

# Press Release

Contact:

Gunter Grittmann  
Phone +49(0)621-1235-132, Fax -255  
E-mail [grittmann@zew.de](mailto:grittmann@zew.de)

Felix Kretz  
Phone +49(0)621-1235-103, Fax -255  
E-mail [kretz@zew.de](mailto:kretz@zew.de)

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## ZEW-CS Financial Market Test Switzerland

### Swiss Economic Outlook

#### Improves Further

The ZEW-CS-Indicator for the economic sentiment in Switzerland has increased slightly. With an improvement by 1.9 points, the indicator reaches a reading of 19.4 points in June 2016. Economic expectations thereby continue the upward trend already witnessed in Q2 2016. In June, Swiss economic expectations reached their highest assessment balance since February 2014. The ZEW-CS-Indicator reflects the expectations of the surveyed financial market experts regarding the economic development in Switzerland on a six-month time horizon. It is calculated on a monthly basis by the Mannheim Centre for European Economic Research (ZEW) in cooperation with Credit Suisse (CS), Zurich.

Despite the moderate optimistic sentiment regarding Swiss economic expectations, a majority of 54.8 per cent of analysts currently expects a constant economic

environment over a six-month horizon. Furthermore, survey participants show a strong agreement regarding the assessment of Switzerland's current economic situation: 93.8 per cent of analysts evaluate the situation as "normal". None of the surveyed experts considers the current economic conditions to be "bad". Consequently, the indicator which reflects Switzerland's current economic environment increased to 6.2 points in June 2016.

With respect to stock markets, financial analysts expect to see a recovery. For Switzerland and the Eurozone, a majority of 53.6 per cent, respectively, expects increasing stock prices. For the US, a share of 48.2 per cent is optimistic. The indicators reflecting the aggregated stock market expectations rise to a reading of 39.3 points for Switzerland and the Eurozone, respectively. The expectations for US stock markets slightly lag behind, reaching an indicator level of 26.0 points.

#### **Detailed Results:**

More detailed results – including survey participants' assessment of developments in other countries – can be found in this month's edition of the "Switzerland Financial market report" (please note that the URL is case sensitive):

<http://www.zew.de/zew-cs-financialmarketreport>

#### **For more information please contact:**

Dr. Lena Jaroszek (ZEW), Phone +49 (0)621/1235-380, E-mail [jaroszek@zew.de](mailto:jaroszek@zew.de)

Lukas Gehrig (Credit Suisse), Phone +41 44 333 52 07, E-mail [lukas.gehrig@credit-suisse.com](mailto:lukas.gehrig@credit-suisse.com)

