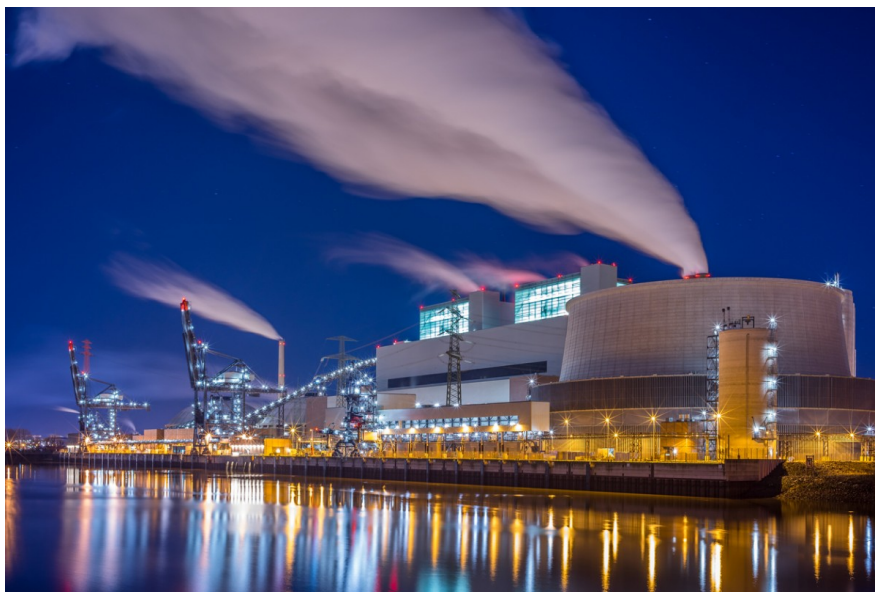


## Germany: Mixed bag of data

A downward correction after a long positive stretch and an upward correction after a long negative stretch: the German economy is still in search of clear guidance



Source: iStockphoto

This morning has provided a mixed bag of data for the German economy in November, with something for optimists and pessimists alike. After three consecutive increases, industrial orders nosedived by 1.0% month-on-month, from 0.2% MoM in October. On the year, new orders were down by 4.3%. The drop was driven by weak foreign demand. Domestic orders increased by 2.4% MoM. Despite today's drop, the deflation of industrial order books seems as though it came to an end in the second half of the year. While in the first half of 2018, new orders had dropped by 1.2% MoM on average, they have increased by 0.2% MoM on average since then.

Also this morning, the German statistical agency reported that seasonally-adjusted real retail sales stopped the continuous decline since the summer and surged by 1.4% MoM in November, from an upwardly revised 0.1% MoM in October. A clear sign that the drop in private consumption in the third quarter was only a soft patch and not the start of a new negative trend.

### Something for everyone

All in all, this morning's macro data have something for everyone. The drop in new orders after

three consecutive increases will support the pessimists' view of a longer-lasting slowdown of the German industry, while the surge in retail sales will support the optimists' view of solid domestic demand preparing the grounds for an economic rebound.

Admittedly, retail sales and new orders are the most volatile economic indicators and one should not read too much into a single data entry. However, in these current darkening times for the German economy, we stick to our moderately optimistic view and see rays of light, at least for now.

## Author

**Carsten Brzeski**

Global Head of Macro

[carsten.brzeski@ing.de](mailto:carsten.brzeski@ing.de)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.