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Economic Research

Economic Briefing

Germany – Early Bird deep in positive territorry

7 August 2026

Dr. Ralph Solveen AC

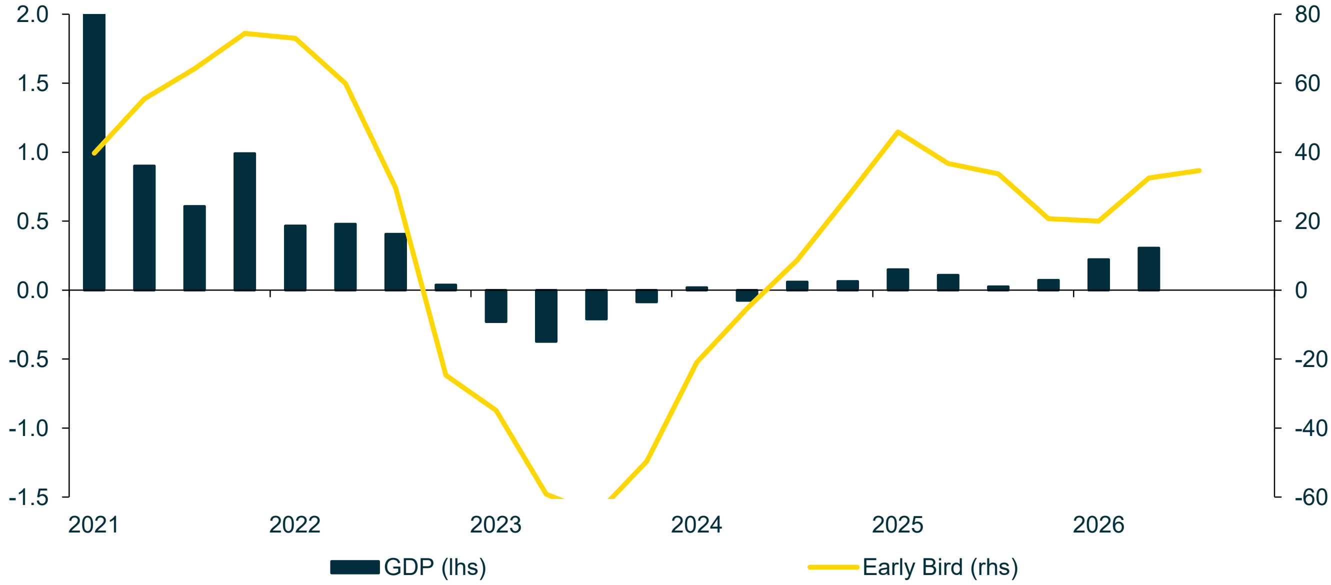
The Early Bird, our leading indicator for the German economy, rose from 30 to 33 points in July, thereby offsetting the slight decline from the previous month. It thus remains well in positive territory and signals that the German economy is likely to gain momentum in the coming quarters.

The Early Bird rose from 30 to 33 points in July. The global economic environment has thus improved somewhat, as the strong rise in the ISM index for U.S. manufacturing more than offset the decline in the other two purchasing managers' indices – for China and the eurozone (excluding Germany) – that we include in our Early Bird calculation. Added to this was a slightly weaker euro, which provided some tailwinds for the German economy from the FX market. These two factors outweighed the fact that the tailwind from monetary policy continued to diminish. Although the short-term real interest rate remains very low, it is now higher than it was a year ago.

Following the increase in July, which offset the decline in the previous month, the Early Bird remains clearly in positive territory. The cyclical conditions it tracks thus continue to be above average. In the past, real GDP was likely to rise during such phases. In this cycle, for example, the economy began to grow again when the Early Bird returned to positive territory (Chart 1). Since there are currently no signs of an imminent decline in the Early Bird, we expect the economy to continue its upward trend in the coming quarters, even though negative factors such as the Iran war and the current drought are likely to temporarily weigh on the economy.

Chart 1 - Early Bird signals ongoing recovery

Early Bird, real GDP, seasonally adjusted quarterly figures, change on quarter in percent, 3-quarter average



Source: Destatis, Commerzbank Research

Table 1 - Commerzbank leading indicator for the German economy (Early Bird)

	Jul 26	Jun 26	Mai 26	Apr 26	Mrz 26	Feb 26	Jan 26
Early Bird	35	32	33	33	24	17	19

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Analysts

Dr. Ralph Solveen AC
Senior Economist
+49 69 9353 45622
ralph.solveen@commerzbank.com

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Frankfurt	London	New York	Singapore
Commerzbank AG	Commerzbank AG	Commerz Markets LLC	Commerzbank AG
DLZ - Gebäude 2, Händlerhaus	PO BOX 52715	225 Liberty Street, 32nd floor,	128 Beach Road
Mainzer Landstraße 153	30 Gresham Street	New York,	#17-01 Guoco Midtown
60327 Frankfurt	London, EC2P 2XY	NY 10281-1050	Singapore 189773
Tel: + 49 69 136 21200	Tel: + 44 207 623 8000	Tel: + 1 212 703 4000	Tel: +65 631 10000