



## KEY INDICATORS FOR THE EURO AREA



This update: **30-Oct-20**  
Next update: **26-Nov-20**

### DG ECFIN - Directorate A - Policy, strategy and communication

|  | LTA <sup>(1)</sup>       | 2018  | 2019     | 19Q4   | 20Q1   | 20Q2   | 20Q3   | May-20  | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 |       |
|--|--------------------------|-------|----------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|-------|
| <b>1. Output</b>                               |                          |       |          |        |        |        |        |         |        |        |        |        |        |       |
| Economic Sentiment                             | indicator                | 100.0 | 111.5    | 103.1  | 100.6  | 100.0  | 69.4   | 86.9    | 67.5   | 75.8   | 82.4   | 87.5   | 90.9   | 90.9  |
| Industrial confidence                          | balance                  | -5.7  | 6.7      | -5.1   | -9.2   | -8.1   | -27.2  | -13.5   | -27.5  | -21.6  | -16.2  | -12.8  | -11.4  | -9.6  |
| Services confidence                            | balance                  | 9.4   | 15.2     | 10.7   | 9.8    | 6.6    | -39.2  | -18.2   | -43.6  | -35.5  | -26.2  | -17.2  | -11.2  | -11.8 |
| Industrial production (excluding construction) | % ch. on prev. period    |       |          |        | -1.2   | -3.4   | -15.8  | --      | 12.5   | 9.5    | 5.0    | 0.7    | --     | --    |
|  | % ch. on prev. year      | 0.7   | 0.7      | -1.3   | -3.3   | -13.4  | -12.0  | --      | -20.4  | -12.0  | -7.1   | -7.2   | --     | --    |
| Gross domestic product <sup>(2)</sup>          | % ch. on prev. period    |       |          |        | 0.0    | -3.7   | -11.8  | 12.7    |        |        |        |        |        |       |
|  | % ch. on prev. year      | 1.3   | 1.9      | 1.3    | 1.0    | -3.3   | -14.8  | -4.3    |        |        |        |        |        |       |
| Labour productivity                            | % ch. on prev. period    |       |          |        | -0.1   | -3.4   | -8.9   | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 0.5   | 0.3      | 0.1    | 0.0    | -3.6   | -11.8  | --      |        |        |        |        |        |       |
| <b>2. Private consumption</b>                  |                          |       |          |        |        |        |        |         |        |        |        |        |        |       |
| Consumer confidence                            | balance                  | -10.7 | -4.9     | -7.1   | -7.6   | -8.8   | -18.5  | -14.5   | -18.8  | -14.7  | -15.0  | -14.7  | -13.9  | -15.5 |
| Retail confidence                              | balance                  | -8.6  | 1.3      | -0.4   | -0.1   | -3.0   | -26.4  | -11.4   | -29.8  | -19.4  | -15.1  | -10.5  | -8.6   | -6.9  |
| Private consumption                            | % ch. on prev. period    |       |          |        | 0.1    | -4.5   | -12.4  | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 1.1   | 1.5      | 1.3    | 1.2    | -3.9   | -16.0  | --      |        |        |        |        |        |       |
| Retail sales                                   | % ch. on prev. period    |       |          |        | 0.3    | -2.7   | -5.0   | --      | 20.5   | 5.5    | -1.8   | 4.4    | --     | --    |
|  | % ch. on prev. year      | 0.8   | 1.6      | 2.3    | 2.1    | -1.4   | -6.8   | --      | -2.6   | 1.4    | -0.1   | 3.7    | --     | --    |
| <b>3. Investment</b>                           |                          |       |          |        |        |        |        |         |        |        |        |        |        |       |
| Capacity utilisation (manufacturing)           | level (%)                | 80.7  | 83.8     | 82.3   | 81.0   | 80.8   | 68.3   | 72.1    | --     | --     | 72.1   | --     | --     | 76.3  |
| Production expectations (manufacturing)        | balance                  | 7.2   | 16.7     | 4.6    | 0.7    | 0.0    | -22.6  | 7.2     | -20.0  | -0.4   | 7.4    | 7.0    | 7.3    | 6.4   |
| Gross fixed capital formation <sup>(3)</sup>   | % ch. on prev. period    |       |          |        | -0.3   | -4.4   | -12.3  | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 1.4   | 3.6      | 3.0    | 1.6    | -4.1   | -16.0  | --      |        |        |        |        |        |       |
| - equipment investment                         | % ch. on prev. period    |       |          |        | -0.8   | -9.8   | -19.6  | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 2.4   | 3.8      | 2.2    | 0.4    | -10.4  | -28.5  | --      |        |        |        |        |        |       |
| - construction investment                      | % ch. on prev. period    |       |          |        | -0.3   | -2.3   | -12.7  | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 0.3   | 3.8      | 3.4    | 2.0    | -2.2   | -14.2  | --      |        |        |        |        |        |       |
| Change in stocks                               | contrib. to GDP (pp.)    |       | 0.1      | -0.5   | -0.3   | 0.5    | -0.1   | --      |        |        |        |        |        |       |
| <b>4. Labour market</b>                        |                          |       |          |        |        |        |        |         |        |        |        |        |        |       |
| Employment Expectations Indicator              | indicator                | 100.0 | 113.8    | 107.0  | 105.1  | 101.3  | 70.7   | 89.3    | 70.1   | 83.0   | 86.7   | 89.5   | 91.6   | 89.8  |
| Employment expectations (manuf.)               | balance                  | -6.4  | 9.4      | -1.4   | -6.1   | -7.6   | -23.4  | -14.1   | -23.5  | -19.5  | -16.4  | -13.8  | -12.1  | -10.6 |
| Employment expectations (services)             | balance                  | 5.8   | 13.0     | 9.4    | 9.4    | 5.4    | -19.7  | -3.5    | -20.3  | -8.2   | -4.7   | -3.6   | -2.3   | -6.3  |
| Employment                                     | % ch. on prev. period    |       |          |        | 0.2    | -0.3   | -2.9   | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 0.8   | 1.6      | 1.2    | 1.0    | 0.4    | -2.9   | --      |        |        |        |        |        |       |
| Employment ('000)                              | abs. ch. on prev. period |       | 2,423    | 1,907  | 293    | -476   | -4,651 | --      |        |        |        |        |        |       |
| Compensation of employees per head (nominal)   | % ch. on prev. period    |       |          |        | 0.2    | -0.7   | -4.7   | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 1.9   | 2.2      | 1.9    | 1.7    | 0.6    | -4.6   | --      |        |        |        |        |        |       |
| Unemployment expectations                      | balance                  | 26.9  | 4.0      | 10.9   | 16.2   | 16.4   | 57.9   | 50.3    | 60.4   | 51.6   | 51.9   | 51.5   | 47.4   | 52.2  |
| Unemployment rate                              | % of lab. force          | 9.4   | 8.2      | 7.6    | 7.4    | 7.3    | 7.6    | 8.2     | 7.6    | 7.9    | 8.1    | 8.3    | 8.3    | --    |
| Unemployment ('000)                            | abs. ch. on prev. period |       | -1,385.8 | -993.8 | -121.7 | -146.0 | 260.7  | 1,213.3 | 263.0  | 576.0  | 514.0  | 304.0  | 75.0   | --    |
| <b>5. International transactions</b>           |                          |       |          |        |        |        |        |         |        |        |        |        |        |       |
| World trade                                    | % ch. on prev. period    |       |          |        | -0.4   | -2.7   | -12.2  | --      | -0.9   | 7.8    | 5.0    | 2.5    | --     | --    |
|  | % ch. on prev. year      | 4.5   | 3.5      | -0.4   | -0.8   | -3.1   | -14.4  | --      | -17.5  | -9.5   | -6.4   | -4.4   | --     | --    |
| Export order books                             | balance                  | -18.2 | 1.2      | -13.4  | -18.6  | -18.9  | -46.4  | -41.2   | -47.7  | -49.6  | -45.0  | -40.3  | -38.4  | -31.3 |
| Trade balance (merchandise)                    | billion EUR              |       | 191.3    | 224.9  | 66.2   | 70.8   | 25.0   | --      | 8.6    | 16.0   | 19.3   | 21.9   | --     | --    |
| Exports of goods and services                  | % ch. on prev. period    |       |          |        | 0.0    | -3.8   | -18.8  | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 4.5   | 3.6      | 2.5    | 1.7    | -3.1   | -21.4  | --      |        |        |        |        |        |       |
| Imports of goods and services <sup>(3)</sup>   | % ch. on prev. period    |       |          |        | -0.6   | -3.0   | -16.6  | --      |        |        |        |        |        |       |
|  | % ch. on prev. year      | 0.3   | 3.7      | 2.0    | 0.5    | -2.9   | -19.2  | --      |        |        |        |        |        |       |
| Current-account balance                        | billion EUR              |       | 335.7    | 279.5  | 57.9   | 42.1   | 55.0   | --      | 16.2   | 23.3   | 17.0   | 19.9   | --     | --    |
| Direct investment                              | billion EUR              |       | 139.3    | -72.0  | -99.7  | 27.1   | -132.9 | --      | -57.9  | -43.5  | 19.2   | 25.5   | --     | --    |
| Portfolio investment                           | billion EUR              |       | 204.5    | -47.7  | 143.6  | -186.5 | 194.4  | --      | 45.5   | -14.4  | -33.3  | -2.6   | --     | --    |
| <b>6. Prices</b>                               |                          |       |          |        |        |        |        |         |        |        |        |        |        |       |
| Consumer inflation expectations                | balance                  |       | 22.3     | 20.7   | 20.5   | 21.6   | 26.5   | 15.6    | 28.6   | 21.6   | 17.4   | 16.9   | 12.5   | 13.3  |
| Headline inflation (HICP) <sup>(2)</sup>       | % ch. on prev. year      |       | 1.8      | 1.2    | 1.0    | 1.1    | 0.2    | 0.0     | 0.1    | 0.3    | 0.4    | -0.2   | -0.3   | -0.3  |
| Core HICP                                      | % ch. on prev. year      |       | 1.2      | 1.2    | 1.3    | 1.3    | 1.1    | 0.8     | 1.2    | 1.1    | 1.3    | 0.6    | 0.4    | 0.4   |
| Domestic producer prices                       | % ch. on prev. year      |       | 3.2      | 0.7    | -1.2   | -1.5   | -4.4   | --      | -5.0   | -3.6   | -3.1   | -2.5   | --     | --    |
| Import prices                                  | % ch. on prev. year      |       | 1.2      | -0.1   | -0.8   | -0.9   | -3.0   | --      | -3.2   | -2.6   | -2.6   | -2.5   | --     | --    |
| Oil (Brent) in USD                             | level                    |       | 71.6     | 64.2   | 62.5   | 51.1   | 33.4   | 43.3    | 32.3   | 40.8   | 43.2   | 44.8   | 41.9   | 41.6  |
|  | % ch. on prev. period    |       |          |        | 0.7    | -18.3  | -34.7  | 29.9    | 18.0   | 26.5   | 5.8    | 3.7    | -6.6   | -0.7  |
|  | % ch. on prev. year      |       | 30.8     | -10.4  | -8.5   | -19.8  | -51.3  | -30.1   | -54.1  | -35.6  | -32.7  | -24.8  | -32.6  | -30.4 |
| Oil (Brent) in EUR                             | level                    |       | 60.7     | 57.3   | 56.4   | 46.3   | 30.3   | 37.1    | 29.6   | 36.3   | 37.8   | 37.9   | 35.5   | 35.3  |
|  | % ch. on prev. period    |       |          |        | 1.2    | -17.9  | -34.6  | 22.4    | 17.4   | 22.5   | 4.1    | 0.3    | -6.3   | -0.6  |
|  | % ch. on prev. year      |       | 25.0     | -5.6   | -5.7   | -17.4  | -50.3  | -33.5   | -52.9  | -35.5  | -34.0  | -29.3  | -37.1  | -34.7 |
| Non-energy commodity prices (EUR)              | % ch. on prev. period    |       |          |        | -0.8   | 0.0    | -5.5   | 10.9    | 1.3    | 3.1    | 2.7    | 4.9    | 5.9    | --    |
|  | % ch. on prev. year      |       | -3.0     | 3.3    | 5.3    | 2.1    | -5.5   | 3.9     | -4.8   | -4.2   | -5.7   | 6.7    | 11.3   | --    |
| <b>7. Monetary and financial indicators</b>    |                          |       |          |        |        |        |        |         |        |        |        |        |        |       |
| Nominal interest rates (3 month)               | level                    | 1.7   | -0.32    | -0.36  | -0.40  | -0.41  | -0.30  | -0.47   | -0.27  | -0.38  | -0.44  | -0.48  | -0.49  | -0.51 |
| Nominal interest rates (10 year)               | level                    | 3.9   | 0.48     | -0.22  | -0.36  | -0.41  | -0.43  | -0.49   | -0.49  | -0.40  | -0.48  | -0.50  | -0.50  | -0.59 |
| ECB repo rate                                  | level                    | 1.7   | 0.00     | 0.00   | 0.00   | 0.00   | 0.00   | 0.00    | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00  |
| Stock market (Eurostoxx)                       | % ch. on prev. period    |       |          |        | 5.6    | -6.0   | -12.7  | 9.8     | 2.6    | 11.4   | 2.3    | -0.9   | -0.9   | -2.0  |
|  | % ch. on prev. year      | 6.2   | -3.1     | 1.6    | 15.5   | 7.0    | -12.3  | -4.8    | -14.2  | -4.7   | -5.5   | -2.0   | -7.4   | -10.1 |
| Money demand (M3)                              | % ch. on prev. year      | 5.5   | 4.0      | 5.0    | 5.4    | 6.0    | 8.8    | 10.0    | 9.0    | 9.2    | 10.1   | 9.5    | 10.4   | --    |
| Loans to households                            | % ch. on prev. year      | 3.6   | 3.0      | 3.4    | 3.5    | 3.6    | 3.0    | 3.0     | 3.0    | 3.0    | 3.0    | 3.0    | 3.1    | --    |
| Loans to non-financial corporations            | % ch. on prev. year      | 3.7   | 3.9      | 3.8    | 3.5    | 3.9    | 7.0    | 7.1     | 7.4    | 7.1    | 7.1    | 7.1    | 7.1    | --    |
|  | level                    | 1.21  | 1.18     | 1.12   | 1.11   | 1.10   | 1.10   | 1.17    | 1.09   | 1.13   | 1.14   | 1.18   | 1.18   | 1.18  |
| Bilateral exchange rate EUR/USD                | % ch. on prev. period    |       |          |        | -0.4   | -0.5   | -0.1   | 6.1     | 0.5    | 3.2    | 1.6    | 3.4    | -0.3   | -0.1  |
|  | % ch. on prev. year      | 0.5   | 4.6      | -5.1   | -3.0   | -3.0   | -2.0   | 5.1     | -2.5   | -0.3   | 2.0    | 6.4    | 7.1    | 6.5   |
| Nominal effective exchange rate                | % ch. on prev. period    |       |          |        | -0.8   | -0.2   | 1.4    | 2.5     | 0.2    | 1.5    | 0.6    | 1.2    | 0.0    | -0.3  |
|  | % ch. on prev. year      | 0.2   | 2.5      | -1.8   | -1.8   | -1.0   | 0.6    | 2.8     | 0.2    | 1.1    | 2.1    | 2.8    | 3.5    | 3.4   |

