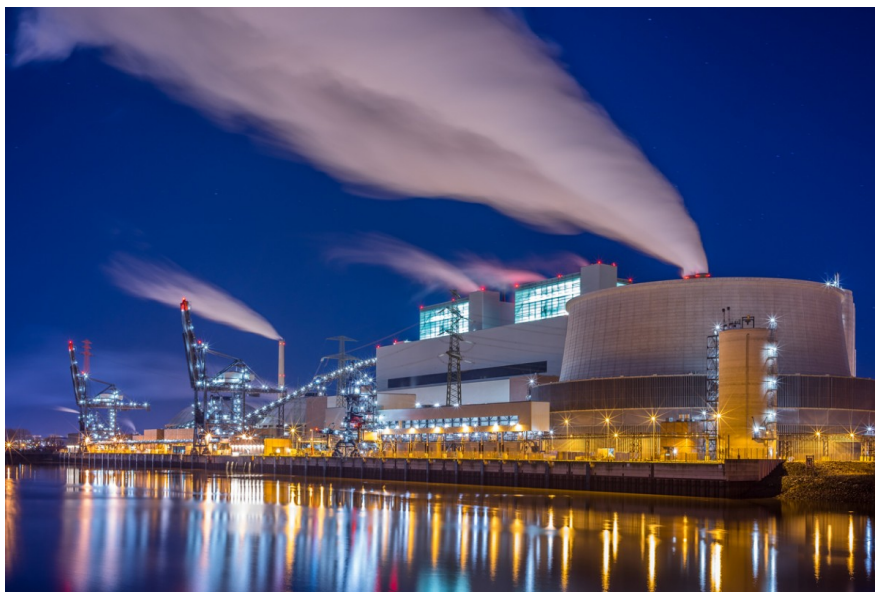


German new orders fall prey to the Easter Bunny

Seasonal, rather than structural, factors are to blame for the latest disappointing new orders data



Source: iStockphoto

German new orders dropped sharply in March, led by particularly disappointing fall in foreign orders (more than 3% MoM). On the year though, and working day adjusted, new orders were still up by 3.5% and domestic orders remained almost stable.

-2.1%

Worse than expected

MoM change in new orders

(Previously 1.1%)

At first glance, these disappointing April data seem to be at odds with buoyant confidence indicators and are anything but a good start to the second quarter. At second glance, however,

weak new orders data look like the result of this year's timing of Easter. No reason to worry. Order books are still richly filled to ensure good production data in the months ahead and earlier episodes have shown that vacation and holiday driven delays will eventually be recovered. It only takes a while.

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