

The Weakness in Germany Is Pretty Evident Now

The major global economies are on a bit of a soft spot apart from the US economy which is running on all cylinders right now. I suppose Donald Trump's policies are having the effect that he was expecting on the US economy. The German economy used to be running pretty smoothly as well last year but it started cooling off at the beginning of this year.

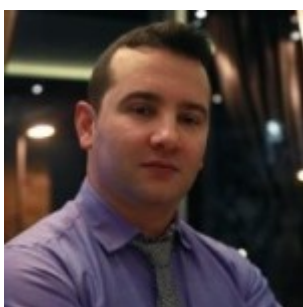
The Eurozone economy as a whole started cooling off, although, the European Central Bank considered that as a transitional period which was supposed to be temporary, as many ECB officials have declared in previous months.

But, it has only been getting worse and today's numbers from Germany show just that. So, let's have a look:

Economic Sentiment	Actual	Expected	Previous
German ZEW Current Situation	45.3	55.8	58.2
German ZEW Expectations	-17.5		-24.1
Eurozone Zew Expectations	-21.0	-23.2	-22.0

The good thing is that economic sentiment expectations are a bit higher from last month and they beat expectations. But, expectations for the sentiment are still negative. The global trade tensions are still pretty much alive despite the US and China finding some common ground recently.

But, the US tariffs on the European cars are only going to make things worse. So, if this continues, I expect the ECB to get increasingly dovish in the coming months.



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Skerdian Meta Lead Analyst. Skerdian is a professional Forex trader and a market analyst. He has been actively engaged in market analysis for the past 11 years.

Before becoming our head analyst, Skerdian served as a trader and market analyst in Saxo Bank's local branch, Aksioner. Skerdian specialized in experimenting with developing models and hands-on trading. Skerdian has a masters degree in finance and investment.

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