(1) LTA=Long-Term Average (since 1990 or earlier available); (2) Flash estimate for the last month, if final data not available yet; (3) Data on total gross fixed capital formation (GFCF) and on imports of goods and services don't include Ireland.

## 1. Output

According to Eurostat's preliminary flash estimate, **real GDP** in 2020-Q3 increased by 12.7% quarter-on-quarter (q-o-q), after falling by 11.8% in the previous quarter. As compared to 2019-Q3, GDP decreased by 4.3%.

In October 2020, the recovery of the **Economic Sentiment Indicator** (ESI), which had started in May, came to a halt (unchanged from September at 90.9 pts).

The flash **Eurozone PMI Composite Output Index** decreased for the third month in row in October (to 49.4, compared with 50.4 final in September), signalling a decline of business activity. The **manufacturing PMI** increased from 53.7 (final) in September to 54.4 (flash) in October. At the same time, the **services PMI** decreased from 48.0 to 46.2.

In August 2020, **industrial production** (excluding construction) rose by 0.7% (m-o-m), after an increase by 5.0% in July, but it remained below its pre-pandemic level. In comparison to the same month of the previous year, industrial production was 7.2% lower.

## 2. Private consumption

In 2020-Q2, **private consumption** decreased by 12.4% (q-o-q), following a decrease of 4.5% in 2020-Q1. With respect to the same period of the preceding year, private consumption declined by 16.0%, after a decrease by 3.9% recorded in the preceding quarter.

In October 2020, **consumer confidence** slipped (by -1.6 to -15.5), as households reported growing concerns about the expected general economic situation and their expected financial situation, which were matched by more cautious intentions to make major purchases.

In August 2020, compared to the previous month, the **retail trade volume** increased by 4.4% (after decreasing by 1.8% in July). Retail trade increased by 6.1% for non-food products (within this category mail and internet increased by 12.4%), by 2.4% for food, drinks and tobacco and by 2.1% for automotive fuels. Compared with the same month of the previous year, retail trade increased by 3.7%. In September 2020, new passenger car registrations increased by 0.9% (m-o-m), and it was just 1.0% lower than in September 2019. Still, in the first nine months of 2020, there were 27.6% less new car registration than in the same period 2019.

In October, **retail trade confidence** continued its recovery (+1.7 points), thanks to brightening assessments of the past business situation and the adequacy of the volume of stocks, which were partly offset by the third consecutive deterioration in the expected business situation.

## 3. Investment

In 2020-Q2, **gross fixed capital formation** (excluding Ireland) declined by 12.3% quarter-on-quarter, following a decrease by 4.4% in the preceding quarter. Compared with the same quarter of the previous year, it decreased by 16% in 2020-Q2 and by 4.1% in 2020-Q1.

In 2020-Q4, the **capacity utilisation rate** in manufacturing (survey conducted in October) increased to 76.3% from 72.1% in 2020-Q3 and a historical low of 68.3% in 2020-Q2 but remains significantly below its long-term average (80.7%). The rate of capacity utilisation in services increased to 86.2 from its historical low at 85.5% in 2020-Q3.

## 4. Labour market

In 2020-Q2, **employment** (in terms of employed persons) decreased by 2.9%. In terms of hours worked, however, employment decreased by 13.4% (q-o-q). In September 2020, the **unemployment rate** stood at 8.3%, unchanged from August 2020 and 0.8 ppt. higher than in September 2019. The labour market impact of the economic downturn was limited by strong policy support (e.g. extended short-time work schemes). In addition, some laid-off workers have not been able to actively look for jobs during the lockdowns or withdrew from the labour market to care for relatives and were therefore not counted as unemployed. Finally, in some countries dismissal bans prevented companies from laying off staff. In October, the **Employment Expectations Indicator** (EEI) decreased by 1.8 points to 89.8 after five consecutive months of growth. According to the Commission's surveys, **employment expectations** increased by 1.9 pts. to -1.1 in construction; by 1.5 to -10.6 in industry and by 0.6 to -5.1 in retail trade, while it fell significantly in services (by 4 points to -6.3). At the same time, consumers' **unemployment expectations** increased by 4.8 pts. to 52.2, reaching a six-month high.

## 5. International transactions

The CPB **world trade volume** (goods) continued its recovery and increased by 2.5% (m-o-m) in August 2020, after an increase of 5.0% in July. Compared with August 2019, it was 4.4% lower.

In August 2020, the seasonally adjusted **trade balance** stood at €21.9 bn, up from €19.3 bn in July. At the same time, the seasonally adjusted **current-account balance** increased from €17.0 bn in July to €19.9 bn in August.

The assessment of **export order books in manufacturing** improved by 7.1 pts. to -31.3 pts. in October, continuing its recovery for the fourth month in row. Meanwhile, export expectations in 2020-Q4 (survey conducted in October) improved to -4.8 from -6.8 in 2020-Q3.



## 6. Prices

Eurostat's flash estimate for annual **HICP inflation** stood at -0.3% in October 2020, stable compared to September. Core inflation stood at 0.4% (unchanged from September). Prices of food, alcohol & tobacco are expected to have the highest annual rate (2.0%, after 1.8% in September), especially unprocessed food (4.3% after 3.1% in September). At the same time, energy prices are expected to have declined significantly (-8.4% after -8.2% in September). Prices of non-energy industrial goods decreased by 0.1% presumably (decrease by 0.3 in the previous month).

In August 2020, **industrial producer prices** rose by 0.1% in m-o-m terms (0.7% in July). Compared with the same month of the previous year they decreased by 2.5% (3.1% decrease in July).

After a slump to an 18-year low in April of 19.66 USD/bbl. on 21 April, **Brent crude oil prices** recovered until end of August, when they reached 46.00 USD/bbl. In September till end-October, they were fluctuating mostly slightly above 40 USD/bbl., but they started to fall in the last days of October. On 29 October, Brent oil was traded at 37.57 USD/bbl., corresponding to 32.30 EUR/bbl.

## 7. Monetary and financial indicators

At its meeting on 29 October 2020, the ECB Governing Council decided to continue its **strengthened comprehensive package of policy measures** in reaction to the coronavirus outbreak, as it was decided at the previous meetings. It comprises (i) the pandemic emergency purchase programme (PEPP) with a total envelope of €1,350 billion, (ii) the asset purchase programme (APP), and (iii) targeted longer-term refinancing operations (TLTRO III). At the same time, **ECB policy interest rates** remained unchanged on the main refinancing operations, with the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50% respectively.

**Money market interest rates** remain in the decreasing and flattening trend since end of April 2020. On 30 October, Euribor reached its new all-time low at -0.523%.

Benchmark **sovereign bond yields** (10-year German Bund) reached their historical low of -0.85% on 9 March. They recovered somewhat reaching an average level of -0.40% in June, but then they started decreasing again. Its monthly average in October was just -0.59%.

According to the October 2020 ECB **bank lending survey**, banks tightened credit standards for loans to enterprises significantly, indicating credit risk considerations due to the COVID-19 pandemic (the strongest tightening since 2011-Q4). They also expect

further tightening in the next quarter. Firms' demand for loans declined moderately in the third quarter of 2020, reflecting a decline in emergency liquidity needs relative to the previous quarter. Credit standards for housing loans tightened in 2020-Q3 strongly again and further tightening is expected for the next quarter. Net demand for housing loans increased significantly in 2020-Q3, after a considerable decline in the previous quarter (+31% and -61% respectively). Credit standards for consumer credit and other lending to households continued to tighten in 2020-Q3 (9%, after 26% in the previous quarter), while net demand for these loans increased slightly (after a record low in the previous quarter).

