

# Press Release

Zurich, 30 November 2018, 9.00 a.m.

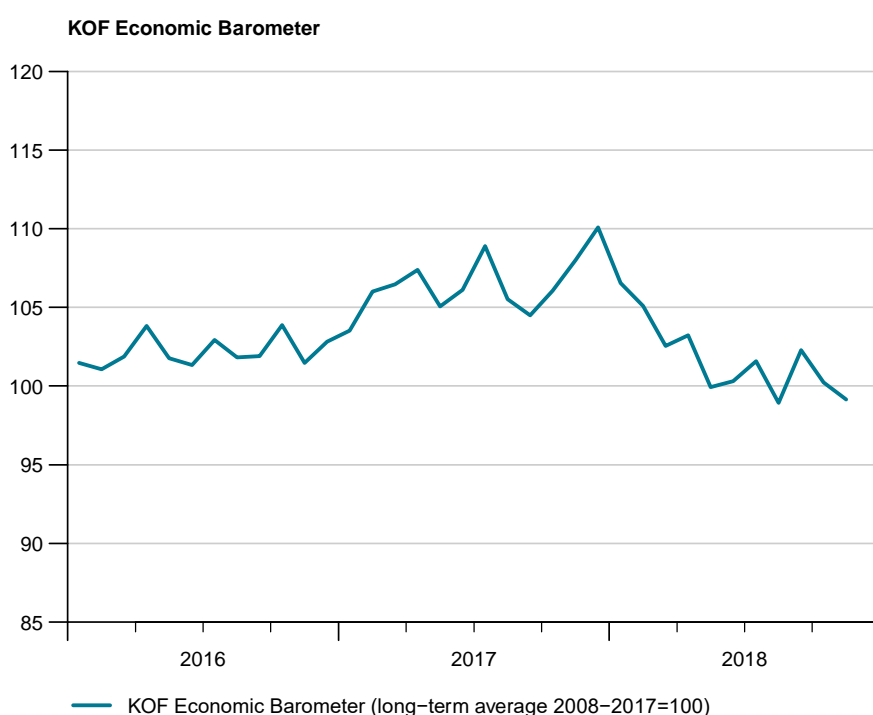
## KOF Economic Barometer: Economic Outlook Clouds Over

**The KOF Economic Barometer falls for the second time in a row in November. With a level of 99.1 points, the Barometer is now slightly below its long-term average again. For the Swiss economy, the fairway is becoming slightly more difficult.**

The KOF Economic Barometer decreases by 1.1 points in November, from 100.2 points in October (revised from 100.1 points) to 99.1 points. This month's decline was in particular due to less favourable export prospects. The impetus from foreign demand is likely to weaken somewhat in the coming months. The development in the banking and insurance sector may lose some of its momentum. By contrast, slight support for the economy will come from the construction sector and private consumption. The manufacturing sector in particular is also resisting the downward tendency. The indicators for the manufacturing sector have developed positively overall.

In the goods producing sectors (manufacturing and construction), in particular the indicators for the future development of employment point to a weakening. However, the negative factors were in November more than offset by the indicators for order backlogs, the competitive position, the general business situation, the development of production and inventory development.

Within the manufacturing sector, prospects have improved for the chemicals, pharmaceuticals, plastics industry, the textile and clothing industry, the paper and printing industry as well as the machinery and vehicle industry. On the other hand, the food and beverages industry as well as the manufacturers of electrical goods are facing a downward tendency.



