

Press Release

Zurich, 30 June 2016, 9.00 a.m.

KOF Economic Barometer: Stable Development in Switzerland

In June, the indicator value of the KOF Economic Barometer continued to be above its historical average. It reached a value of 102.4 compared to 101.8 (revised from 102.9) in May. Overall, the KOF Economic Barometer indicates a stable condition of the Swiss economy.

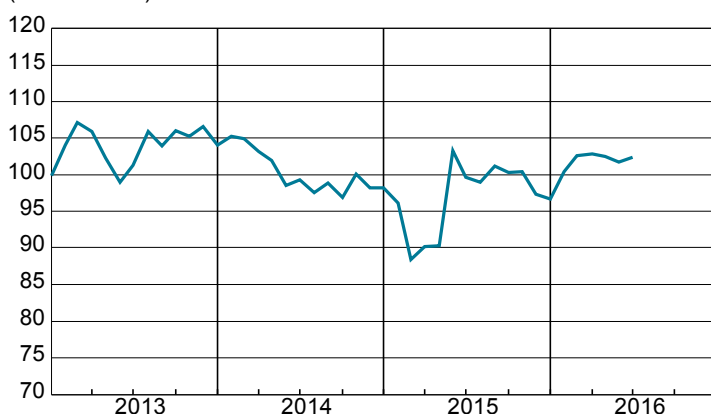
Positive impetus for the development of the Barometer in June came from the indicators related to export opportunities for Swiss companies and from the indicators of construction activity, the positive development here being mainly driven by project engineering bureaus. In the actual construction industry, the situation is unchanged. Within the manufacturing sector the prospects for mechanical engineering brightened. For chemistry and food manufacturers the outlook, however, is not as good as before. The perspectives for private consumption as well as for the banking industry worsened.

In the manufacturing sector, in particular the stock and the business situation had a negative effect. Positive signals came, however, from production and to a lesser extent from the order books and the intermediary products.

Note: The data included in the Barometer reflect the situation before the publication of voting results in the United Kingdom. The above-average revision of the value of the previous month is mainly due to late survey responses from companies for May, which at that time could not be included in the publication of the Barometer.

KOF Economic Barometer

(Index values)



— KOF Economic Barometer^L
(long-term average 2005–2014=100)

Values for the past months

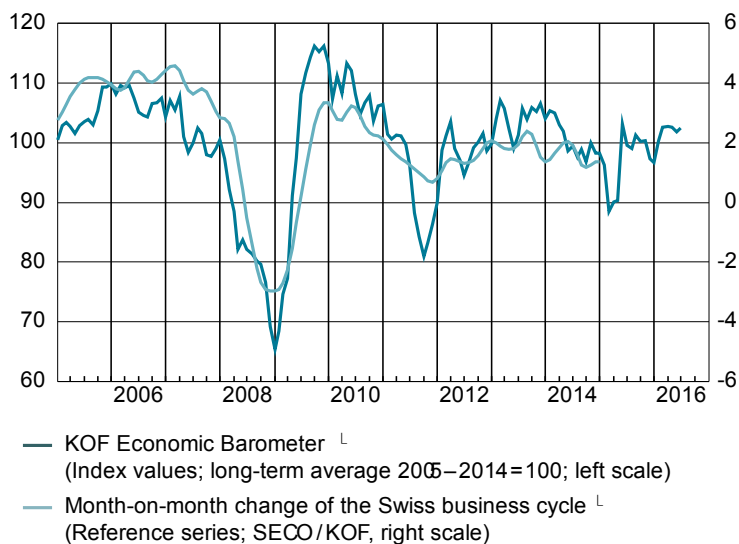
Current level / Level a month ago

2015-6	99,6	99,6
2015-7	99,0	99,0
2015-8	101,3	101,3
2015-9	100,3	100,3
2015-10	100,4	100,4
2015-11	97,3	97,3
2015-12	96,7	96,8
2016-1	100,4	100,4
2016-2	102,6	102,6
2016-3	102,8	102,8
2016-4	102,6	102,6
2016-5	101,8	102,9
2016-6	102,4	

KOF Economic Barometer and reference time series: annual update

In September 2015, the scheduled annual update of the KOF Economic Barometer took place. This annual update concerns the following stages: redefinition of the pool of indicators that enter the selection procedure, update of the reference time series, a new execution of the variable selection procedure and a technical adjustment how to cope with missing monthly values of quarterly variables. Compared to 479 indicators that entered the variable selection procedure in October 2014, the current pool comprises 420 indicators due to elimination of KOF surveys related to prices and monthly changes in inventories. The updated reference series is the smoothed continuous growth rate of Swiss GDP according to the new System of National Accounts ESGV 2010, released at the end of August 2015, which takes into account the release of the previous year's annual Gross Domestic Product (GDP) data by the Swiss Federal Statistical Office. As a result of the indicator variable selection procedure, the updated KOF Economic Barometer is now based on 238 indicators (instead of 217 as in the previous vintage) that are combined using statistically determined weights. Last but not least, with this annual update we introduce a slight modification of how the variables observed at only the quarterly frequency are treated when computing the Barometer. Instead of freezing those values until the next quarterly release is available, we now implement a statistical procedure to interpolate data values for these variables using the information contained in all other variables that are available at monthly frequency.

KOF Economic Barometer and Reference Series



More detailed information regarding the KOF Economic Barometer:

<http://www.kof.ethz.ch/en/indicators/economic-barometer/> →

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