

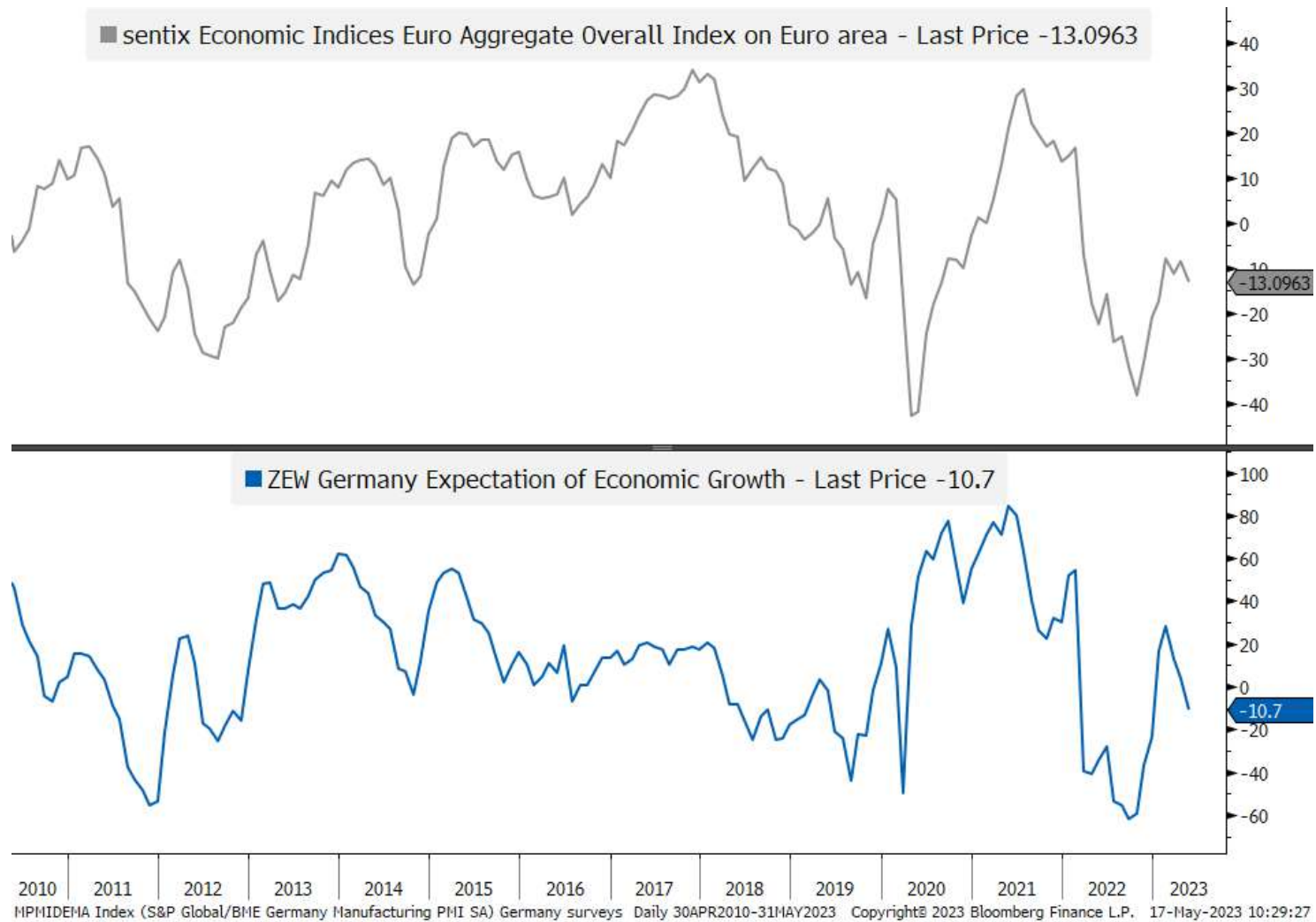
# Charts of the Week

17.05.2023



# False dawn?

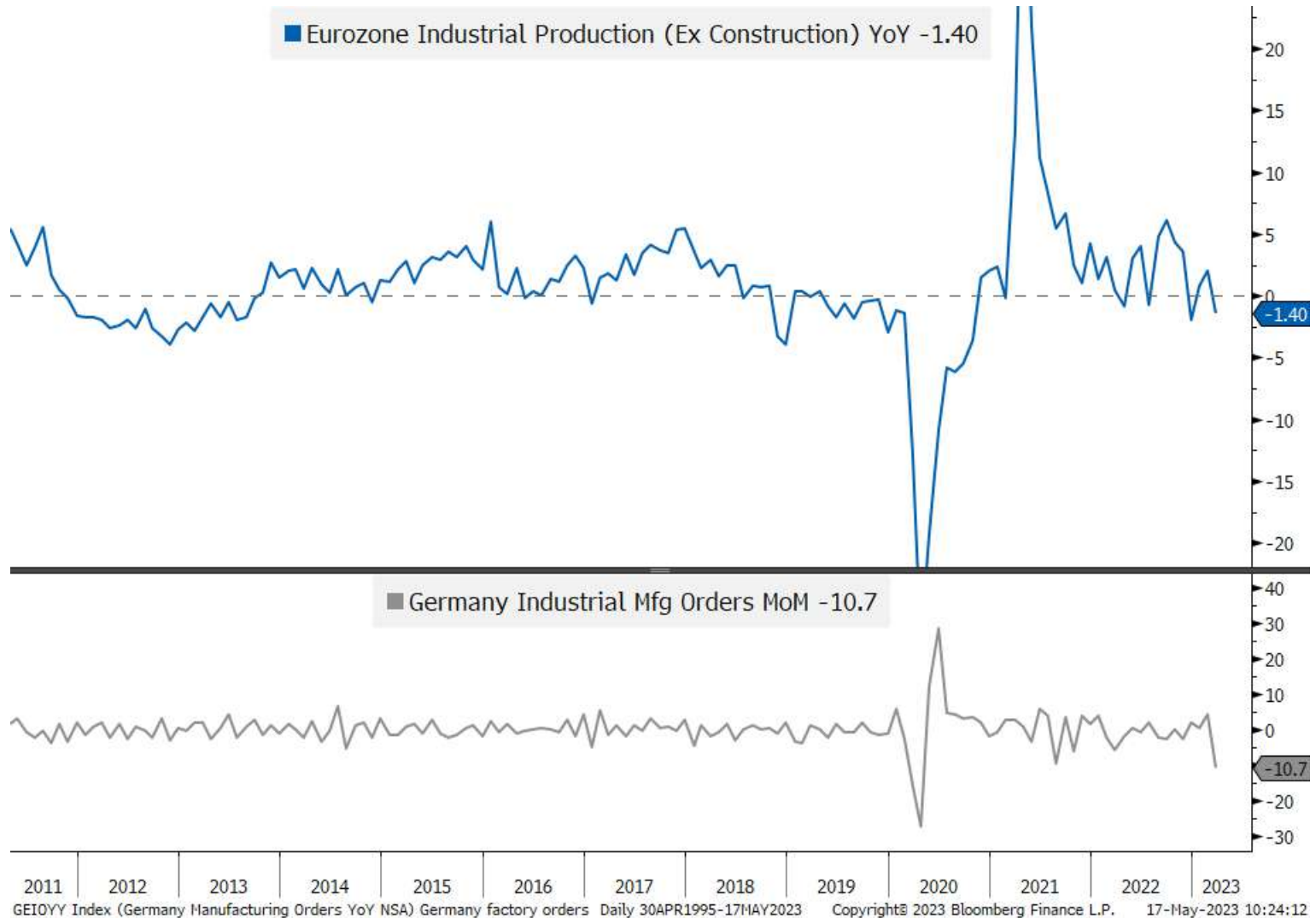
EU and German economic and investor sentiment surveys are rolling over following the rebound in recent months.





