jones Industrial increased, averaging 35,847 points in November 2021, compared to 35,056 points in October 2021.

Change in M3<sup>a</sup>



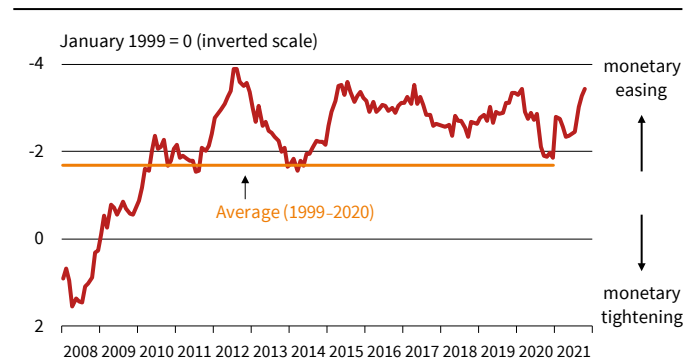
<sup>a</sup> Annual percentage change (3-month moving average).

Source: European Central Bank.

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The annual growth rate of M3 decreased to 7.7% in October 2021, from 7.5% in September 2021. The three-month average of the annual growth rate of M3 over the period from August 2021 to October 2021 reached 7.7%.

Monetary Conditions Index



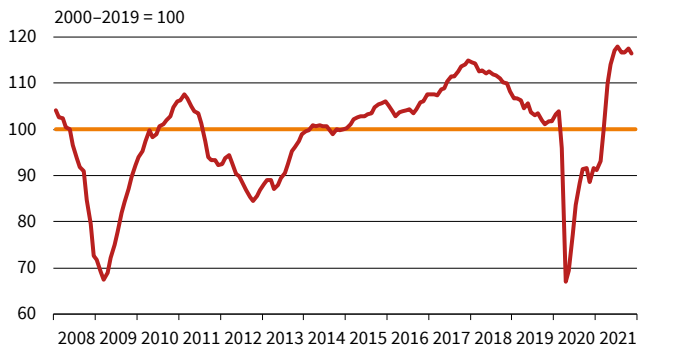
Source: European Commission.

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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

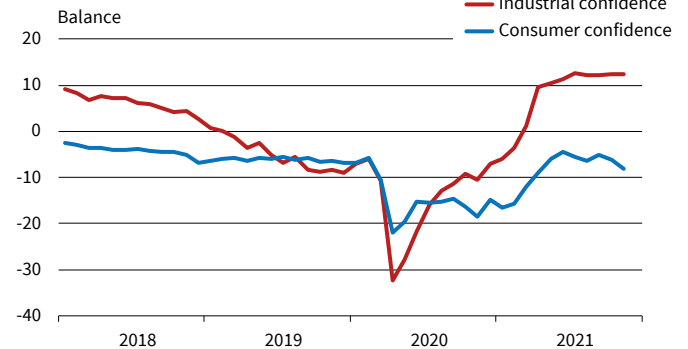
**EU27 Economic Sentiment Indicator**  
Seasonally adjusted



Source: European Commission. © ifo Institute

In November 2021, the *Economic Sentiment Indicator* (ESI) eased by 1.1 points in both the EU and the euro area. The indicator remains at a high level of 116.5 points in the EU and 117.5 in the euro area. In the EU, the ESI's decrease in November 2021 was driven by a marked decline in consumer confidence, while confidence remained broadly unchanged in industry and services and improved in retail trade and construction.

**EU27 Industrial and Consumer Confidence Indicators**  
Percentage balance, seasonally adjusted

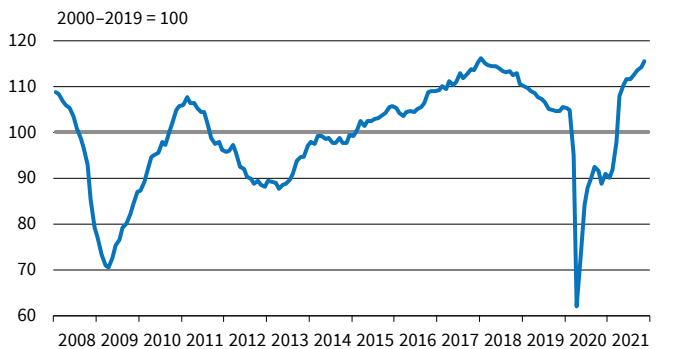


Source: European Commission. © ifo Institute

\* 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 November 2021, the *industrial confidence indicator* remained unchanged in the EU but decreased by 0.1 points in the euro area, compared to October 2021. The *consumer confidence indicator* decreased by 2.1 points in the EU and by 2.0 points in the euro area in November 2021, compared to October 2021.

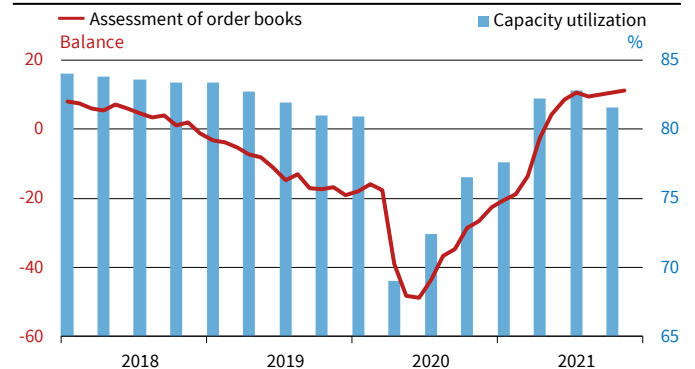
**EU27 Employment Expectations Indicator**  
Seasonally adjusted



Source: European Commission. © ifo Institute

In November 2021, the *Employment Expectations Indicator* (EEI) continued to increase: + 1.4 points to 115.6 in the EU and + 1.7 points to 115.6 in the euro area.

