

## German new orders party like it's 1999

German new orders haven't been this good for nearly 20 years.



# 3.6%

## German new orders (August)

Best reading since 1999

Better than expected

There's been a summer explosion in German new orders. They surged by 3.6% MoM in August, from -0.4% in July, once again confirming how sensitive the German industry is to the timing of summer vacation. On the year, new orders were up by a whopping 7.9%. The August increase was driven by both strong domestic and foreign orders.

The demand for intermediate goods increased by almost 7% MoM. Obviously, the August surge must be the result of some bulk orders.

Nevertheless, the strong August figure all of sudden made a rather weak first eight months of the year a strong year for new orders. Due to strong erratic monthly movements in the first eight months of the year, new orders on average increased by only 0.1%. Thanks to today's strong data, 2017 now looks as good as 2016. Combined with strong business surveys, showing production expectations as well as orders books close to record highs, the German industry looks all set to end the year at maximum speed.

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