In September 2020, the annual growth rate of **M3** decreased to 10.4% from 9.5% in August. Meanwhile, the annual growth rate of **loans to the private sector** (adjusted for loan sales, securitisation and notional cash pooling services) stood at 4.6% in September, unchanged from the previous month. The annual growth rate of adjusted **loans to households** stood at 3.1%, compared with 3.0% in August, while the growth rate of **loans to non-financial corporations** was 7.1% unchanged from August.

At its meeting on 15-16 September, the Federal Reserve's FOMC stated that it "is committed to using its full range of tools to support the U.S. economy in this challenging time" and decided to maintain the target range for the **US federal funds rate** at 0.00-0.25%. On 30 September, the USD 3-month Libor rate stood at 0.23%.

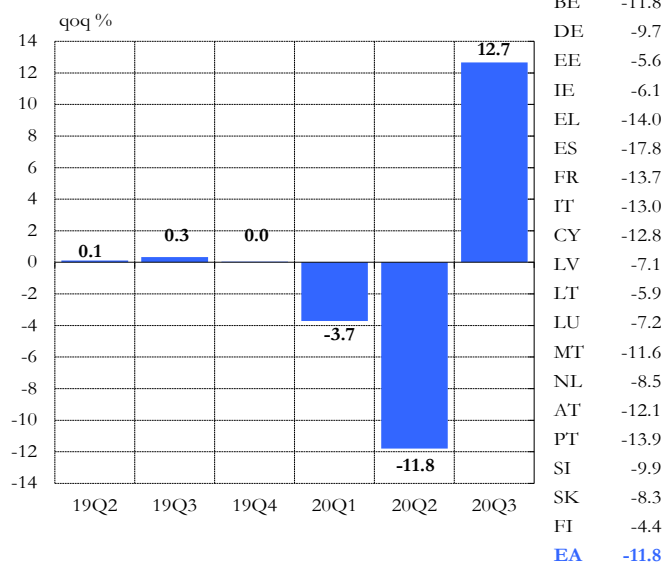
The **EUR/USD exchange rate** was broadly on a growing trend from mid-May 2020 until end-August. Its monthly average grew from 1.09 in May to 1.18 in August. Since then it remains broadly stable with monthly average 1.18 in September and October. On 30 October it stood at 1.17. In October, in nominal effective terms, the euro depreciated 0.3% compared with the previous month, and stood 3.4% higher than in October 2019.

**Stock market indices** are varying significantly. While the Nikkei225 kept a broadly growing trend since April 2020 and its monthly average in October was just around 1% lower than in (pre-pandemic) January 2020; the Dow Jones was a bit weaker and in October was about 3% lower compared with January; the Eurostoxx' monthly averages are decreasing since August and it was still about 11% lower in October. Moreover, looking at daily data, Eurostoxx and the Dow Jones are in a declining trend since mid October, while Nikkei225 remains relatively stable.

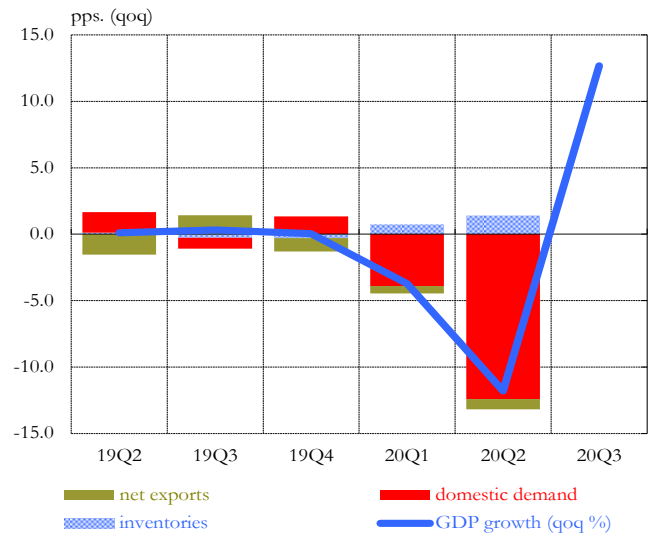
## 1. OUTPUT

### GDP

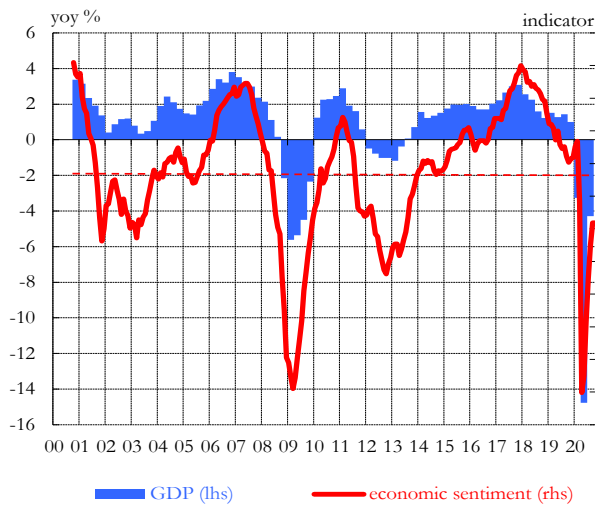
20Q2



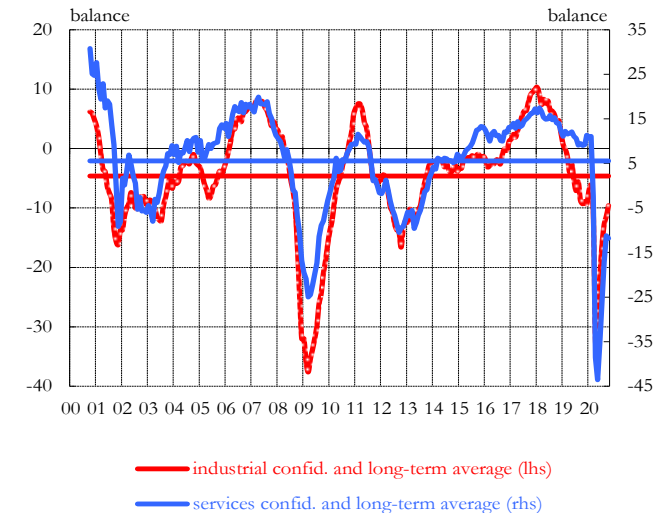
### Contributions to GDP growth



### GDP and Economic Sentiment Indicator

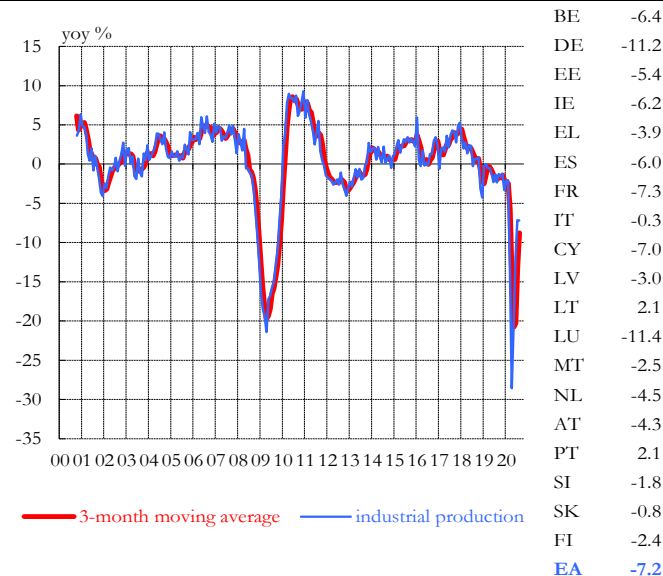


### Industrial and services confidence

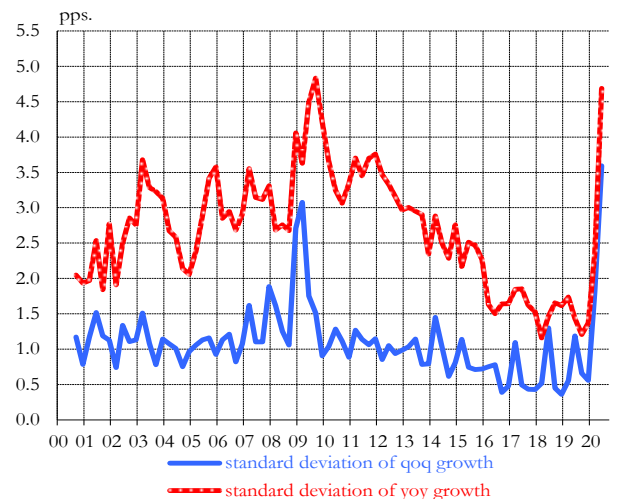


### Industrial production

Aug-20



### GDP growth divergence, euro area\*

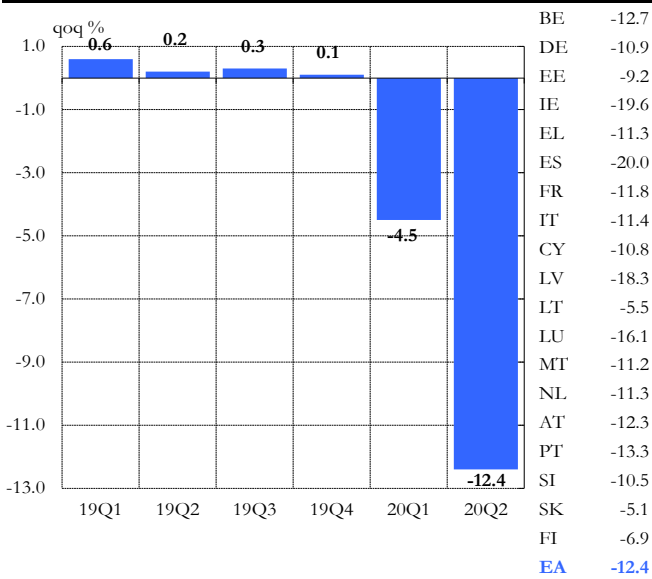


\* Calculations since 2015 without Ireland.

