

## ZEW-Financial Market Survey: Results August 2006

<b>Current economic situation</b>	<b>good</b>		<b>normal</b>		<b>bad</b>		<b>balance</b>	
Eurozone	37.8	(+7.1)	59.3	(-5.2)	2.9	(-1.9)	34.9	(+9.0)
Germany	38.8	(+8.7)	56.0	(-7.1)	5.2	(-1.6)	33.6	(+10.3)
USA	43.3	(-13.4)	54.1	(+12.9)	2.6	(+0.5)	40.7	(-13.9)
Japan	38.8	(-1.1)	58.1	(+0.5)	3.1	(+0.6)	35.7	(-1.7)
United Kingdom	33.9	(+8.0)	64.0	(-7.6)	2.1	(-0.4)	31.8	(+8.4)
France	33.4	(+10.3)	58.9	(-7.0)	7.7	(-3.3)	25.7	(+13.6)
Italy	13.8	(+4.2)	68.2	(+4.5)	18.0	(-8.7)	-4.2	(+12.9)
<b>Economic expectations</b>	<b>improve</b>		<b>no change</b>		<b>get worse</b>		<b>balance</b>	
Eurozone	19.2	(-11.6)	62.9	(+6.4)	17.9	(+5.2)	1.3	(-16.8)
Germany (=ZEW Indicator)	20.5	(-12.4)	53.4	(+4.1)	26.1	(+8.3)	-5.6	(-20.7)
USA	3.4	(-0.7)	37.5	(-4.0)	59.1	(+4.7)	-55.7	(-5.4)
Japan	31.4	(+4.4)	57.8	(-8.6)	10.8	(+4.2)	20.6	(+0.2)
United Kingdom	6.7	(+1.6)	75.3	(-5.6)	18.0	(+4.0)	-11.3	(-2.4)
France	15.7	(-4.4)	65.1	(-3.3)	19.2	(+7.7)	-3.5	(-12.1)
Italy	13.7	(-6.3)	66.1	(-1.6)	20.2	(+7.9)	-6.5	(-14.2)
<b>Inflation rate</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Eurozone	46.5	(-2.1)	45.0	(+1.2)	8.5	(+0.9)	38.0	(-3.0)
Germany	57.0	(+3.1)	36.2	(-2.3)	6.8	(-0.8)	50.2	(+3.9)
USA	33.9	(-7.9)	44.2	(+0.9)	21.9	(+7.0)	12.0	(-14.9)
Japan	68.1	(+0.6)	29.1	(-2.7)	2.8	(+2.1)	65.3	(-1.5)
United Kingdom	24.3	(+1.0)	66.1	(-6.2)	9.6	(+5.2)	14.7	(-4.2)
France	32.9	(-3.7)	56.4	(+0.7)	10.7	(+3.0)	22.2	(-6.7)
Italy	33.6	(-5.9)	55.6	(+2.8)	10.8	(+3.1)	22.8	(-9.0)
<b>Short-term interest rates</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Eurozone	89.2	(-4.3)	9.8	(+4.0)	1.0	(+0.3)	88.2	(-4.6)
USA	28.5	(-26.2)	61.9	(+20.4)	9.6	(+5.8)	18.9	(-32.0)
Japan	82.6	(-4.9)	17.1	(+5.0)	0.3	(-0.1)	82.3	(-4.8)
United Kingdom	29.3	(+3.3)	68.6	(-1.7)	2.1	(-1.6)	27.2	(+4.9)
<b>Long-term interest rates</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Germany	51.2	(-6.3)	33.4	(+3.7)	15.4	(+2.6)	35.8	(-8.9)
USA	28.6	(-12.6)	46.2	(+6.4)	25.2	(+6.2)	3.4	(-18.8)
Japan	75.3	(-1.8)	21.9	(+2.3)	2.8	(-0.5)	72.5	(-1.3)
United Kingdom	23.1	(-4.9)	66.9	(+4.8)	10.0	(+0.1)	13.1	(-5.0)
