

Press Release

Zurich, 30 September 2020, 9:00 a.m.

KOF Economic Barometer: Rise to a similar level as at the end of the financial crisis

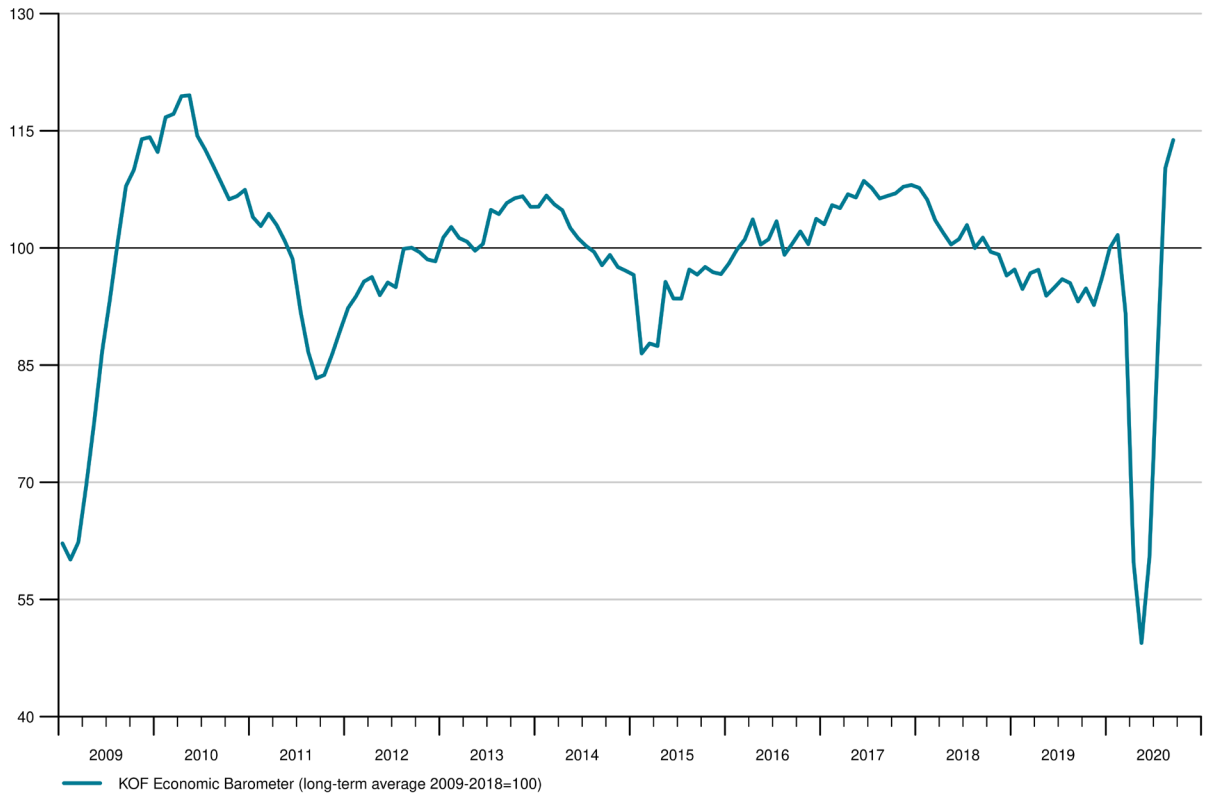
The KOF economic barometer rose in September for the fourth time in a row after a historic drop in spring this year. A comparable value of the barometer can last be observed at the end of the financial crisis in 2009/2010. At present, the economy is taking a V-shaped course, so that a recovery of the Swiss economy can be expected for the time being. However, a second wave of COVID-19 cases could lead to a sharp revision of this assessment.

After an increase of 3.6 points, the KOF economic barometer reaches its 10-year high in September, with a value of 113.8 points. Once again it is well above its long-term average. This increase is primarily due to bundles of indicators, which include the accommodation and food service activities, foreign demand and the economic sector other services. Furthermore, bundles of indicators relating to the manufacturing sector and private consumption also bolster the positive signal. By contrast, slight negative signals can be observed in the construction sector.