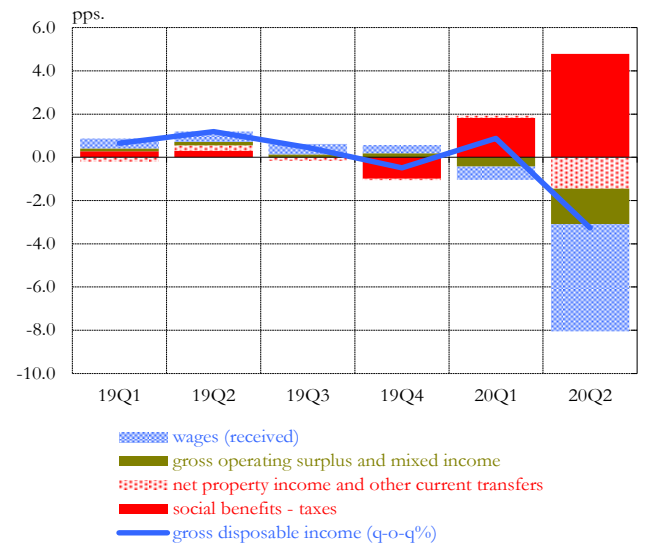


## 2. PRIVATE CONSUMPTION

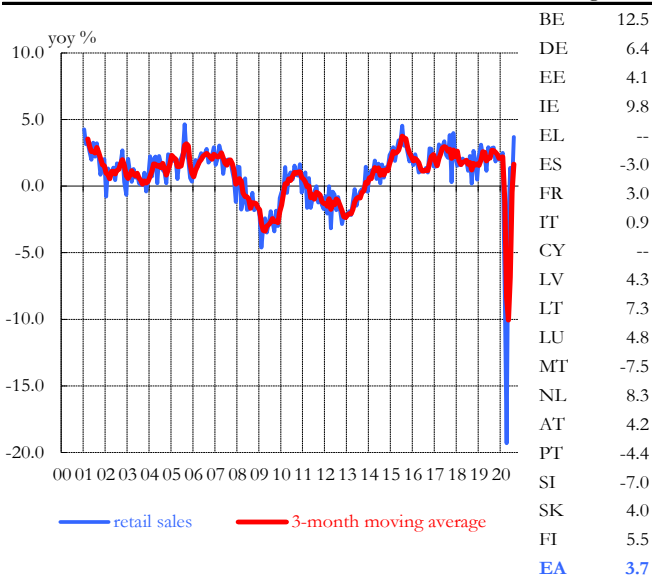
### Private consumption



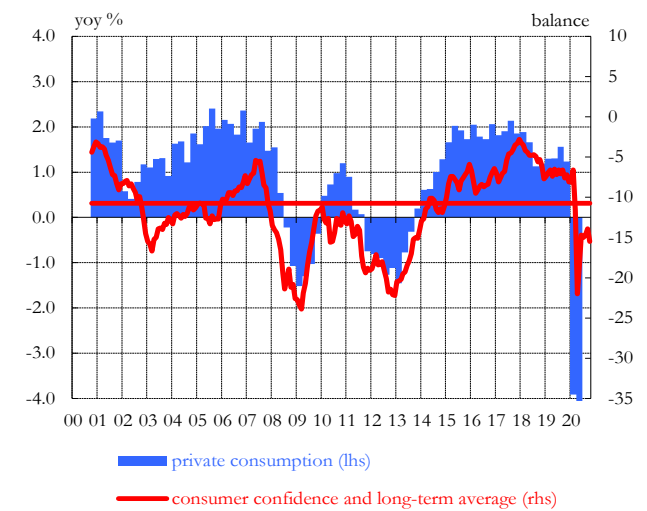
### Household adjusted gross disposable income



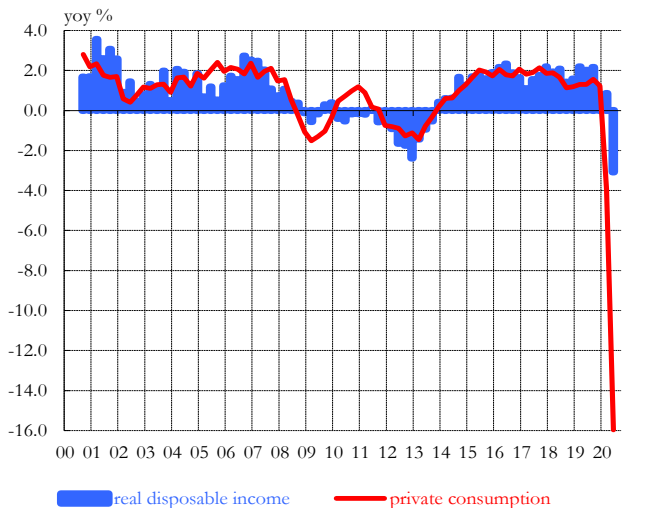
### Retail sales



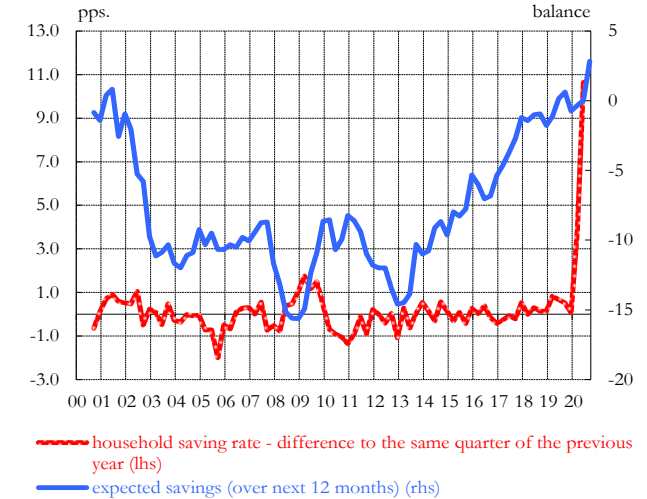
### Consumer confidence and private consumption



### Households: real disposable income and consumption

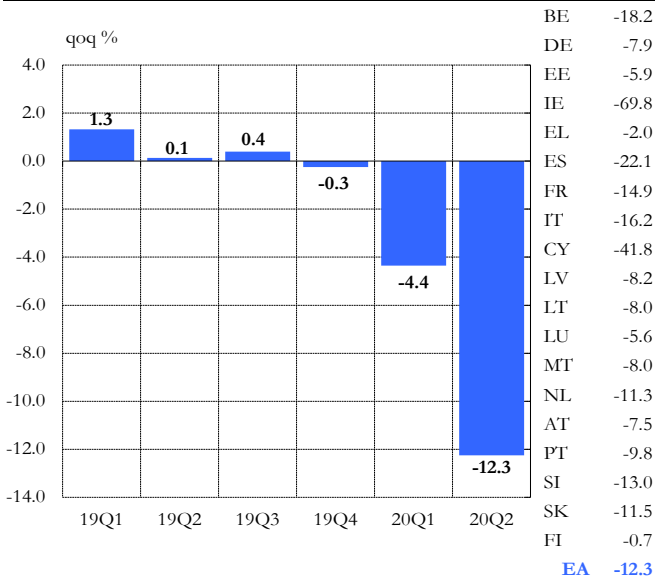


### Households: actual saving rate and expected savings

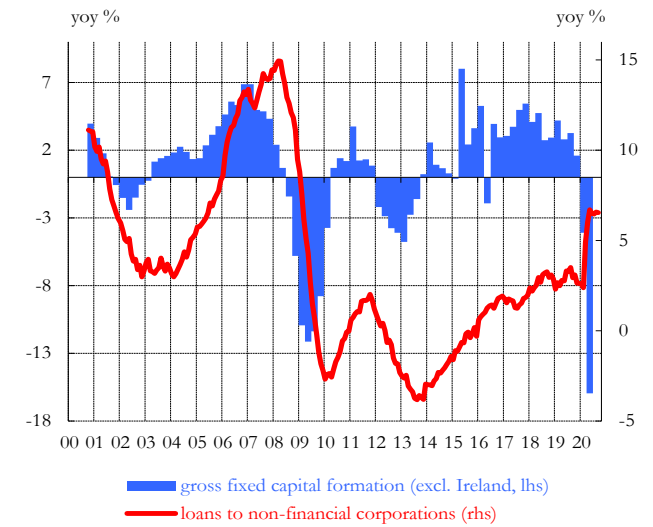


## 3. INVESTMENT

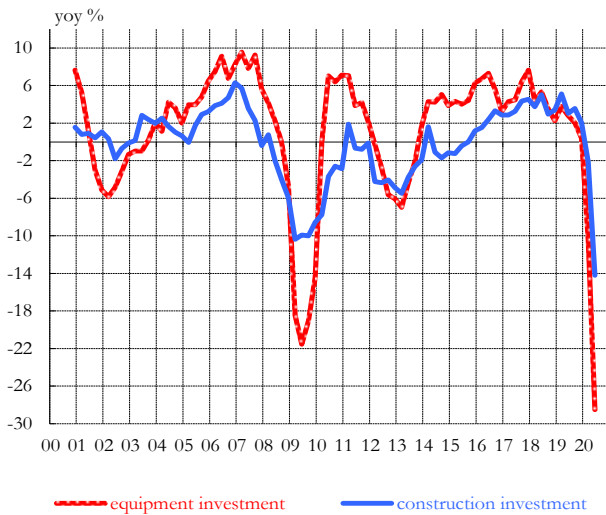
### Gross fixed capital formation (excl. Ireland)



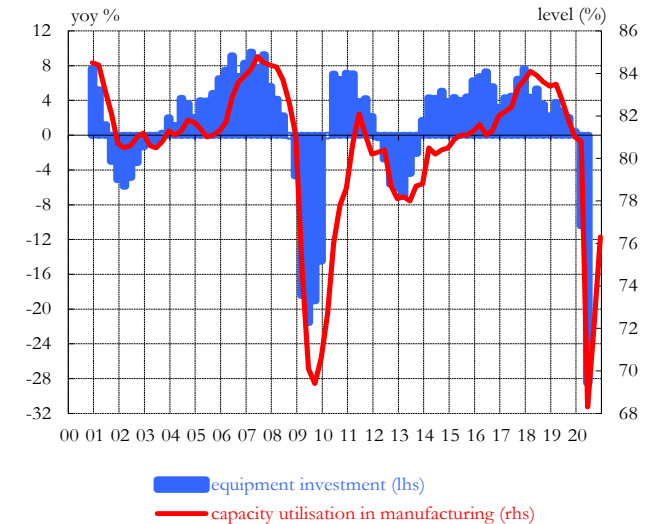
### Gross fixed capital formation and corporate loans



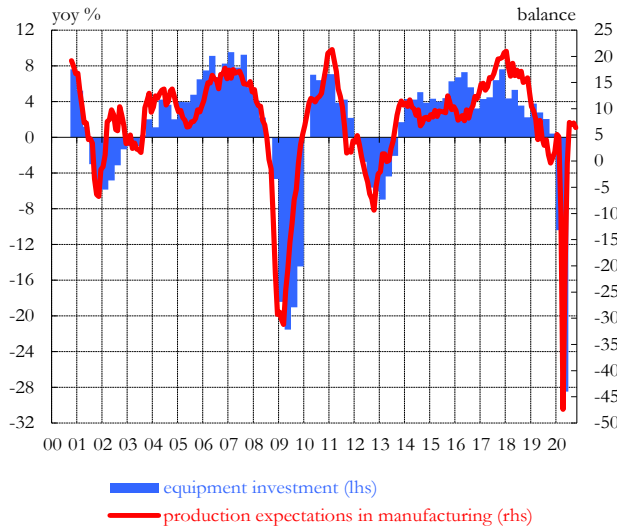
### Equipment and construction investment



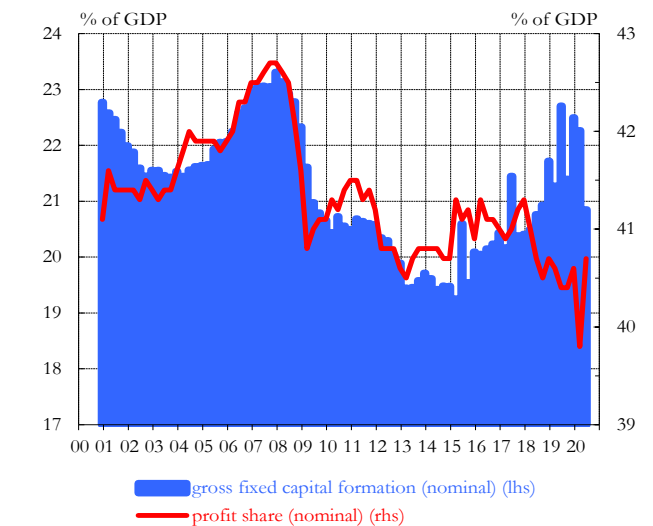
### Equipment investment and capacity utilisation