## Further weakness likely for EU industry

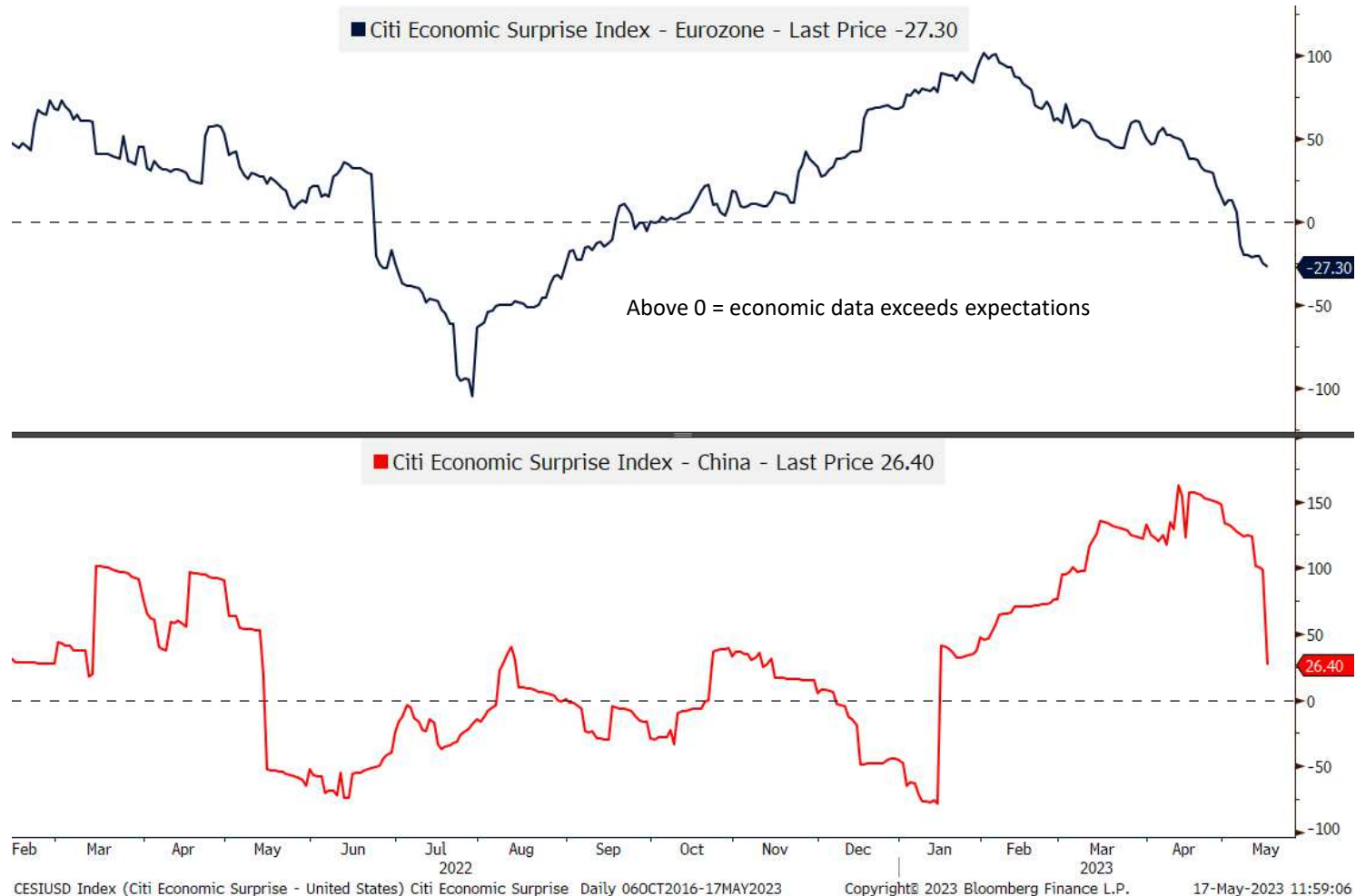
European industrial production growth fell from +2% to -1.4% in March. The sharp -10% fall in German manufacturing orders does not bode well for broad EU industrial activity going forward...