<b>Stock market indices</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
STOXX 50 (Eurozone)	63.0	(-2.4)	27.8	(+3.4)	9.2	(-1.0)	53.8	(-1.4)
DAX (Germany)	63.0	(-4.3)	26.6	(+4.1)	10.4	(+0.2)	52.6	(-4.5)
TecDax (Germany)	55.3	(-1.5)	29.8	(-1.1)	14.9	(+2.6)	40.4	(-4.1)
Dow Jones Industrial (USA)	46.2	(-3.1)	37.0	(+1.4)	16.8	(+1.7)	29.4	(-4.8)
Nikkei 225 (Japan)	69.0	(-3.4)	24.2	(+4.2)	6.8	(-0.8)	62.2	(-2.6)
FT-SE 100 (UK)	50.0	(-3.2)	40.7	(+5.3)	9.3	(-2.1)	40.7	(-1.1)
CAC-40 (France)	58.0	(+0.3)	31.6	(-0.3)	10.4	(+/-0.0)	47.6	(+0.3)
MIBtel (Italy)	52.9	(-1.2)	34.6	(+0.1)	12.5	(+1.1)	40.4	(-2.3)
<b>Exchange rates (vs. Euro)</b>	<b>appreciate</b>		<b>no change</b>		<b>depreciate</b>		<b>balance</b>	
Dollar	8.0	(-1.4)	24.1	(-1.2)	67.9	(+2.6)	-59.9	(-4.0)
Yen	30.5	(-4.1)	55.4	(+/-0.0)	14.1	(+4.1)	16.4	(-8.2)
UK Pound	7.2	(+2.6)	74.7	(-1.4)	18.1	(-1.2)	-10.9	(+3.8)
Swiss Franc	15.1	(+2.5)	73.1	(-7.1)	11.8	(+4.6)	3.3	(-2.1)
<b>Commodities</b>	<b>increase</b>		<b>no change</b>		<b>decrease</b>		<b>balance</b>	
Oil (Brent Crude)	27.7	(+3.0)	42.6	(-3.6)	29.7	(+0.6)	-2.0	(+2.4)
<b>Sectors</b>	<b>improve</b>		<b>no change</b>		<b>get worse</b>		<b>balance</b>	
Banks	50.0	(-4.1)	43.0	(+6.4)	7.0	(-2.3)	43.0	(-1.8)
Insurance companies	44.3	(-4.5)	49.4	(+7.5)	6.3	(-3.0)	38.0	(-1.5)
Automobile	26.7	(+1.1)	57.4	(-6.4)	15.9	(+5.3)	10.8	(-4.2)
Chemicals / Pharmaceuticals	50.2	(-3.2)	41.9	(+2.4)	7.9	(+0.8)	42.3	(-4.0)
Steel	35.0	(-3.9)	49.4	(+2.6)	15.6	(+1.3)	19.4	(-5.2)
Electronics	32.8	(+0.5)	60.0	(-1.8)	7.2	(+1.3)	25.6	(-0.8)
Mechanical engineering	58.2	(-4.6)	34.3	(+3.4)	7.5	(+1.2)	50.7	(-5.8)
Retail / Consumer goods	35.2	(-15.6)	44.8	(+6.9)	20.0	(+8.7)	15.2	(-24.3)
Construction	35.9	(+1.0)	50.0	(-4.9)	14.1	(+3.9)	21.8	(-2.9)
Utilities	38.8	(+7.2)	51.1	(-7.9)	10.1	(+0.7)	28.7	(+6.5)
Services	47.9	(-8.2)	49.1	(+9.2)	3.0	(-1.0)	44.9	(-7.2)
Telecommunications	14.8	(-5.5)	52.4	(-5.4)	32.8	(+10.9)	-18.0	(-16.4)
Information technology	39.2	(-4.8)	51.5	(+3.7)	9.3	(+1.1)	29.9	(-5.9)

Note: 307 Analysts participated in the August survey which was conducted during the period 07/31-08/21/06. 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.