### Equipment investment and production expectations

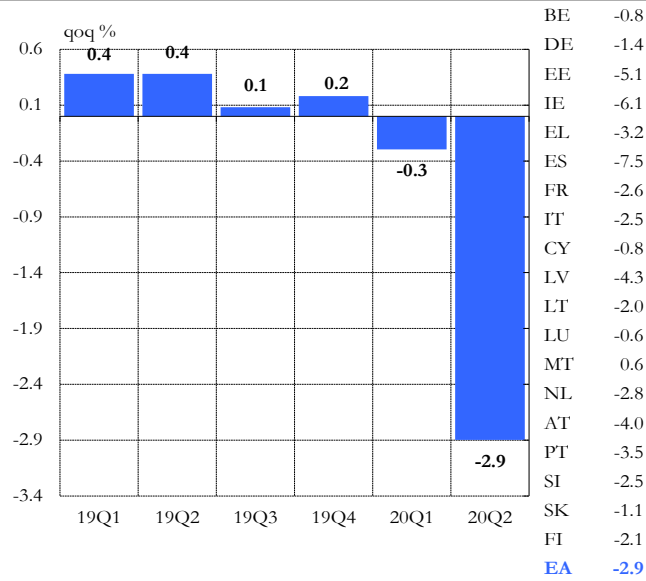


### Gross fixed capital formation and profit share

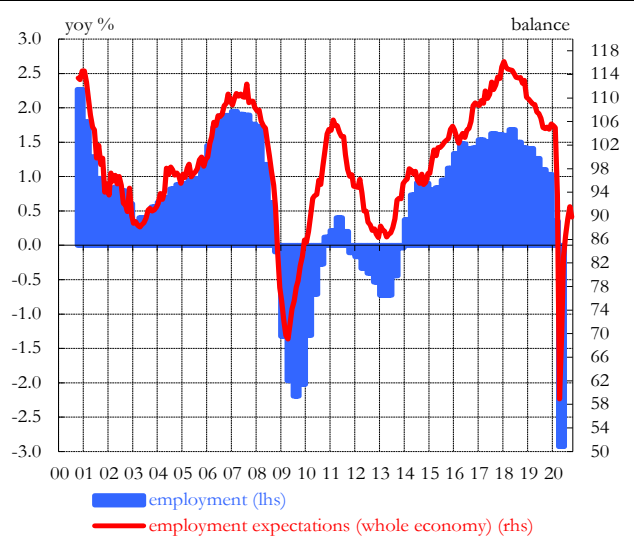


## 4. LABOUR MARKET

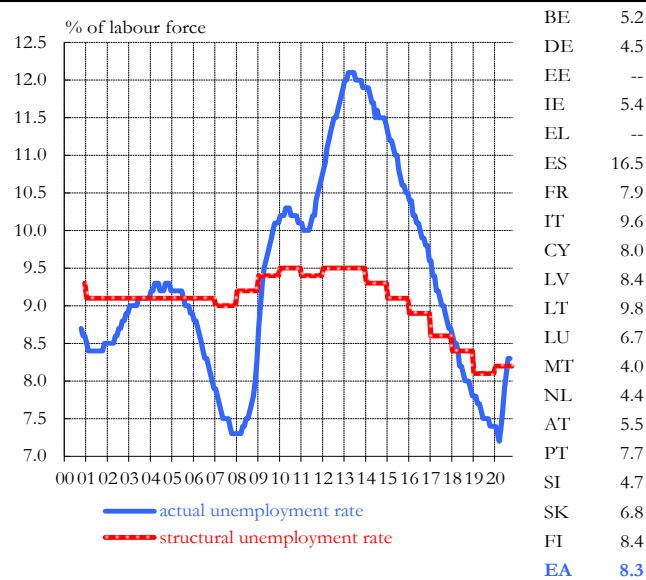
### Employment



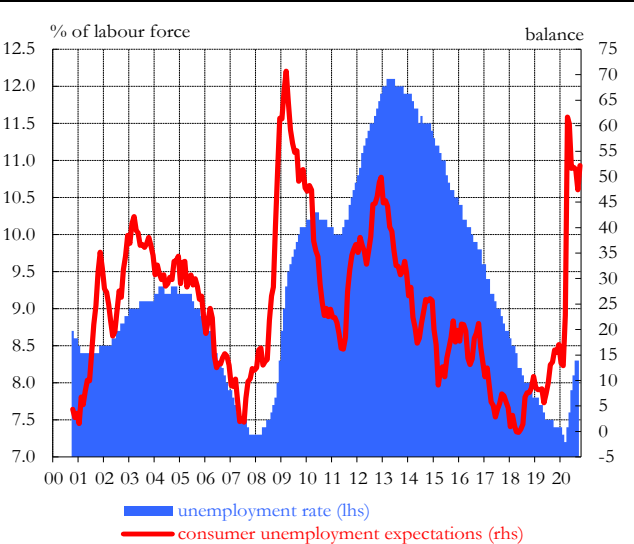
### Employment and employment expectations



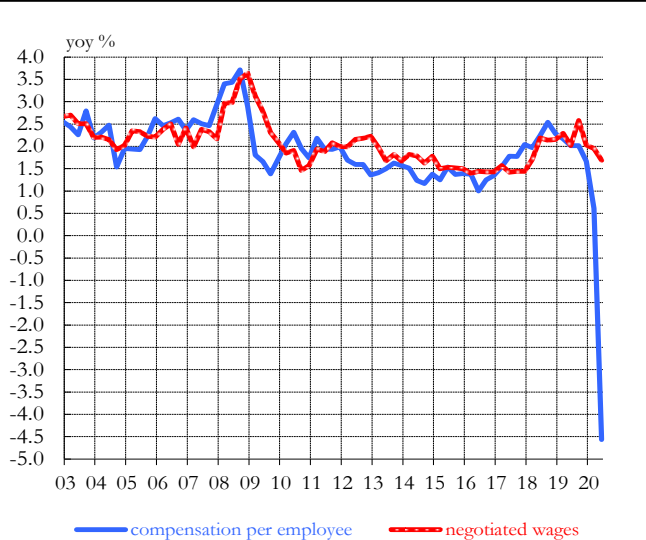
### Actual and structural unemployment rate



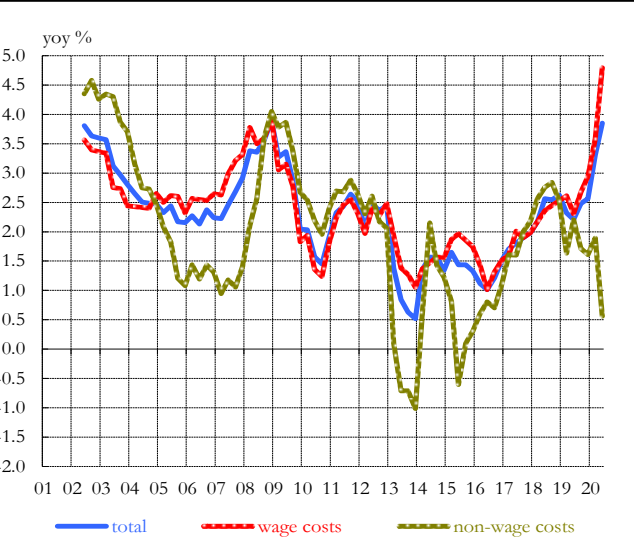
### Unemployment rate and unemployment expectations



### Compensation per head and negotiated wages (nominal)

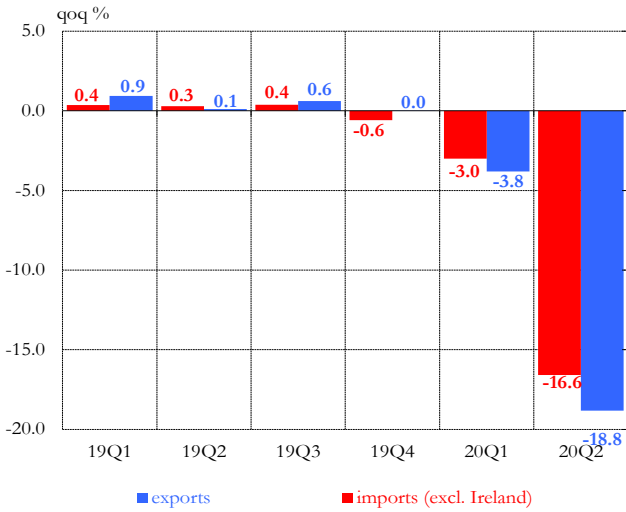


### Labour costs in the private business sector (nominal)

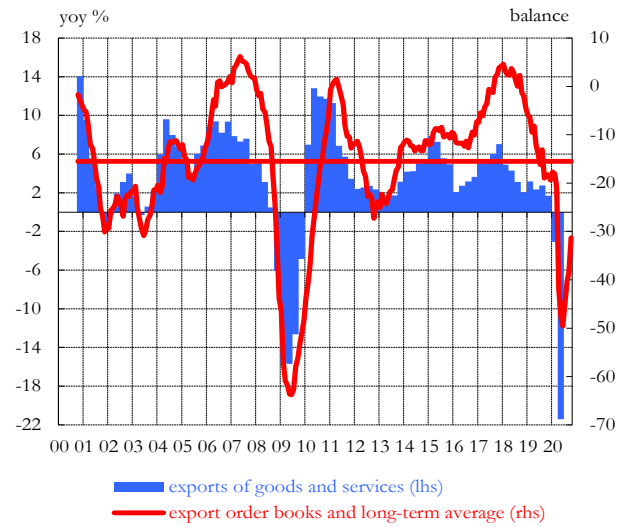


## 5. INTERNATIONAL TRANSACTIONS

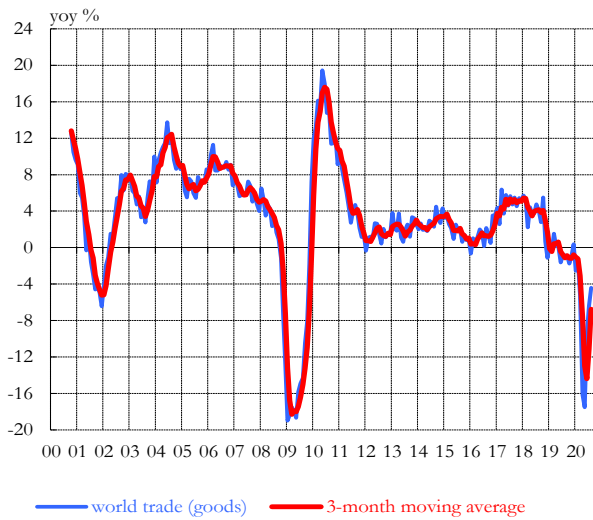
### Exports and imports of goods and services



