

# Press Release

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## **ZEW Indicator of Economic Sentiment Germany**

-10.2 points (+7.0 vs. previous month)

## **ZEW Indicator of Economic Sentiment Eurozone**

-9.1 points (+11.3 vs. previous month)

## **Economic Situation Germany**

-77.8 points (-4.1 vs. previous month)

## **Economic Situation Eurozone**

-41.4 points (+1.6 vs. previous month)

59/2026

12 May 2026

## **ZEW Indicator of Economic Sentiment**

# **Economic Expectations Show Signs of Improvement**

After two consecutive months with strong declines in economic expectations, the economic outlook brightens again in May. The ZEW Indicator rises by 7.0 points and is now at minus 10.2 points, which means it is still in negative territory. The assessment of the current economic situation has slightly deteriorated, however. The situation indicator for Germany is at minus 77.8 points, which is minus 4.1 points below the previous month's reading.

“Expectations are improving but stay in negative territory.

The financial market experts are hoping that the Iran war will

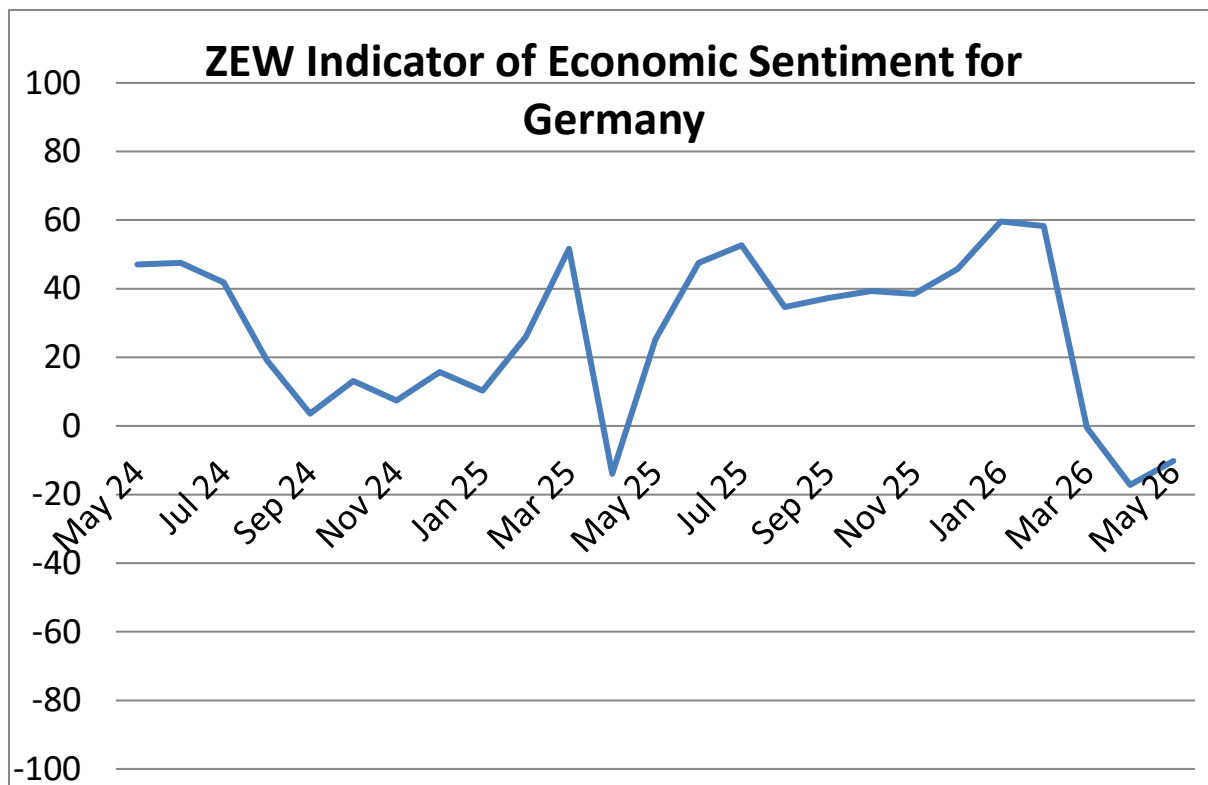
end soon. Nevertheless, weak industrial production, rising energy prices and an inflation rate that exceeds the two-percent mark continue to burden the German economy. There is cautious hope for a potential recovery in the second half of 2026, provided that the Middle East conflict eases and the government's economic stimulus measures are having an effect," comments ZEW President Professor Achim Wambach, PhD on the current survey results.

The changes in the balances of the different industries present a heterogeneous picture. The automotive sector's indicator has worsened substantially and is at minus 57.2 points (minus 13.0 points compared to the previous month). Mechanical engineering, too, records a minus, the indicator for May reading at minus 32.1 points (minus 9.2 points compared to April). The change in the balance of private demand is also worth noting: Already in negative territory, it continues to fall by minus 41.6 points (minus 8.2 points compared to April). However, a few industries show improvements in May. Prospects brighten in the information technology industry in particular; here, the indicator climbs by plus 12.1 points (balance at 56.6 points). The metal production sector and the construction industry also record an upward trend.

The expectations for the eurozone show strong growth in May. The indicator is 11.3 points higher than in April and is at minus 9.1 points. The assessment of the economic situation improves slightly: At minus 41.4 points, it exceeds the previous month's reading by 1.6 points.

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Source: ZEW – Leibniz Centre for European Economic Research

188 analysts and institutional investors participated in the May 2026 ZEW Financial Market Survey, which was conducted in the period 4–11 May 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.