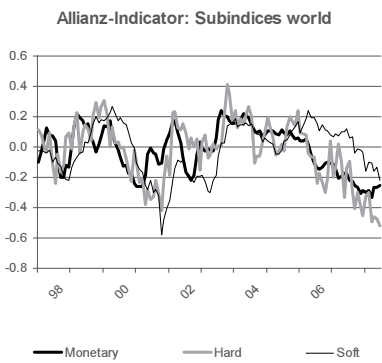
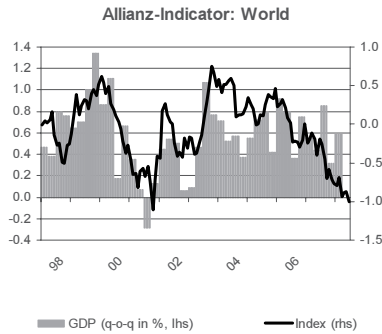


Allianz Indicator



WORLD ECONOMY OUT OF PUFF

- The Allianz World Indicator continued to head down in June. It has now reached a level pointing to a stagnation in world GDP in the summer months.
- Of particular concern is the ongoing downward trend in the hard sub-indicator. Without a lasting pickup in this component indicator, a sustained upward trend in the economy is not on the cards. Sentiment in the world economy also clouded over further in the month under review, also suggesting that the picture is not set to improve soon. Monetary conditions alone stabilized at a higher level in June, but are still below their long-term average.
- The regional indicator for the USA perked up marginally in June for the third month in a row on the back of the hard components. This means that the USA remains unlikely to slip into recession. By contrast, the regional indicators for the euro area and Japan deteriorated visibly.

ALLIANZ INDICATOR

	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08
Leading indicator euro area	0.2	0.1	-0.1	-0.4	-0.3	-0.5	-0.7	-0.6	-0.5	-0.8	-0.8	-0.7	-1.0
Sub-index monetary	-0.4	-0.4	-0.5	-0.7	-0.7	-0.9	-0.9	-0.8	-0.8	-1.2	-1.1	-1.1	-1.1
Sub-index hard	0.1	0.0	-0.3	-0.5	-0.3	-0.7	-1.1	-0.7	-0.6	-1.0	-0.9	-0.6	-1.1
Sub-index soft	1.1	1.0	0.9	0.1	0.2	0.5	0.3	-0.1	0.2	0.0	-0.3	-0.4	-0.7
Leading indicator USA	-0.5	-0.5	-0.6	-0.9	-0.9	-1.0	-1.1	-1.4	-1.2	-1.2	-1.1	-1.0	-0.8
Sub-index monetary	-0.4	-0.6	-0.5	-0.5	-0.6	-0.6	-0.5	-0.5	-0.5	-0.4	-0.1	-0.2	-0.1
Sub-index hard	-0.8	-0.4	-0.9	-1.5	-1.5	-1.4	-1.8	-2.0	-1.8	-2.1	-1.9	-1.9	-1.3
Sub-index soft	0.0	-0.5	-0.3	-0.6	-0.4	-0.9	-0.8	-1.7	-1.3	-1.2	-1.2	-0.7	-1.2
Leading indicator Japan	-0.5	-0.6	-1.1	-1.0	-0.6	-0.7	-0.2	0.3	0.1	-0.5	-0.6	-1.1	-1.4
Sub-index monetary	-1.0	-1.2	-1.4	-1.5	-1.4	-1.6	-1.6	-1.7	-1.7	-1.8	-1.7	-1.6	-1.6
Sub-index hard	-0.3	-0.5	-1.4	-1.2	-0.1	-0.5	0.7	2.1	1.6	0.4	0.3	-0.6	-1.4
Sub-index soft	0.1	-0.1	-0.1	0.1	-0.1	0.0	-0.1	-0.3	-0.4	-0.3	-0.8	-1.0	-1.4
Leading indicator world	-0.2	-0.3	-0.5	-0.7	-0.6	-0.7	-0.8	-0.8	-0.7	-0.9	-0.9	-0.9	-1.0
Sub-index monetary	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.5	-0.3	-0.3	-0.3	-0.3	-0.3
Sub-index hard	-0.1	-0.1	-0.3	-0.4	-0.3	-0.4	-0.5	-0.3	-0.3	-0.5	-0.5	-0.5	-0.5
Sub-index soft	0.1	0.1	0.1	0.0	0.0	0.0	0.0	-0.2	-0.1	-0.1	-0.2	-0.1	-0.2