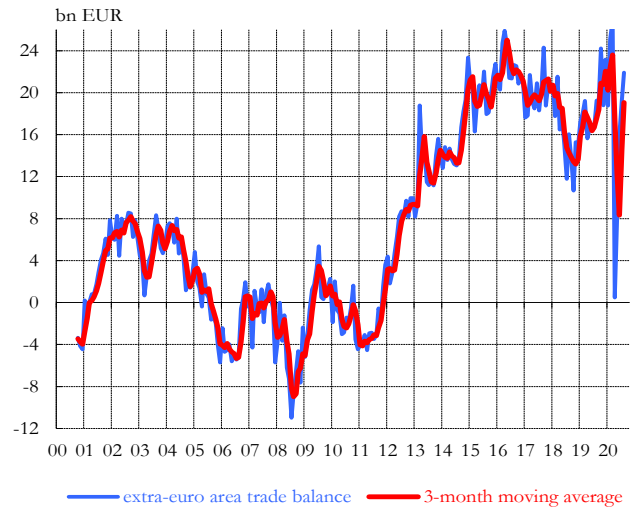
### Exports and export order books



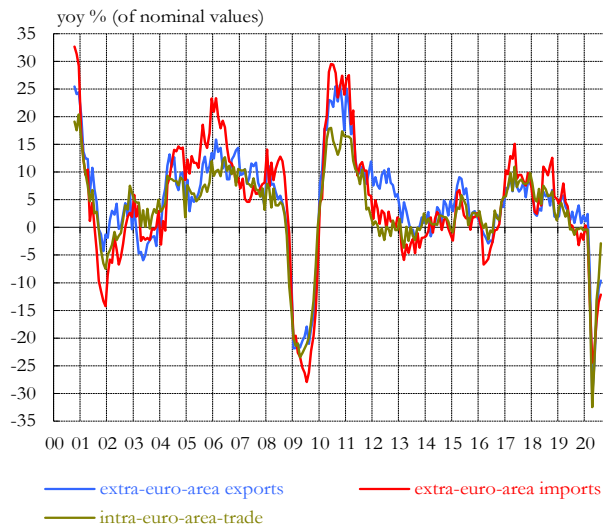
### World trade



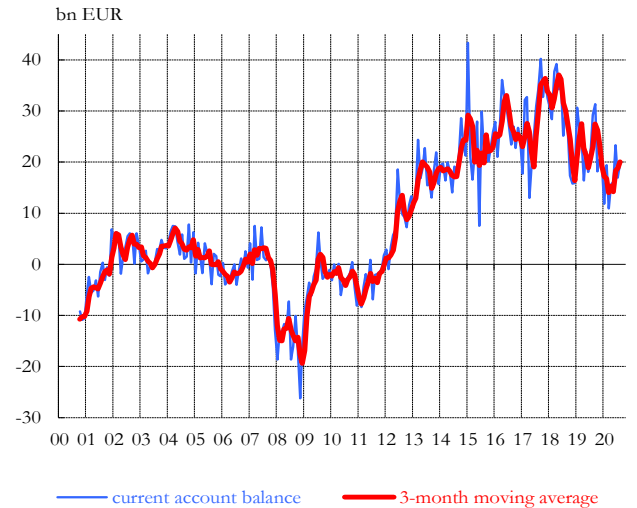
### Extra euro-area trade balance



### Extra- and intra-euro-area trade



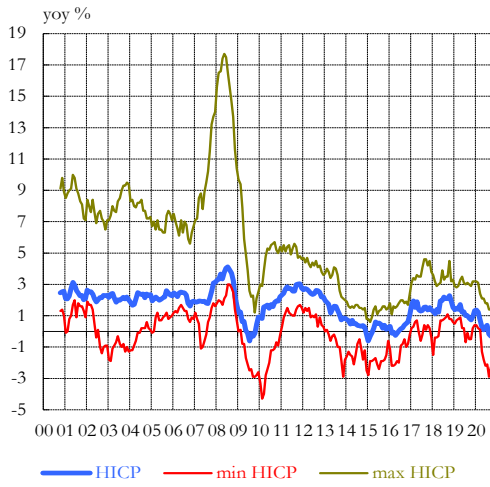
### Current-account balance





## 6. PRICES

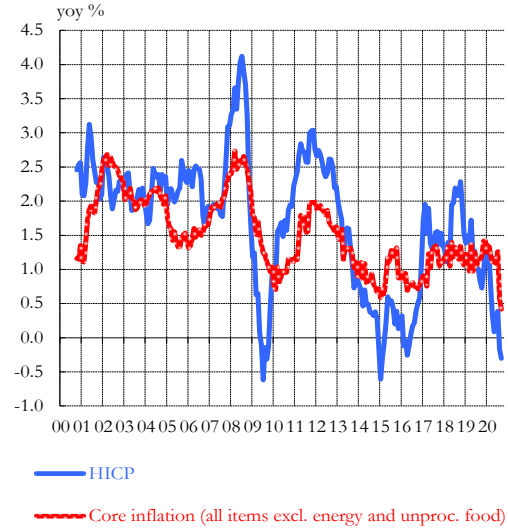
### Harmonised index of consumer prices (HICP)



Note: Flash estimate added, if final data not available.

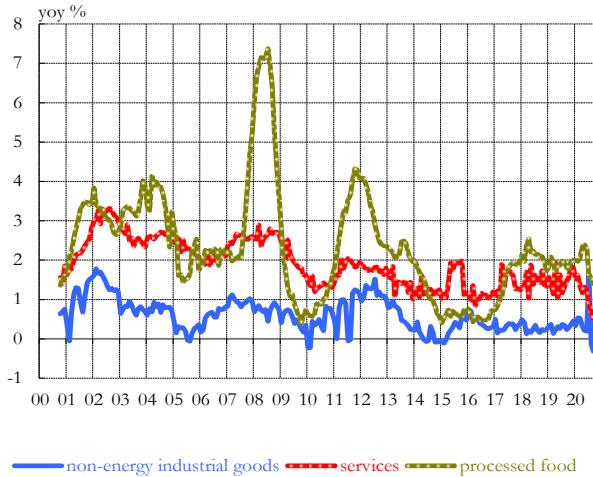
|    | Oct-20 |
|----|--------|
| BE | 0.4    |
| DE | -0.5   |
| EE | -1.7   |
| IE | -1.8   |
| EL | -2.0   |
| ES | -1.0   |
| FR | 0.0    |
| IT | -0.6   |
| CY | -1.3   |
| LV | -0.7   |
| LT | 0.5    |
| LU | -0.4   |
| MT | 0.6    |
| NL | 1.1    |
| AT | --     |
| PT | -0.6   |
| SI | -0.5   |
| SK | 1.7    |
| FI | 0.2    |
| EA | -0.3   |

### HICP headline and core inflation

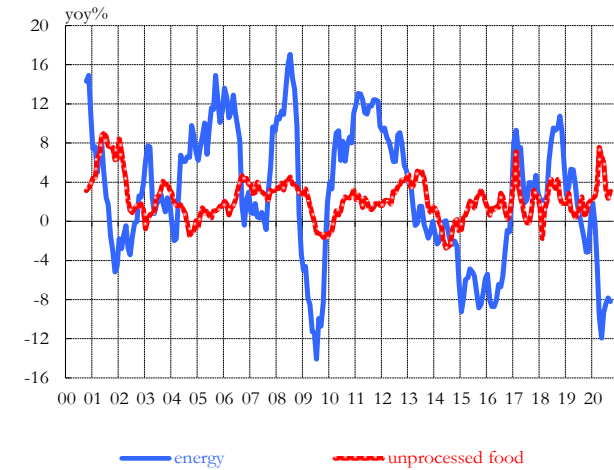


|    | Sep-20 |
|----|--------|
| BE | 1.5    |
| DE | 0.4    |
| EE | -0.4   |
| IE | -0.7   |
| EL | -2.0   |
| ES | 0.2    |
| FR | 0.8    |
| IT | -0.4   |
| CY | -1.2   |
| LV | 0.9    |
| LT | 2.1    |
| LU | 1.4    |
| MT | 0.7    |
| NL | 1.9    |
| AT | 2.0    |
| PT | -0.9   |
| SI | 0.5    |
| SK | 2.0    |
| FI | 0.6    |
| EA | 0.4    |

