ZEW

Financial Market Survey February 2024
Please send back until February 12, 2024

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Are you the addressed person?   [ ] yes [ ] no (e.g. deputy)

All information will be handled confidentially. Your responses will be analysed anonymously.

1. We estimate the current overall macroeconomic situation as being

	good	normal	bad	no estimate
Euro area	[ ]	[ ]	[ ]	[ ]
Germany	[ ]	[ ]	[ ]	[ ]
US	[ ]	[ ]	[ ]	[ ]
China	[ ]	[ ]	[ ]	[ ]

2a. In the medium-term (6 months), the overall macroeconomic situation will

	improve	not change	worsen	no estimate
Euro area	[ ]	[ ]	[ ]	[ ]
Germany	[ ]	[ ]	[ ]	[ ]
US	[ ]	[ ]	[ ]	[ ]
China	[ ]	[ ]	[ ]	[ ]

2b. Please assess the probability of the following medium-term (6 months) developments of the overall macroeconomic situation in Germany (in per cent).

Improvement	No change	Worsening	Σ
			100%

2c. The probability of a negative GDP growth in Germany (quarterly growth of the seasonally adjusted real GDP) will be:

current quarter (Q1 2024):   [_____] per cent
next quarter (Q2 2024):   [_____] per cent

3. In the medium-term (6 months), the annual inflation rate will

	increase	not change	decrease	no estimate
Euro area	[ ]	[ ]	[ ]	[ ]
Germany	[ ]	[ ]	[ ]	[ ]
US	[ ]	[ ]	[ ]	[ ]
China	[ ]	[ ]	[ ]	[ ]

4. In the medium-term (6 months), short-term interest rates (3-month interbank rates) will

	increase	not change	decrease	no estimate
Euro area	[ ]	[ ]	[ ]	[ ]
US	[ ]	[ ]	[ ]	[ ]
China	[ ]	[ ]	[ ]	[ ]

5. In the medium-term, long-term interest rates (yields on 10-year bonds) will

	increase	not change	decrease	no estimate
Germany	[ ]	[ ]	[ ]	[ ]
US	[ ]	[ ]	[ ]	[ ]
China	[ ]	[ ]	[ ]	[ ]

6a. In the medium-term (6 month), the following stock market indices will

	increase	not change	decrease	no estimate
EURO-STOXX 50	[ ]	[ ]	[ ]	[ ]
DAX (Germany)	[ ]	[ ]	[ ]	[ ]
Dow Jones (USA)	[ ]	[ ]	[ ]	[ ]
SSE Composite (China)	[ ]	[ ]	[ ]	[ ]

6b. Six months ahead, I expect the DAX to stand at [_____] points. With a probability of 90 per cent the DAX will then range between [_____] and [_____] points.

6c. In view of the fundamentals of the DAX companies, the DAX is currently

over-priced [ ]   fairly priced [ ]   under-priced [ ]

7. In the medium-term (6 months), the following currencies compared to the Euro will

	appreciate	stay constant	depreciate	no estimate
US Dollar	[ ]	[ ]	[ ]	[ ]
Yuan	[ ]	[ ]	[ ]	[ ]

8. In the medium-term (6 months), the profit situation of German companies in the following sectors will

	improve	not change	worsen	no estimate
Banks	[ ]	[ ]	[ ]	[ ]
Insurance	[ ]	[ ]	[ ]	[ ]
Automotive	[ ]	[ ]	[ ]	[ ]
Chemicals/Pharma	[ ]	[ ]	[ ]	[ ]
Steel/Metal Products	[ ]	[ ]	[ ]	[ ]
Electronics	[ ]	[ ]	[ ]	[ ]
Machinery	[ ]	[ ]	[ ]	[ ]
Private Consumption / Retail Sales	[ ]	[ ]	[ ]	[ ]
Construction	[ ]	[ ]	[ ]	[ ]
Utilities	[ ]	[ ]	[ ]	[ ]
Services	[ ]	[ ]	[ ]	[ ]
Telecommunications	[ ]	[ ]	[ ]	[ ]
Inform.-Technologies	[ ]	[ ]	[ ]	[ ]

Special Questions: Inflation, its causes and monetary policy

1a. Point forecast of the **annual inflation rate in the euro area**
(annual average change of the HICP, in percent):

Year	2024	2025	2026	2027
Forecast	%	%	%	%

1b. How likely are specific future realizations of inflation? Please give us your assessments for the annual average inflation rate in the euro area:
…The sum of the probabilities should add up to 100 for every line.