## From positive to negative economic surprises

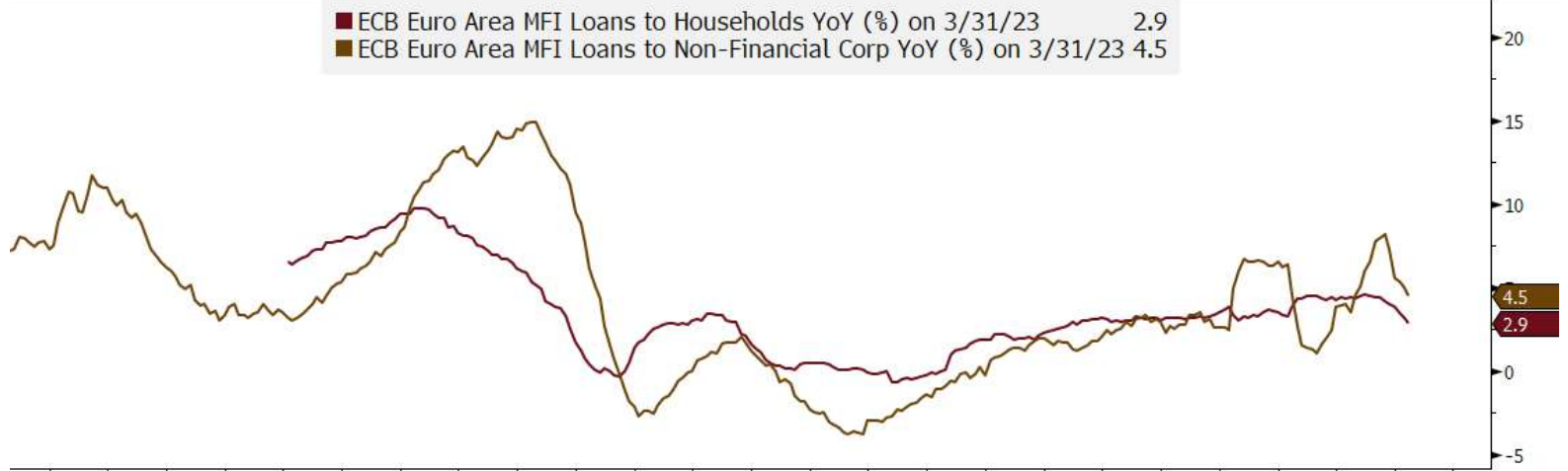
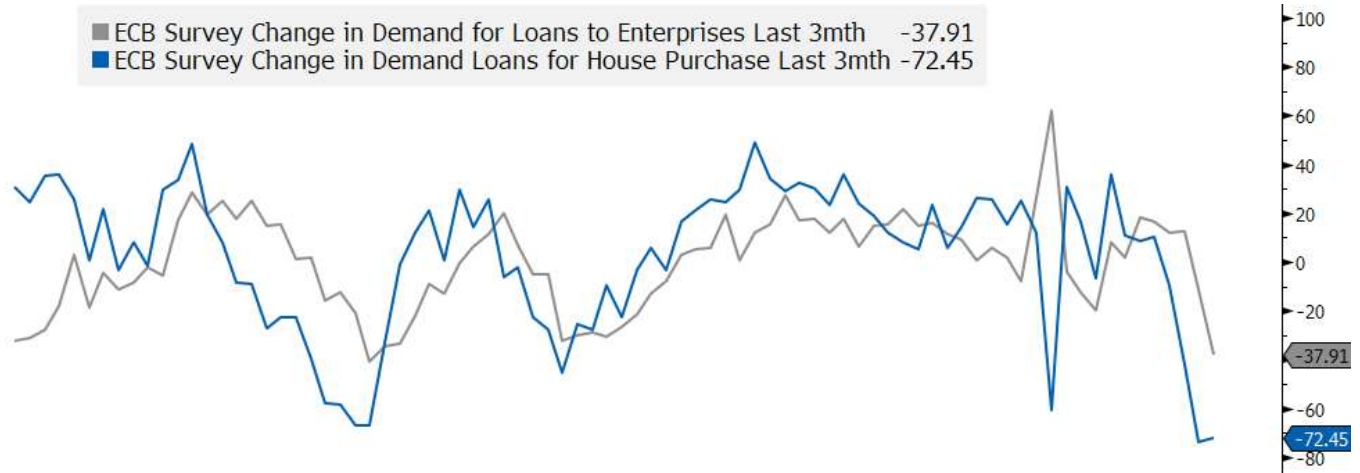
*Recent weak economic data out of the EU has put an end to the remarkable streak of positive surprises that we have seen since October. Disappointing Chinese data is also adding another layer of doubt as to the strength of its recovery and possible spillovers to EU growth.*





# The credit slowdown is not just a US story

While the attention is on the US credit slowdown, the EU may not escape it. The latest ECB banking survey shows sharp declines in loan demand, which will push loan growth lower and weigh on growth.



EBSL3CL Index (ECB Survey Change in Demand for Loans to Enterprises Last 3mth) EU loan demand Daily 30APR1995-17MAY2023 Copyright© 2023 Bloomberg Finance L.P. 17-May-2023 12:28:24



# The bullish consensus on the EUR is at risk

*The EU economy's resilience of the last few months has led to a large build of speculative positioning on the EUR, to a level that has historically implied limited upside. With recent developments showing significant weakness, this bullish positioning has become at risk of being unwound.*





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