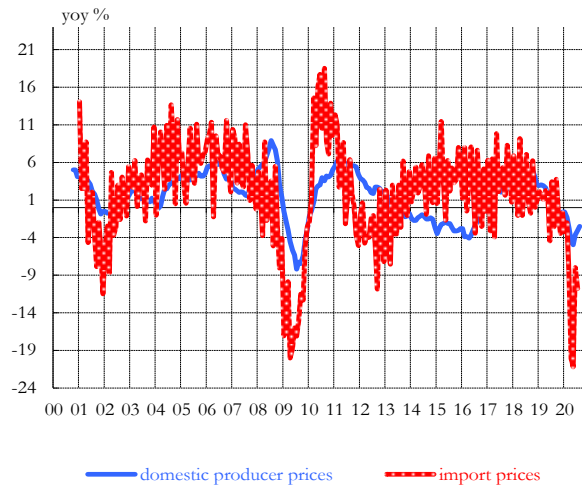
### Breakdown of core inflation



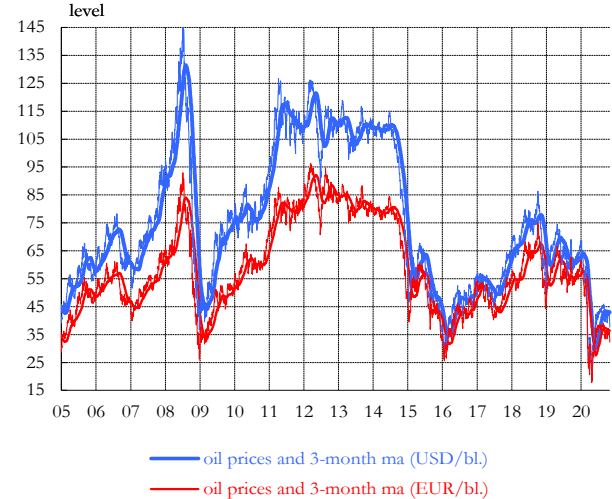
### Energy and unprocessed food



### Domestic producer prices and import prices

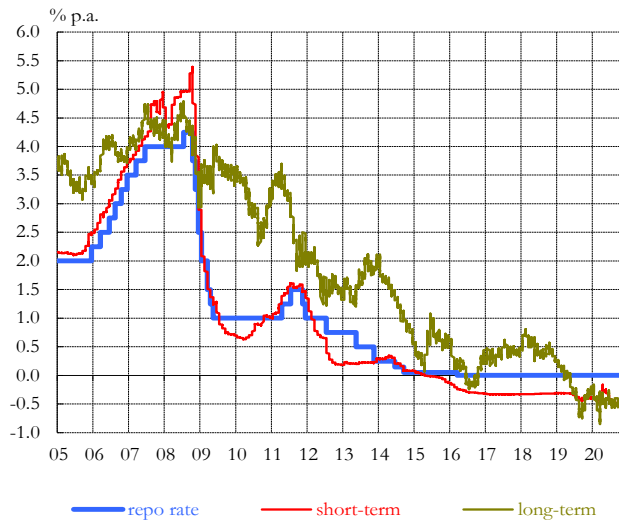


### Oil prices

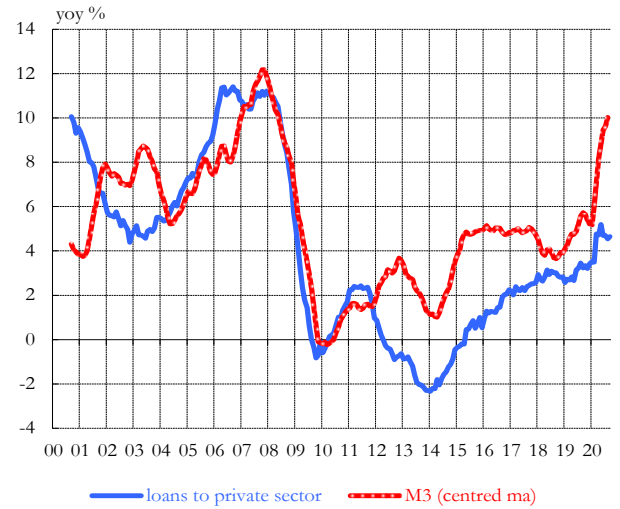


## 7. MONETARY AND FINANCIAL INDICATORS

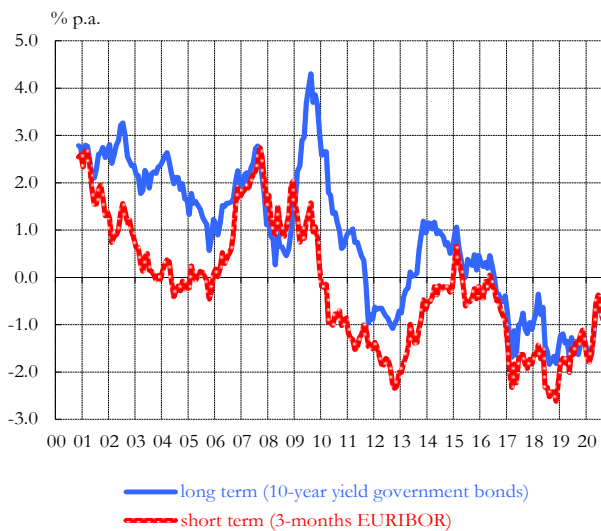
### Nominal interest rates



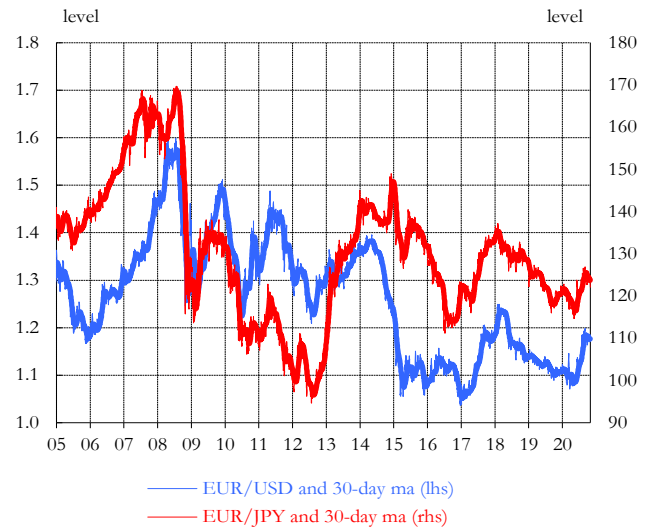
### Loans to private sector and money supply



### Real interest rates



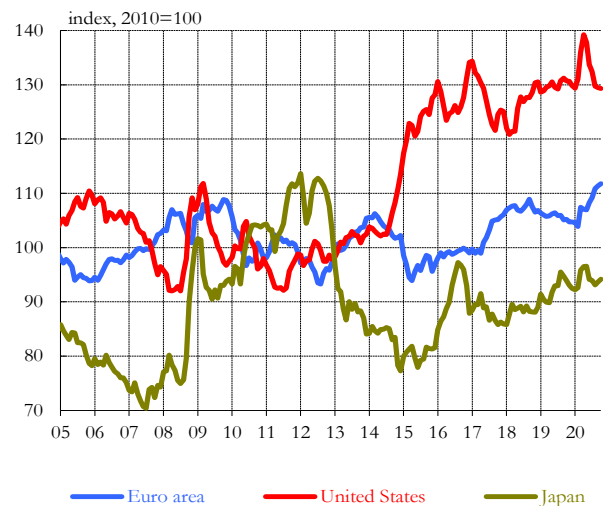
### Euro vis-à-vis US dollar and JP yen



### Stock market indices

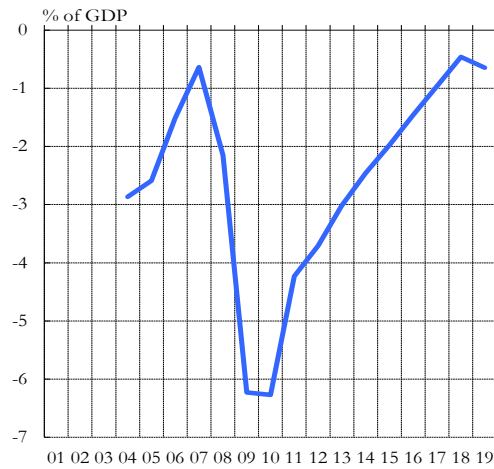


### Nominal effective exchange rates



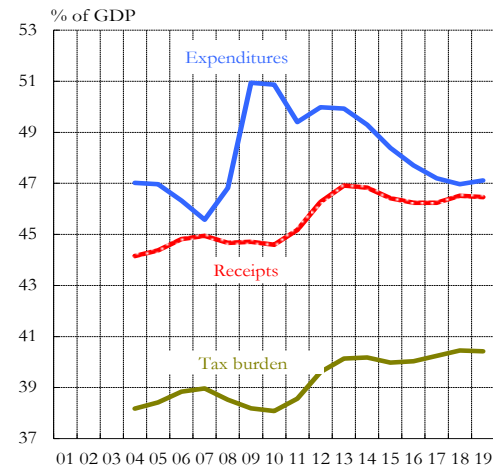
## 8. PUBLIC FINANCES

### General government balance



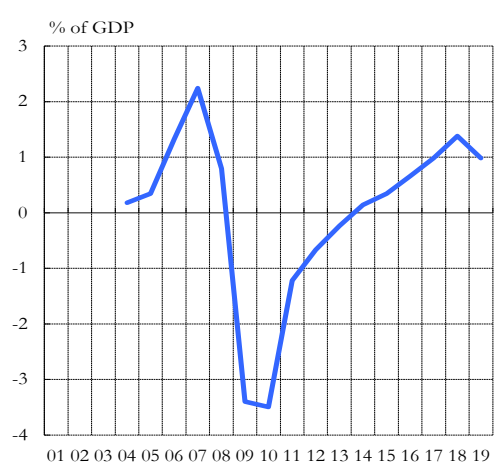
|           | 2019        |
|-----------|-------------|
| BE        | -1.9        |
| DE        | 1.4         |
| EE        | -0.3        |
| IE        | 0.4         |
| EL        | 1.5         |
| ES        | -2.8        |
| FR        | -3.0        |
| IT        | -1.6        |
| CY        | 1.7         |
| LV        | -0.2        |
| LT        | 0.3         |
| LU        | 2.2         |
| MT        | 0.5         |
| NL        | 1.7         |
| AT        | 0.7         |
| PT        | 0.2         |
| SI        | 0.5         |
| SK        | -1.3        |
| FI        | -1.1        |
| <b>EA</b> | <b>-0.6</b> |

### General government expenditure and receipts



|           | 2019        | tax burden |
|-----------|-------------|------------|
| BE        | 43.3        |            |
| DE        | 40.5        |            |
| EE        | 33.0        |            |
| IE        | 22.4        |            |
| EL        | 38.5        |            |
| ES        | 34.6        |            |
| FR        | 45.5        |            |
| IT        | 42.2        |            |
| CY        | 35.4        |            |
| LV        | 30.9        |            |
| LT        | 29.9        |            |
| LU        | 39.2        |            |
| MT        | 31.4        |            |
| NL        | 38.8        |            |
| AT        | 42.4        |            |
| PT        | 34.7        |            |
| SI        | 37.7        |            |
| SK        | 34.4        |            |
| FI        | 42.1        |            |
| <b>EA</b> | <b>40.4</b> |            |

### Primary balance



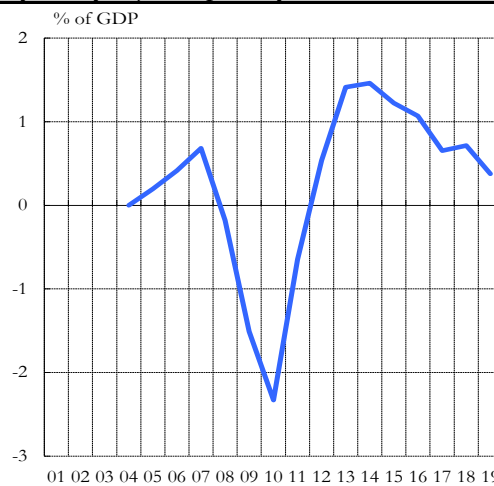
|           | 2019       |
|-----------|------------|
| BE        | 0.1        |
| DE        | 2.3        |
| EE        | -0.3       |
| IE        | 1.7        |
| EL        | 4.4        |
| ES        | -0.5       |
| FR        | -1.6       |
| IT        | 1.7        |
| CY        | 4.2        |
| LV        | 0.5        |
| LT        | 1.1        |
| LU        | 2.4        |
| MT        | 1.9        |
| NL        | 2.5        |
| AT        | 2.2        |
| PT        | 3.2        |
| SI        | 2.3        |
| SK        | -0.1       |
| FI        | -0.3       |
| <b>EA</b> | <b>1.0</b> |

### Cyclically adjusted balance



|           | 2019        |
|-----------|-------------|
| BE        | -2.4        |
| DE        | 0.9         |
| EE        | -2.4        |
| IE        | -0.7        |
| EL        | 3.8         |
| ES        | -4.2        |
| FR        | -3.7        |
| IT        | -1.5        |
| CY        | -1.2        |
| LV        | -1.5        |
| LT        | -1.6        |
| LU        | 1.2         |
| MT        | -1.3        |
| NL        | 0.8         |
| AT        | -0.3        |
| PT        | -1.1        |
| SI        | -0.9        |
| SK        | -2.3        |
| FI        | -1.6        |
| <b>EA</b> | <b>-1.3</b> |

### Cyclically adjusted primary balance



|           | 2019       |
|-----------|------------|
| BE        | -0.5       |
| DE        | 1.7        |
| EE        | -2.4       |
| IE        | 0.6        |
| EL        | 6.7        |
| ES        | -1.9       |
| FR        | -2.3       |
| IT        | 1.9        |
| CY        | 1.3        |
| LV        | -0.8       |
| LT        | -0.7       |
| LU        | 1.4        |
| MT        | 0.1        |
| NL        | 1.6        |
| AT        | 1.2        |
| PT        | 1.9        |
| SI        | 0.8        |
| SK        | -1.1       |
| FI        | -0.8       |
| <b>EA</b> | <b>0.4</b> |

### General government debt



|           | 2019        |
|-----------|-------------|
| BE        | 98.6        |
| DE        | 59.8        |
| EE        | 8.4         |
| IE        | 58.8        |
| EL        | 176.6       |
| ES        | 95.5        |
| FR        | 98.1        |
| IT        | 134.8       |
| CY        | 95.5        |
| LV        | 36.9        |
| LT        | 36.3        |
| LU        | 22.1        |
| MT        | 43.1        |
| NL        | 48.6        |
| AT        | 70.4        |
| PT        | 117.7       |
| SI        | 66.1        |
| SK        | 48.0        |
| FI        | 59.4        |
| <b>EA</b> | <b>86.0</b> |