	Below 2 percent	Between 2 and 4 percent	Between 4 and 6 percent	Between 6 and 8 percent	Between 8 and 10 percent	Above 10 percent	Σ	Don't know
2024	_____%	_____%	_____%	_____%	_____%	_____%	100%	[ ]
2025	_____%	_____%	_____%	_____%	_____%	_____%	100%	[ ]
2026	_____%	_____%	_____%	_____%	_____%	_____%	100%	[ ]
2027	_____%	_____%	_____%	_____%	_____%	_____%	100%	[ ]

2. What are the main factors leading you to change your inflation forecasts for the euro area (in comparison to your forecasts as of November 2023). (+) means increase in inflation forecast, (-) means decrease in inflation forecast.

For the years 2024 and 2025:

	++	+	0	-	--	Don't know
Development of GDP in the euro area	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Development of wages in the euro area	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Development of energy prices	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Development of prices for raw materials (except energy)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Changes in exchange rates (relative to the euro)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Monetary policy of the ECB	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
International trade conflicts	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
International supply bottlenecks	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Green transformation	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
War in Ukraine	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Middle east conflict	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Other factors: _____	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

3. I expect the **main refinancing facility rate of the ECB** (currently at 4.5%) to be [central 90% confidence interval]:

In 6 months	between [_____] and [_____]	(percent)
End of 2024	between [_____] and [_____]	(percent)
End of 2025	between [_____] and [_____]	(percent)
End of 2026	between [_____] and [_____]	(percent)
End of 2027	between [_____] and [_____]	(percent)

Special Questions: **Climate and environmental risks in lending**
Climate and environmental risks are becoming increasingly important for financial markets. In the following, we would like to ask you about the influence of climate and environmental risks on lending.

4. What is your primary perspective on the German credit market?

Lender	Borrower	Neither nor	No answer
[ ]	[ ]	[ ]	[ ]

5. In your opinion, to what extent do the following factors currently influence whether climate and environmental risks are considered by banks when granting loans?
Not at all (0), slightly (+), moderately (++), strongly (+++)

Current regulatory requirements	0	+	++	+++	not applicable	no answer
	[]	[]	[]	[]	[]	[]
Future regulatory requirements	0	+	++	+++	not applicable	no answer
	[]	[]	[]	[]	[]	[]
Stakeholders	0	+	++	+++	not applicable	no answer
	[]	[]	[]	[]	[]	[]
Shareholders	0	+	++	+++	not applicable	no answer
	[]	[]	[]	[]	[]	[]
Risk preference of the banks	0	+	++	+++	not applicable	no answer
	[]	[]	[]	[]	[]	[]
Intrinsic green preference of banks	0	+	++	+++	not applicable	no answer
	[]	[]	[]	[]	[]	[]
Others _____	0	+	++	+++	not applicable	no answer
	[]	[]	[]	[]	[]	[]

6. In your opinion, do environmental and climate risks currently have an impact on lending rates?

Yes, through a separate risk component	Yes, indirectly through existing risk components	No, Currently not considered	No answer
[ ]	[ ]	[ ]	[ ]

7. On what basis do you think climate and environmental risks are included in the pricing of loans? (multiple answers possible)

CO2 emissions	ESG ratings	Physical Risks	Transitory Risks	Project related characteristics (e.g. transformation project)	Other parameters
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

_____

8. How high do you estimate the component for climate and environmental risks in the interest margins for loans on average (in basis points)?

Current   _____ basis points   [ ] No answer

In 5 years   _____ basis points   [ ] No answer