

## Germany: Keeping the ‘V’ hopes alive

A strong surge in new orders in Germany shows that the industry is finally benefitting from lifted lockdown measures



Industrial orders finally got moving. After a slow start in May, new orders surged by 27.9% month-on-month in June. Needless to say that this is another ‘best monthly figure ever’ report.

On the year, however, industrial orders are still down by more than 11%. The surge was driven by both domestic (+35.2% MoM) and foreign (+22%) demand, while the stronger increase of domestic orders (+35.2% MoM) illustrates that other countries are still suffering more from the crisis than Germany.

After the lifting of the lockdown measures in April, it was mainly private consumption in Germany which surged. Industrial activity was still lagging behind. Currently, broader domestic activity has returned to more than 90% of pre-crisis levels and with today’s numbers, industrial order books have also returned to 90% of their pre-crisis levels.

The only limiting factor is that order books had already been in a long shrinking process for two years prior to the crisis. These structural issues won’t disappear overnight, but today’s numbers suggest that the industry could catch up with the momentum in the rest of the economy.

Hopes for a ‘V’-shaped rebound, not necessarily recovery, stay alive.

## 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>.