\* Figures are from the Commission's spring 2020 forecast

## KEY INDICATORS FOR THE EURO AREA



| Euro area                       | Indicators as from 2011 refer to Belgium (BE), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Malta (MT), the Netherlands (NL), Austria (AT), Portugal (PT), Slovenia (SI), Slovakia (SK) and Finland (FI).   |             |
|---------------------------------|---|-------------|
| Indicator                       | Note  | Source      |
| <b>1. Output</b>                |   |             |
| Sentiment Indicator             | The economic sentiment indicator is the weighted average (of the industrial confidence indicator (40%), the services confidence indicator (30%), the consumer confidence indicator (20%), the construction confidence indicator (5%) and the retail trade confidence indicator (5%)). Data are seasonally adjusted.   | DG<br>ECFIN |
| Industrial confidence indicator | The industrial confidence indicator is the arithmetic average of the balances (%) referring to the questions on production expectations, order books and stocks (the latter with inverted sign) from the survey of manufacturing industry. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted.                            | DG<br>ECFIN |
| Services confidence indicator   | The services confidence indicator is the arithmetic average of the balances (%) referring to the questions on business situation and recent and expected evolution of demand from the survey of services. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted.   | DG<br>ECFIN |
| Industrial production           | Monthly Industry Production Index (2015=100), NACE Rev.2, Total industry excluding construction (sections B-D). Mom% and qoq% ch. are seasonally and working day adjusted, yoy% ch. are calendar adjusted.  | Eurostat    |
| Gross domestic product          | Real gross domestic product at constant market prices (chain-linked volumes (2015), ESA 2010), EUR. Data are seasonally and calendar adjusted.  | Eurostat    |
| Labour productivity             | Labour productivity defined as the difference between GDP growth and employment growth.   | Eurostat    |
| GDP divergence                  | Standard deviation of GDP growth rates of the euro-area member states. Starting from 2015, Irish data on GDP have been excluded due to its high volatility.   | Eurostat    |
| <b>2. Private consumption</b>   |   |             |
| Consumer confidence indicator   | The consumer confidence indicator is the arithmetic average of the balances (%) referring to the questions on the financial situation of households, general economic situation, unemployment expectations (with inverted sign) and savings; all over next 12 months. The long-term average refers to the period as from publishing of the indicator up to now. Data are seasonally adjusted. | DG<br>ECFIN |
| Retail confidence indicator     | The retail confidence indicator is the arithmetic average of the balances (%) referring to the questions on the present and the future business situation and the volume of stocks (with inverted sign). The long-term average refers to the period from publishing of the indicator up to now. Data are seasonally adjusted.   | DG<br>ECFIN |
| Private consumption             | Real household & NPISH final consumption expenditure at constant market prices (chain-linked volumes (2015), ESA 2010), EUR. Data are seasonally and calendar adjusted.   | Eurostat    |
| Retail sales                    | Retail trade (NACE Rev.2 G47) excluding motor vehicles, motorcycles; Deflated turnover, mom% ch. and qoq% ch. are seasonally- and calendar adjusted, while yoy% ch. are calendar adjusted.  | Eurostat    |
| <b>3. Investment</b>            |   |             |
| Capacity utilisation            | In percent of full capacity in the manufacturing sector. Data are seasonally adjusted (collected in January, April, July and October).  | DG<br>ECFIN |
| Production expectations         | Production expectations in manufacturing sector. Data are seasonally adjusted.  | DG<br>ECFIN |
| Gross fixed capital formation   | Real gross fixed capital formation at constant market prices (chain-linked volumes (2015), ESA 2010), EUR. Data are seasonally and calendar adjusted. Data don't include Ireland, due to high volatility of investment in intellectual property rights.   | Eurostat    |
| Equipment investment            | Gross fixed capital formation at constant market prices (chain-linked volumes, reference year (2015), ESA 2010), EUR, real machinery and equipment and weapons systems. Data are seasonally and calendar adjusted.  | Eurostat    |
| Construction investment         | Gross fixed capital formation at constant market prices (chain-linked volumes, reference year (2015), ESA 2010), EUR, dwellings and other buildings and structures. Data are seasonally and calendar adjusted.  | Eurostat    |
| Change in stocks                | Changes in inventories and acquisitions less disposals of valuables (at prices of previous year).   | Eurostat    |
| Profit share                    | Ratio of nominal gross operating surplus and gross mixed income to nominal GDP  | Eurostat    |

## KEY INDICATORS FOR THE EURO AREA



| 4. Labour market                                  |  |             |
|---|--|-------------|
| Employment Expectations Indicator (total economy) | The Employment Expectations Indicator is made up of four seasonally adjusted balances (in percentage points) which summarise managers' answers to a question about their employment plans in, respectively, the industry, services, retail trade and construction sector. Before being summarised in one composite indicator, the four balance series are weighted so that the relative importance of each economic sector for overall employment is adequately reflected. Data are seasonally adjusted. | DG<br>ECFIN |
| Employment expectations (manufacturing)           | Managers' employment expectations over the next three months in the manufacturing sector. Data are seasonally adjusted.  | DG<br>ECFIN |
| Employment expectations (services)                | Managers' employment expectations over the next three months in the services sector. Data are seasonally adjusted.   | DG<br>ECFIN |
| Employment  | Total domestic employment (number of persons). Data are seasonally adjusted for Ireland, Greece, France, Cyprus, Malta, Netherlands, Portugal and Slovakia, and seasonally and calendar adjusted data for the remaining member states.   | Eurostat    |
| Compensation of employees per head                | Nominal compensation of employees divided by the number of employees. Data are seasonally and calendar-day adjusted.   | DG<br>ECFIN |
| Unemployment expectations                         | Consumers' unemployment expectations over the next twelve months. Data are seasonally adjusted.  | DG<br>ECFIN |
| Unemployment rate                                 | Harmonised unemployment rate (in percent of labour force), ILO definition. Data are seasonally adjusted.   | Eurostat    |
| Structural unemployment rate                      | Non-accelerating inflation rate of unemployment. Data are seasonally adjusted.   | DG<br>ECFIN |
| Total labour costs                                | Nominal wage- and non-wage costs less subsidies in the private business sector. Data are seasonally and calendar adjusted.   | Eurostat    |
| Wage costs  | Nominal wage and salary costs include direct remuneration, bonuses, and allowances, payments to employees saving schemes, payments for days not worked and remuneration in kind. Data are seasonally and calendar adjusted.  | Eurostat    |
| Non-wage costs                                    | Nominal non-wage costs include the employers' social contributions plus employment taxes less subsidies. Data are seasonally and calendar adjusted.  | Eurostat    |
| Labour productivity                               | Ratio between GDP and employment. Data are seasonally and calendar adjusted.   | DG<br>ECFIN |
| 5. International transactions                     |  |             |
| World trade                                       | Volume, 2010=100, seasonally adjusted  | CPB         |
| Export order books                                | Managers' export order expectations in the manufacturing sector. Data are seasonally adjusted.   | DG<br>ECFIN |
| Extra-euro area exports                           | Nominal extra-euro area exports of goods, fob. Data are seasonally adjusted.   | Eurostat    |
| Extra-euro area imports                           | Nominal extra-euro area imports of goods, cif. Data are seasonally adjusted.   | Eurostat    |
| Extra-euro area trade balance                     | Difference between extra-euro area exports and extra-euro area imports. Data are seasonally adjusted.  | Eurostat    |
| Intra-euro area trade                             | Nominal intra-euro area trade in goods, fob. Data are seasonally adjusted.   | Eurostat    |
| Current-account balance                           | Current-account balance according to the Balance of Payments and International Investment Position Manual (BPM6). Data are seasonally and calendar adjusted.   | ECB         |
| Exports of goods and services                     | Exports of goods and services at constant market prices (chain-linked volumes, reference year 2015), EUR. Data are seasonally and calendar adjusted.   | Eurostat    |
| Imports of goods and services                     | Imports of goods and services at constant market prices (chain-linked volumes, reference year 2015), EUR. Data are seasonally and calendar adjusted.   | Eurostat    |
| Direct investment                                 | Nominal transactions/positions in assets abroad by euro-area residents less nominal transactions/positions in euro-area assets by non-residents. To be regarded as a direct investment, ownership in an enterprise must be equivalent to more than 10% of the ordinary shares or voting power.   | ECB         |
| Portfolio investment                              | Nominal transactions/positions in securities (including equities) abroad by euro-area residents less nominal transactions/positions in euro-area securities (including equities) by non-residents. To be regarded as a portfolio investment, ownership in an enterprise must be equivalent to less than 10% of the ordinary shares or voting power.  | ECB         |



## KEY INDICATORS FOR THE EURO AREA



| 6. Prices                                    |   |                       |
|--|---|-----------------------|
| HICP   | Harmonised index of consumer prices (index 2015=100)  | Eurostat              |
| Core HICP                                    | HICP excluding energy and unprocessed food (index 2015=100)   | Eurostat              |
| Producer prices                              | Domestic producer price index, total industry excluding construction (index 2015=100)   | Eurostat              |
| Selling price expectation                    | Managers' selling-price expectations in the manufacturing sector. Data are seasonally adjusted.   | DG<br>ECFIN           |
| Import prices                                | Import price index, manufacturing (index 2015=100)  | Eurostat              |
| Oil prices                                   | Price of north sea Brent in USD/barrel and EUR/barrel   | ICE                   |
| Non-energy commodity prices                  | Market price for non-fuel commodities in EUR terms (index 2015=100)   | HWWI                  |
| 7. Monetary and financial indicators         |   |                       |
| Nominal interest rate (3-month)              | 3-month EURIBOR interbank rate (360 days)   | ECB/<br>Macrobo<br>nd |
| Nominal interest rate (10-year)              | 10-year interest rate on government bonds for euro area (based upon the 10-year German government bond)   | ECB/<br>Macrobo<br>nd |
| ECB repo rate                                | Minimum bid rate of main refinancing operations, end of period.   | ECB/<br>Macrobo<br>nd |
| Money demand (M3)                            | Monetary aggregate including currency in circulation (banknotes and coins), operational deposits in central bank, money in current accounts, saving accounts, money market deposits, certificates of deposit, all other deposits and repurchase agreements. Data are seasonally adjusted. | ECB                   |
| Loans to private sector                      | Loans by MFI (monetary and financial institutions) to euro area residents (excl government). Data are seasonally adjusted.  | ECB                   |
| Real long-term interest rates                | Nominal interest rate (10-year) deflated by HICP index  | DG<br>ECFIN           |
| Real short-term interest rates               | Nominal interest rate (3-month) deflated by HICP index  | DG<br>ECFIN           |
| Stock markets                                | Eurostoxx50, Dow Jones and Nikkei indices (1.1.1999=100)  | Macrobo<br>nd         |
| Exchange rates                               | EUR/USD and EUR/JPY reference rates   | ECB                   |
| Nominal effective exchange rate              | Graph – Monthly Nominal Effective Exch. Rates vs. rest of IC37 (index 2010 = 100)<br>Table - ECB Nominal effective exch. rate, based on weighted averages of bilateral euro exchange rates (EA19) against the currencies of the EER-18 group.   | DG<br>ECFIN/<br>ECB   |
| 8. Public finance                            |   |                       |
| General government balance                   | Net lending (+) or net borrowing (-) of general government  | DG<br>ECFIN           |
| Primary government balance                   | Net lending (+) or net borrowing (-) of general government minus interest payment   | DG<br>ECFIN           |
| Cyclically adjusted balance                  | Net lending (+) or net borrowing (-) of general government corrected for the influence of the business cycle  | DG<br>ECFIN           |
| Cyclically adjusted primary balance          | Primary government balance corrected for the influence of the business cycle  | DG<br>ECFIN           |
| General government expenditures and receipts | Nominal expenditures and receipts; tax burden includes taxes on production and imports (incl. taxed paid to EU), current taxes on income and wealth (direct taxes) and actual social contributions  | DG<br>ECFIN           |
| General government debt                      | Cumulative sum of net lending (+) or net borrowing (-) positions of general government  | DG<br>ECFIN           |