DECISION ECONOMICS, INC.
Information for Decisions™

Western European Indicators and Insights

January 6, 2012

Andrew Wroblewski
Chief Economist, Eurozone and UK

London
+44 20 7959 3244
awroblewski@decisioneconomicsinc.com

# GERMANY: Orders slump back.

Coming in very clearly below expectations this time around, manufacturing orders slumped 4.8% M/M in November. The drop, the largest in almost three years, however, merely unwound the revised 5.0% recovery seen in October, albeit with that bounce coming after a notable drop of 4.6% in September. The latest slump was, however, relatively broad-based, with clear swings back to the negative for intermediate and capital goods alongside continued adverse signals for consumer goods.

Very clearly the data is prone to marked volatility butt he data still offer ill omens to German production. Indeed, Y/Y growth in manufacturing orders is now some -4%, ie nearly eight percentage points below that for production, something that augurs ill for the next batch of official output numbers due on Monday.