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

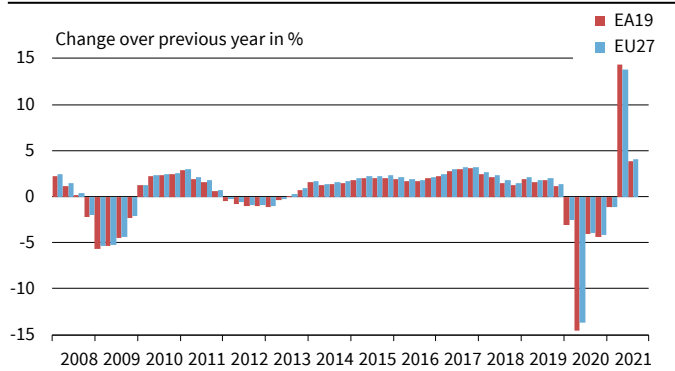


Source: European Commission. © ifo Institute

Managers' *assessment of order books* reached 11.2 in November 2021, compared to 10.6 in October 2021. In September 2021 the indicator had amounted to 10.0. *Capacity utilization* stood at 81.6 in the fourth quarter of 2021, down from 82.8 in the third quarter of 2021.

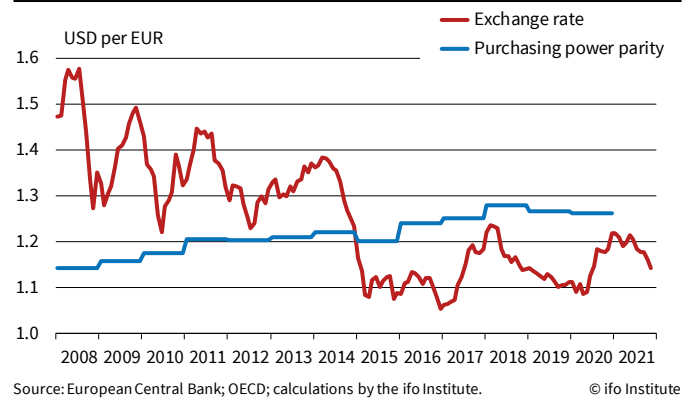
## Euro Area Indicators

Gross Domestic Product in Constant 2015 Prices



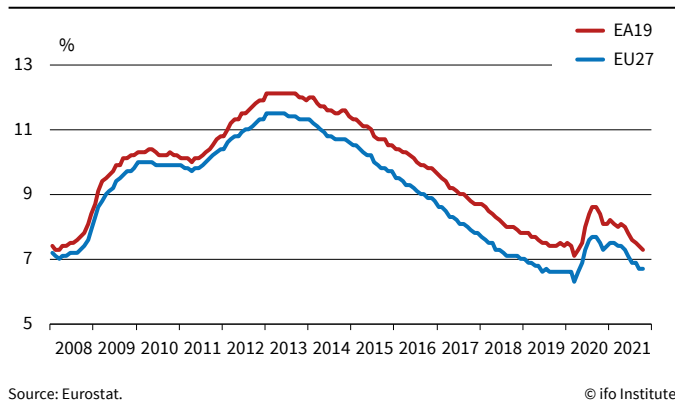
According to the Eurostat estimates, seasonally adjusted GDP increased by 2.2% in the euro area and by 2.1% in the EU during the third quarter of 2021, compared to the previous quarter. Compared to the third quarter of 2020, i.e., year over year, (seasonally adjusted) GDP increased by 3.9% in the EA19 and by 4.1% in the EU27 in the third quarter of 2021.

Exchange Rate of the Euro and Purchasing Power Parity



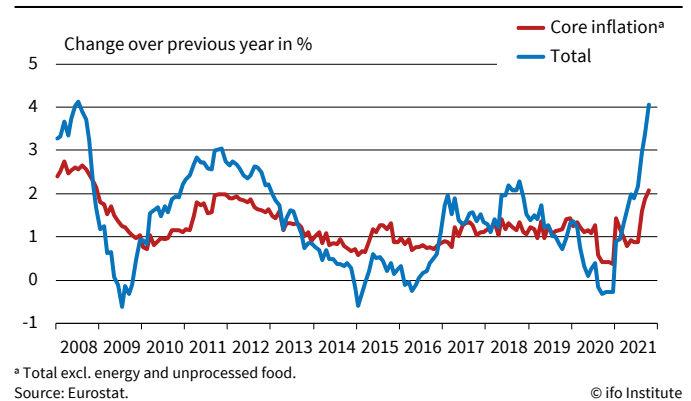
The exchange rate of the euro against the US dollar averaged approximately 1.16 \$/€ between September 2021 and November 2021. (In August 2021 the rate had also amounted to around 1.18 \$/€.)

Unemployment Rate



Euro area unemployment (seasonally adjusted) amounted to 7.3% in October 2021, down from 7.4% in September 2021. The EU27 unemployment rate was 6.7% in October 2021, stable compared with September 2021. In October 2021 the lowest unemployment rate was recorded in Czechia (2.6%), the Netherlands (2.9%), and Germany (3.3%), while the rate was highest in Greece (12.9%) and Spain (14.5%).

Euro Area Inflation Rate (HICP)



Euro area annual inflation (HICP) amounted to 4.9% in November 2021, up from 4.1% in October 2021. Year-on-year EA19 core inflation (excluding energy and unprocessed foods) was 2.1% in October 2021, up from 1.9% in September 2021.