

## ZEW Financial Market Survey: Results May 2005

<b>Current economic situation</b>	<b>good</b>		<b>normal</b>		<b>bad</b>		<b>balance</b>	
Eurozone	3.0	(+0.4)	63.0	(+1.0)	34.0	(-1.4)	-31.0	(+1.8)
Germany	0.7	(-0.3)	29.3	(+4.3)	70.0	(-4.0)	-69.3	(+3.7)
USA	34.6	(-7.4)	60.7	(+6.6)	4.7	(+0.8)	29.9	(-8.2)
Japan	6.9	(+1.9)	64.0	(-2.6)	29.1	(+0.7)	-22.2	(+1.2)
United Kingdom	28.8	(+1.1)	66.5	(-2.1)	4.7	(+1.0)	24.1	(+0.1)
France	3.9	(-1.3)	59.3	(-4.8)	36.8	(+6.1)	-32.9	(-7.4)
Italy	1.4	(-1.0)	36.4	(-5.6)	62.2	(+6.6)	-60.8	(-7.6)
<b>Economic expectations</b>	<b>improve</b>		<b>no change</b>		<b>get worse</b>		<b>balance</b>	
Eurozone	21.9	(-7.6)	71.0	(+5.4)	7.1	(+2.2)	14.8	(-9.8)
Germany (=ZEW Indicator)	23.3	(-4.6)	67.3	(+3.0)	9.4	(+1.6)	13.9	(-6.2)
USA	10.1	(+0.7)	64.2	(-2.5)	25.7	(+1.8)	-15.6	(-1.1)
Japan	20.3	(-4.6)	72.4	(+2.7)	7.3	(+1.9)	13.0	(-6.5)
United Kingdom	6.1	(-1.2)	74.2	(-1.7)	19.7	(+2.9)	-13.6	(-4.1)
France	22.0	(+0.5)	68.0	(-1.8)	10.0	(+1.3)	12.0	(-0.8)
Italy	18.6	(-2.0)	69.2	(-3.2)	12.2	(+5.2)	6.4	(-7.2)
<b>Inflation rate</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Eurozone	18.1	(-6.7)	62.0	(+2.2)	19.9	(+4.5)	-1.8	(-11.2)
Germany	14.9	(-9.0)	63.6	(+4.9)	21.5	(+4.1)	-6.6	(-13.1)
USA	58.2	(-2.3)	29.9	(-3.0)	11.9	(+5.3)	46.3	(-7.6)
Japan	29.6	(-1.7)	66.4	(+0.2)	4.0	(+1.5)	25.6	(-3.2)
United Kingdom	26.4	(-4.1)	59.9	(-2.2)	13.7	(+6.3)	12.7	(-10.4)
France	18.7	(-4.1)	63.4	(-0.5)	17.9	(+4.6)	0.8	(-8.7)
Italy	19.8	(-4.2)	64.0	(+1.1)	16.2	(+3.1)	3.6	(-7.3)
<b>Short-term interest rates</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Eurozone	17.8	(-11.4)	78.5	(+9.3)	3.7	(+2.1)	14.1	(-13.5)
USA	85.8	(-0.8)	12.5	(-0.2)	1.7	(+1.0)	84.1	(-1.8)
Japan	18.1	(-1.8)	81.5	(+1.7)	0.4	(+0.1)	17.7	(-1.9)
United Kingdom	22.7	(-7.8)	66.3	(+2.3)	11.0	(+5.5)	11.7	(-13.3)
<b>Long-term interest rates</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Germany	58.5	(-5.3)	35.1	(+4.8)	6.4	(+0.5)	52.1	(-5.8)
USA	73.9	(-2.3)	22.4	(+2.8)	3.7	(-0.5)	70.2	(-1.8)
Japan	50.9	(-7.5)	46.6	(+6.0)	2.5	(+1.5)	48.4	(-9.0)
United Kingdom	45.2	(-9.4)	47.3	(+7.1)	7.5	(+2.3)	37.7	(-11.7)
<b>Stock market indices</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
