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Western European Indicators and Insights

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Germany: Orders drop back clearly.

Coming in very clearly below expectations this time around, manufacturing orders slumped 2.7% M/M in January. The drop, moreover, more than unwound the little-revised 1.6% bounce of the previous month. The latest drop was, however, not broad-based, with a recovery for intermediate goods orders evident alongside stronger numbers on the domestic side.

Very clearly the data continues to be prone to marked volatility, with the latest bout of weakness probably a result of a drop back in highly unstable bulk orders, without which there may have been only a marginal fall in the headline figure. Still, the data are hardly consistent with any uptrend (yet) returning.