### Values for the past months

Current level / Level a month ago

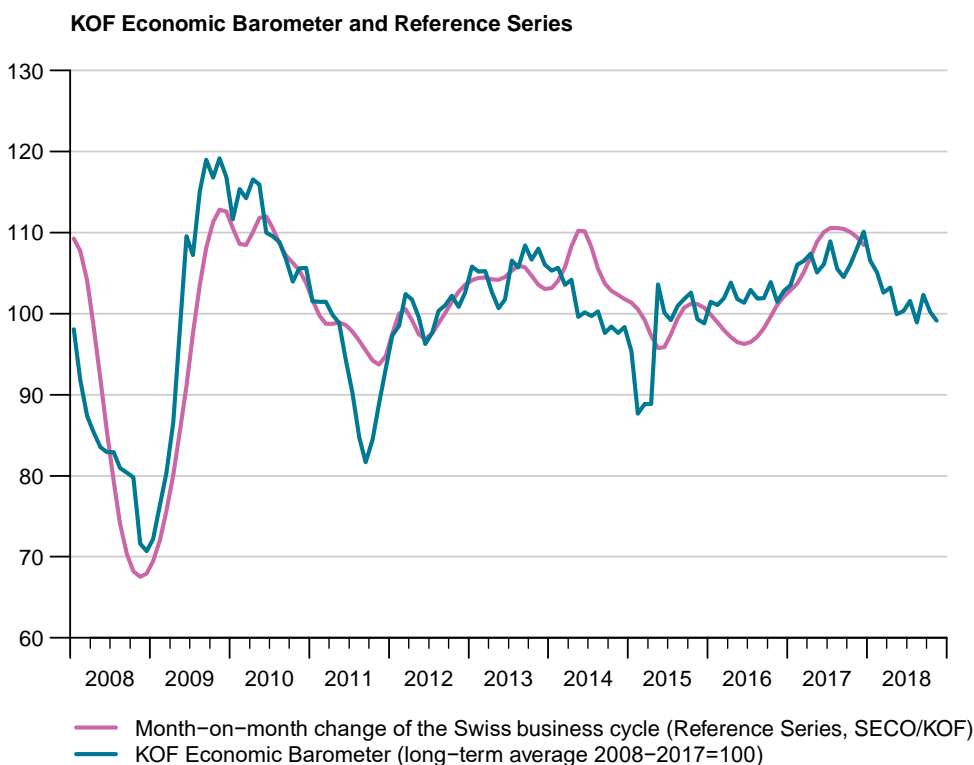
2017m11	108.0	108.0
2017m12	110.1	110.1
2018m1	106.5	106.5
2018m2	105.1	105.1
2018m3	102.6	102.6
2018m4	103.2	103.2
2018m5	99.9	99.9
2018m6	100.3	100.3
2018m7	101.6	101.6
2018m8	98.9	98.9
2018m9	102.3	102.3
2018m10	100.2	100.1
2018m11	99.1	

### KOF Economic Barometer and reference time series: annual update

The annual 2018 revision took place in September. These updates always comprise the following steps: a redefinition of the pool of indicators that enter the selection procedure, an update of the reference time series and a renewed execution of the automated variable selection procedure.

The updated pool of indicators now consists of more than 500 economic time series. The updated reference series is the smoothed continuous growth rate of Swiss GDP distributed across the three months of a quarter, based on the official quarterly real GDP statistics, adjusted for the effects of major international sporting events, as released by the Swiss State Secretariat for Economic Affairs (SECO) in early September 2018. SECO, in turn takes the release of the previous year's annual GDP data published by the SFSO into account. The 2017 vintage of the KOF Barometer (published until August 2018) comprised 273 indicator variables.

The current 2018 vintage, which is now replacing the 2017 vintage, consists of 345 indicator variables, selected from a pool of more than 500 candidate variables. Compared to the previous vintage, 104 indicators are new and 32 dropped out of the set of selected indicators. The Barometer is the rescaled weighted average of the selected indicators, where the weights correspond to the loadings of the first principal component.



More detailed information regarding the KOF Economic Barometer:

[www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-economic-barometer.html/](http://www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-economic-barometer.html/) →

### Contacts

Klaus Abberger | Phone +41 44 632 51 56 | [abberger@kof.ethz.ch](mailto:abberger@kof.ethz.ch)

Corporate Communications | Phone +41 44 633 99 48 | [kofcc@kof.ethz.ch](mailto:kofcc@kof.ethz.ch)