The positive signals within the manufacturing sector can mostly be attributed to indicators from the electrical industry, the wood, glass, stone and earths industry and the metal industry. By contrast, the other sectors comprised by the manufacturing industry remain virtually unchanged compared with the previous month.

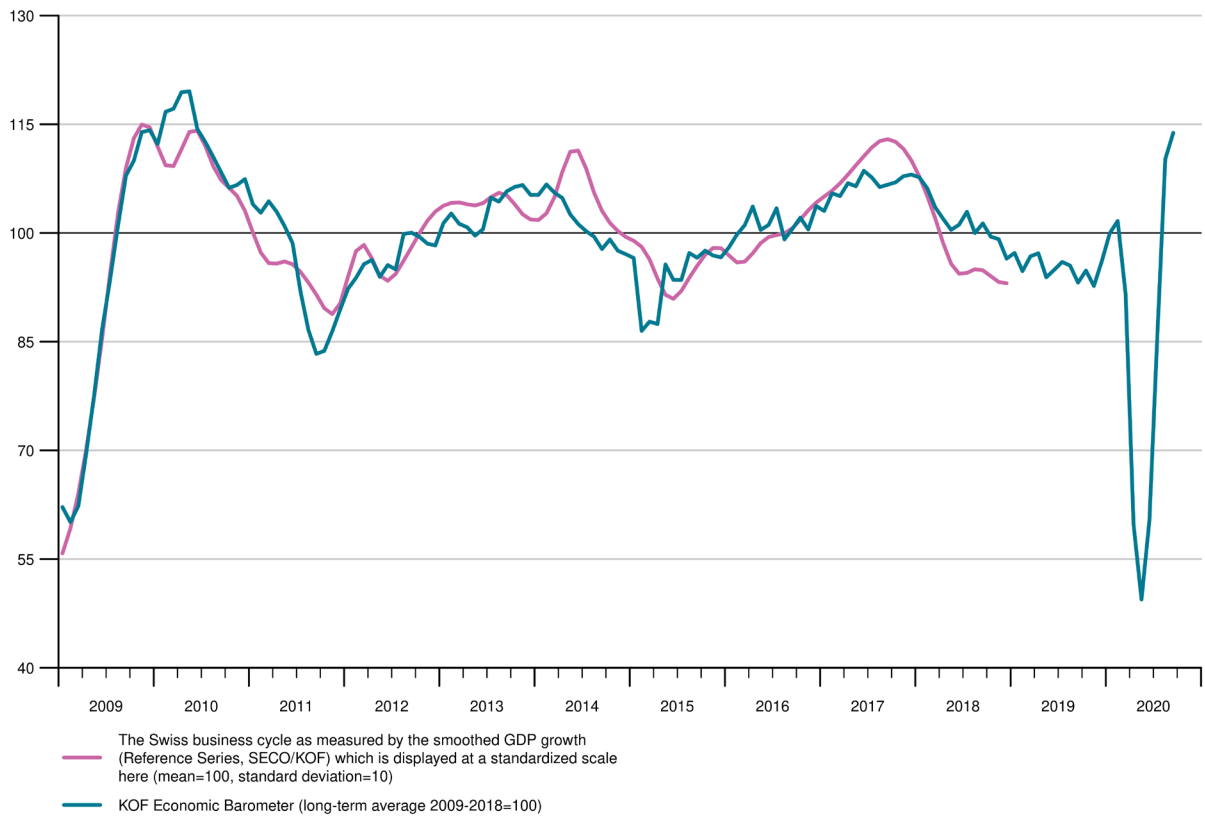
Within the goods producing sector (manufacturing and construction) the different groups of indicators point in different directions. The strongest negative contribution is provided by indicators for the development of order backlogs, followed by indicators for the purchase of intermediate goods and for the assessment of the inventories. On the other hand, positive signals are sent out by indicators for assessing the general business situation and by indicators for employment outlook. The assessment of obstacles to production activity also provides a positive contribution, but less so than in the previous month.