STOXX 50 (Eurozone)	54.8	(+0.2)	34.1	(+1.6)	11.1	(-1.8)	43.7	(+2.0)
DAX (Germany)	52.4	(-1.9)	35.7	(+4.6)	11.9	(-2.7)	40.5	(+0.8)
TecDax (Germany)	44.8	(-2.6)	40.1	(+5.6)	15.1	(-3.0)	29.7	(+0.4)
Dow Jones Industrial (USA)	41.4	(-1.8)	43.2	(+1.6)	15.4	(+0.2)	26.0	(-2.0)
Nikkei 225 (Japan)	51.8	(-2.5)	42.8	(+5.1)	5.4	(-2.6)	46.4	(+0.1)
FT-SE 100 (UK)	42.0	(-1.1)	46.4	(+3.0)	11.6	(-1.9)	30.4	(+0.8)
CAC-40 (France)	50.2	(-0.1)	38.1	(+2.8)	11.7	(-2.7)	38.5	(+2.6)
MIBtel (Italy)	44.7	(-2.8)	40.2	(+3.6)	15.1	(-0.8)	29.6	(-2.0)
<b>Exchange rates (vs. Euro)</b>	<b>appreciate</b>		<b>no change</b>		<b>depreciate</b>		<b>balance</b>	
Dollar	32.5	(+8.8)	34.1	(+0.1)	33.4	(-8.9)	-0.9	(+17.7)
Yen	28.6	(+7.1)	60.8	(-5.6)	10.6	(-1.5)	18.0	(+8.6)
UK Pound	13.9	(+2.1)	65.2	(-3.2)	20.9	(+1.1)	-7.0	(+1.0)
Swiss Franc	14.1	(+0.3)	78.1	(-0.3)	7.8	(+/-0.0)	6.3	(+0.3)
<b>Commodities</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Oil (Brent Crude)	15.9	(+3.0)	38.0	(+4.2)	46.1	(-7.2)	-30.2	(+10.2)
<b>Sectors</b>	<b>improve</b>		<b>no change</b>		<b>get worse</b>		<b>balance</b>	
Banks	54.1	(-3.4)	38.5	(+1.1)	7.4	(+2.3)	46.7	(-5.7)
Insurance companies	47.9	(-2.6)	41.3	(+3.1)	10.8	(-0.5)	37.1	(-2.1)
Automobile	14.0	(-2.8)	47.9	(+0.5)	38.1	(+2.3)	-24.1	(-5.1)
Chemicals / Pharmaceuticals	44.1	(-5.4)	49.6	(+6.1)	6.3	(-0.7)	37.8	(-4.7)
Steel	39.0	(-7.1)	39.1	(+0.7)	21.9	(+6.4)	17.1	(-13.5)
Electronics	25.8	(-7.2)	64.8	(+5.1)	9.4	(+2.1)	16.4	(-9.3)
Mechanical engineering	42.3	(-6.4)	46.1	(+6.2)	11.6	(+0.2)	30.7	(-6.6)
Retail / Consumer goods	14.0	(-1.3)	65.5	(+3.1)	20.5	(-1.8)	-6.5	(+0.5)
Construction	7.0	(-1.5)	56.5	(+0.4)	36.5	(+1.1)	-29.5	(-2.6)
Utilities	42.0	(-3.4)	52.9	(+4.9)	5.1	(-1.5)	36.9	(-1.9)
Services	53.4	(+1.4)	43.5	(-0.5)	3.1	(-0.9)	50.3	(+2.3)
Telecommunications	52.1	(-3.4)	44.4	(+4.3)	3.5	(-0.9)	48.6	(-2.5)
Information technology	56.4	(-2.0)	39.3	(+3.6)	4.3	(-1.6)	52.1	(-0.4)

Note: 298 Analysts participated in the May survey which was conducted during the period 05/02 to 05/23/05. Analysts were asked about their expectations for the next 6 months. Numbers displayed are percentages (month-over-month percentage point changes in parentheses). Balances refer to the difference between positive and negative assessments.