## ZEW Credit Suisse Financial Market Survey Switzerland: June 2016

Current economic situation	good		normal		bad		balance	
Switzerland	6.2	(+1.2)	93.8	(+3.8)	0.0	(-5.0)	6.2	(+6.2)
Eurozone	10.0	(+4.8)	73.3	(-8.3)	16.7	(+3.5)	-6.7	(+1.3)
USA	20.0	(-1.1)	76.7	(-2.2)	3.3	(+3.3)	16.7	(-4.4)
Economic expectations	improve		no change		worsen		balance	
Switzerland (Credit Suisse ZEW indicator)	32.3	(+7.3)	54.8	(-12.7)	12.9	(+5.4)	19.4	(+1.9)
Eurozone	27.6	(+3.9)	55.2	(-5.3)	17.2	(+1.4)	10.4	(+2.5)
USA	37.9	(+1.0)	48.3	(-4.3)	13.8	(+3.3)	24.1	(-2.3)
Inflation rate	increase		no change		decrease		balance	
Switzerland	43.8	(+1.3)	53.1	(-1.9)	3.1	(+0.6)	40.7	(+0.7)
Eurozone	46.7	(+1.9)	53.3	(+0.7)	0.0	(-2.6)	46.7	(+4.5)
USA	46.7	(-0.7)	53.3	(+3.3)	0.0	(-2.6)	46.7	(+1.9)
Short-term interest rates	increase		no change		decrease		balance	
Switzerland	3.2	(+0.6)	96.8	(+4.5)	0.0	(-5.1)	3.2	(+5.7)
Eurozone	0.0	(+/-0.0)	96.7	(+7.2)	3.3	(-7.2)	-3.3	(+7.2)
USA	73.3	(+1.5)	26.7	(-1.5)	0.0	(+/-0.0)	73.3	(+1.5)
Short-term interest rates (difference)	increase		no change		decrease		balance	
Eurozone-Switzerland	0.0	(-2.7)	96.7	(+5.0)	3.3	(-2.3)	-3.3	(-0.4)
Long-term interest rates	increase		no change		decrease		balance	
Switzerland	45.2	(+2.7)	51.6	(-3.4)	3.2	(+0.7)	42.0	(+2.0)
Germany	43.3	(-2.9)	50.0	(+1.3)	6.7	(+1.6)	36.6	(-4.5)
USA	60.0	(-5.8)	33.3	(+4.4)	6.7	(+1.4)	53.3	(-7.2)
Long-term interest rates (difference)	increase		no change		decrease		balance	
Germany-Switzerland	10.0	(+2.3)	80.0	(-7.2)	10.0	(+4.9)	0.0	(-2.6)
Stock market indices	increase		no change		decrease		balance	
SMI (Switzerland)	53.6	(+13.0)	32.1	(-11.1)	14.3	(-1.9)	39.3	(+14.9)
EuroStoxx 50 (Eurozone)	53.6	(+10.3)	32.1	(-8.4)	14.3	(-1.9)	39.3	(+12.2)
S&P (USA)	48.2	(+12.1)	29.6	(-9.3)	22.2	(-2.8)	26.0	(+14.9)
Exchange rates (Swiss franc vs.)	appreciate		no change		depreciate		balance	
Euro	16.1	(-6.4)	51.6	(-0.9)	32.3	(+7.3)	-16.2	(-13.7)
US dollar	19.3	(+6.8)	32.3	(+4.8)	48.4	(-11.6)	-29.1	(+18.4)
Commodities	increase		no change		decrease		balance	
Oil (North Sea Brent)	16.7	(-22.7)	53.3	(+13.8)	30.0	(+8.9)	-13.3	(-31.6)
Gold (per ounce)	40.8	(+1.9)	37.0	(-7.4)	22.2	(+5.5)	18.6	(-3.6)
Other indicators for Switzerland	increase		no change		decrease		balance	
Export momentum (situation)	0.0	(-2.5)	65.5	(+6.5)	34.5	(-4.0)	-34.5	(+1.5)
Export momentum (expectations)	16.1	(-4.4)	61.3	(-2.8)	22.6	(+7.2)	-6.5	(-11.6)
Unemployment rate	53.1	(+5.6)	40.6	(-11.9)	6.3	(+6.3)	46.8	(-0.7)

Note: Thirty-two analysts participated in the June survey, which was conducted during the period from June 6 to June 20, 2016. Analysts were asked about their expectations for the next six months. The numbers displayed are percentages. Balances refer to the difference between positive and negative assessments.

Source: ZEW, Credit Suisse

## The Mannheim Centre for European Economic Research (ZEW)

ZEW works in the field of frontier empirical research in economics. The institute especially distinguished itself by working on internationally comparative studies in the context of Europe and by creating important scientific data bases, e.g. the Mannheim Innovation Panel (MIP) and the ZEW Start-up Panel. ZEW's key objectives are to conduct excellent economic research, provide science-based economic policy advice and transfer knowledge. ZEW was founded in 1991. ZEW currently has a staff of approximately 190 employees, two thirds of whom are researchers.

### Research at ZEW:

Labour Markets, Human Resources and Social Policy; Industrial Economics and International Management; Information and Communication Technologies; International Finance and Financial Management; Environmental and Resource Economics, Environmental Management; Corporate Taxation and Public Finance; International Distribution and Redistribution; Competition and Regulation; Market Design.

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