

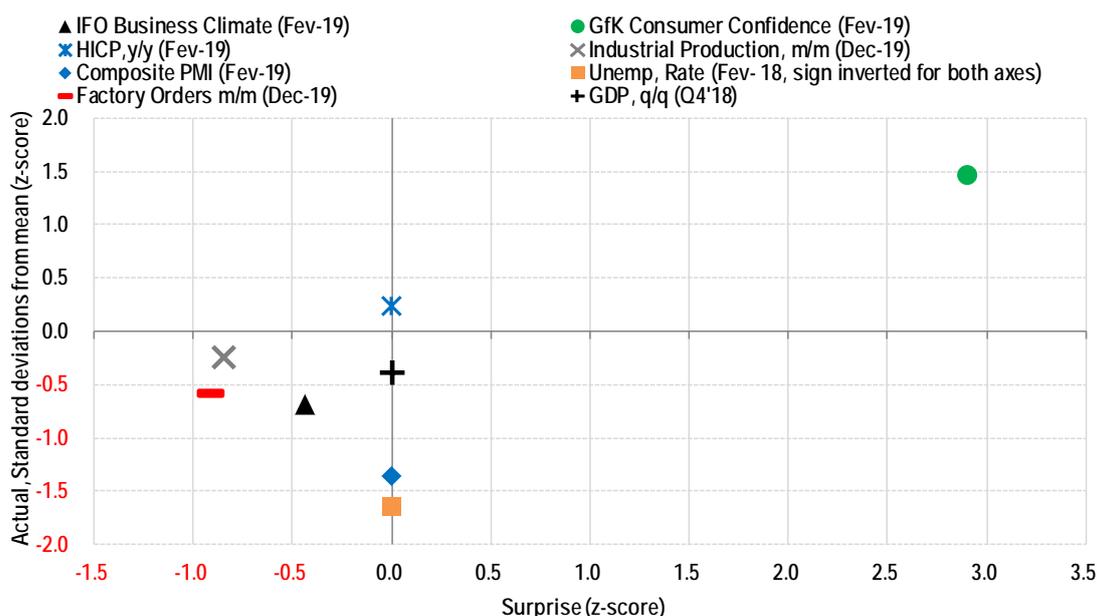
Pulse

Germany: weak external demand slows industrial activity

Negative surprises were in abundance in industry in February. Contrary to expectations, industrial production weakened further in December due to a sharp decline in construction activity. The only hopeful sign was the strong rebound in the car industry (+7%).

The forward-looking indicators also surprised on the downside. Destatis reported a sharp decline in orders from outside the eurozone, in particular for investment goods (-7.5%). Against this backdrop, the deterioration of the IFO business climate index should not have come as a surprise.

A positive surprise came from the household sector, where consumer confidence turned out to be stronger than expected in February. However, the indicator's subcomponents tell a very different story. Even though income expectations remained strong, uncertainty with regard to the economy increased sharply and the propensity to buy inched further down.



Source: Bloomberg, Markit, BNP Paribas

Indicators preview

Next week we have the usually busy schedule at the start of a new month with the services and composite purchasing managers indices in several countries, as well as the non-manufacturing ISM index in the US. These data are more important than usual considering the global growth slowdown, so one would hope that the survey data, which have been on a declining trend, start to stabilise. Also worth mentioning is the publication of the Fed's Beige book, as well as the employment numbers in the eurozone for Q4 2018. Highlights of the week are the ECB meeting and the US labour market data.

Date	Country/Region	Event	Period
03/05/19	France	Markit France Composite PMI	Feb.
03/05/19	Eurozone	Markit Eurozone Composite PMI	Feb.
03/05/19	Eurozone	Retail Sales MoM	Jan.
03/05/19	United States	ISM Non-Manufacturing Index	Feb.
03/06/19	United States	Cap Goods Orders Nondef Ex Air	Jan.
03/06/19	United States	U.S. Federal Reserve Releases Beige Book	
03/07/19	Eurozone	Employment QoQ	4Q
03/07/19	Eurozone	GDP SA QoQ	4Q
03/07/19	Eurozone	ECB Main Refinancing Rate	March 7
03/08/19	Japan	GDP SA QoQ	4Q
03/08/19	France	Industrial Production MoM	Jan.
03/08/19	United States	Change in Nonfarm Payrolls	Feb.

Source: Bloomberg, BNP Paribas

