Press Release

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ZEW Indicator of Economic Sentiment Germany

28.1 points (-6.6 vs. previous month)

ZEW Indicator of Economic Sentiment Eurozone

18.5 points (-7.3 vs. previous month)

Economic Situation Germany

-35.9 points (+11.2 vs. previous month)

Economic Situation Eurozone

-14.8 points (-0.9 vs. previous month)

110/2026 20 October 2026

ZEW Indicator of Economic Sentiment

Declining Economic Expectations

Economic expectations decline in October after a steady improvement over the summer. The ZEW indicator falls by 6.6 points and reads now plus 28.1 points. By contrast, assessment of the current economic situation once more increases strongly. The situation indicator for Germany is at minus 35.9 points and thus exceeds the previous month's value by 11.2 points.

"The German economy is slowly emerging from stagnation, but the recovery is not self-sustaining. Private consumption and investment remain weak because of high energy prices: They put real incomes under pressure, increase production

costs and keep inflation higher for longer," comments ZEW President Professor Achim Wambach, PhD on the current survey results.

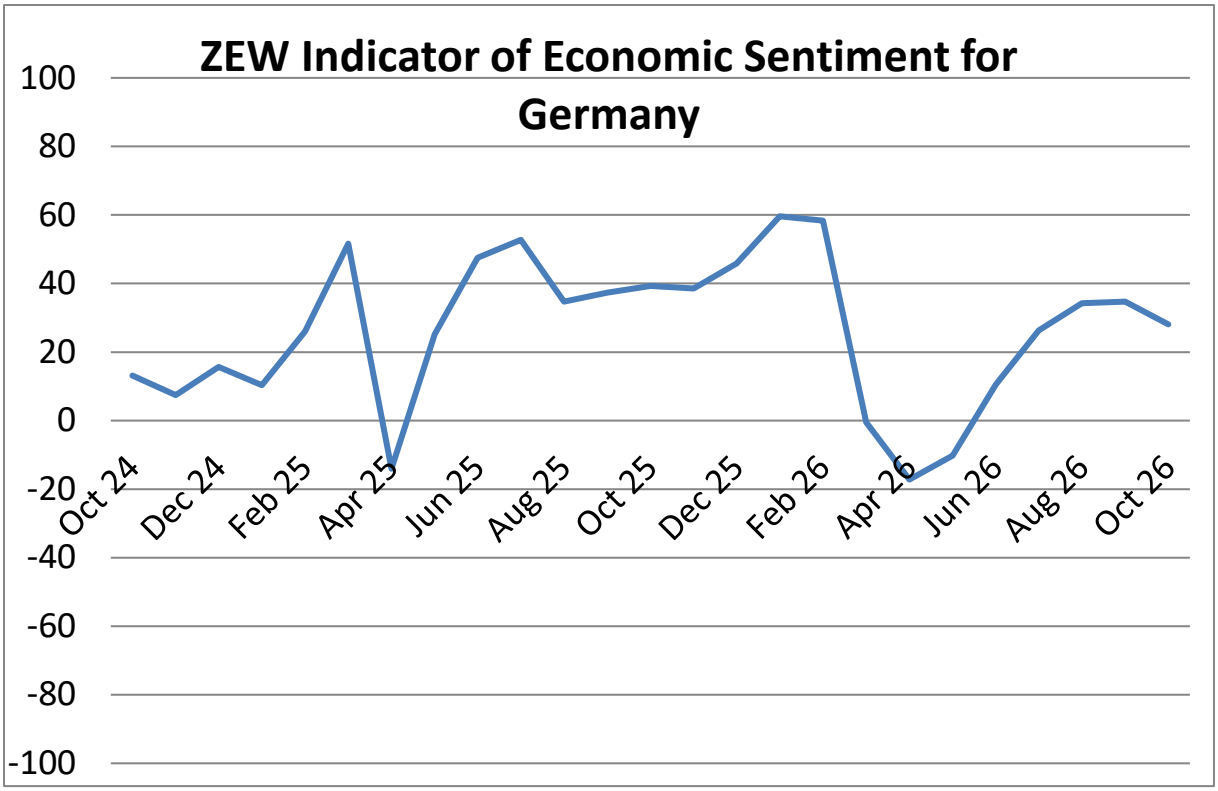
The beginning of the fourth quarter presents a mixed picture across industries. Banks and insurance companies – lately among the industries recording strong increases – show a substantial decline of minus 18.4 and minus 9.0 points respectively in October. However, with 34.5 and 37.4 points, they stay clearly in positive territory. A contraction can also be seen in the service sector (minus 6.8 points compared to the previous month) and the telecommunications industry (minus 8.2 points). Prospects for private consumption are deteriorating. In contrast, positive signals are visible in the steel and metal manufacturing sectors and in the electronics industry.

Expectations for the eurozone decline again in October. At plus 18.5 points, the index is minus 7.3 points below the previous month's reading. The assessment of the economic situation remains largely unchanged at minus 14.8 points (minus 0.9 points compared to September).

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Source: ZEW – Leibniz Centre for European Economic Research

178 analysts and institutional investors participated in the October 2026 ZEW Financial Market Survey, which was conducted in the period 12–19 October 2026. They were surveyed regarding their mid-term expectations concerning economic development and capital market trends. The ZEW Indicator of Economic Sentiment is the balance between positive and negative expectations of the future economic development in Germany over a timeframe of six months.

ZEW – Leibniz Centre for European Economic Research

ZEW Mannheim conducts research in the field of applied and policy-oriented economics and provides access to important data sets for national and international researchers. The institute provides advice to policymakers, private companies, and government institutions at both the national and EU level on how to tackle current economic policy challenges. The central concern of ZEW's research is to analyse and design markets and institutions that allow for the sustainable and efficient development of knowledge-based economies in Europe. By keeping the public informed on its latest research and providing further training to researchers and business leaders alike, ZEW acts as a guide through economic change. ZEW was founded in 1991 and is a member of the Leibniz Association. ZEW currently employs a staff of approximately 200, two thirds of whom are researchers.

Research at ZEW:

Pensions and Sustainable Financial Markets; Labour Markets and Social Insurance; Digital Economy; Health Care Markets and Health Policy; Economics of Innovation and Industrial Dynamics; Market Design; Environmental and Climate Economics; Inequality and Public Policy; Corporate Taxation and Public Finance.