KOF Economic Barometer

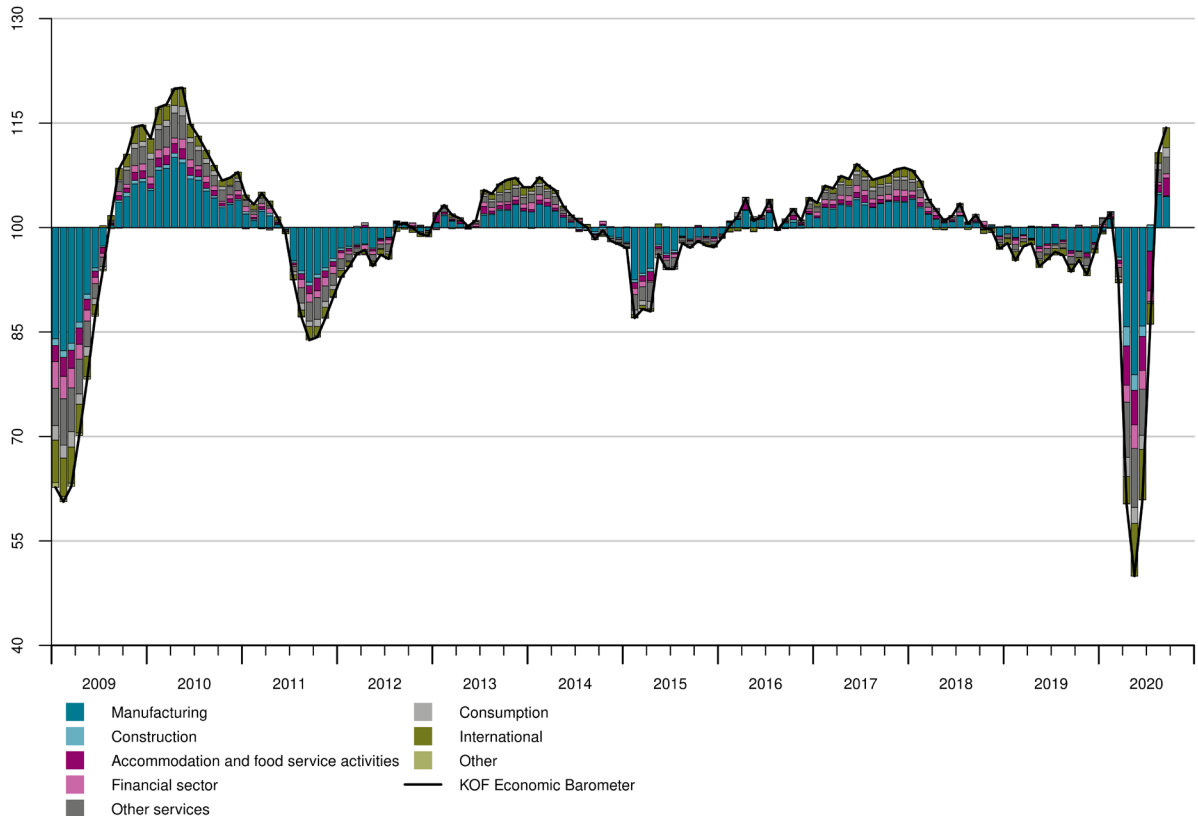


Month	Current level	Level previous month
Sep 2019	93.1	93.2
Oct 2019	94.8	94.8
Nov 2019	92.7	92.7
Dec 2019	96.1	96.1
Jan 2020	100	100
Feb 2020	101.7	101.7
Mar 2020	91.5	91.5
Apr 2020	59.8	59.8
May 2020	49.4	49.5
Jun 2020	60.4	60.4
Jul 2020	86	86
Aug 2020	110.2	110.2
Sep 2020	113.8	

KOF Economic Barometer and Reference Series



Contribution of variable groups to the KOF Economic Barometer



Deviations of the variable groups from the long-term group mean, which is standardized at 100. The variables included in the KOF Economic Barometer are divided into groups. The group values are calculated from the weighted group totals calculated with the individual variable weights. Example: A group value of 102.0 means

that the weighted group total deviates upwards by 2.0 from the group average. A contribution of 98.0 means that the weighted group total deviates downwards by -2.0 from the group average. The total deviations of all groups from their respective group average plus 100 results in the value of the KOF Economic Barometer.

More detailed information regarding the KOF Economic Barometer:

www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-economic-barometer.html/

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