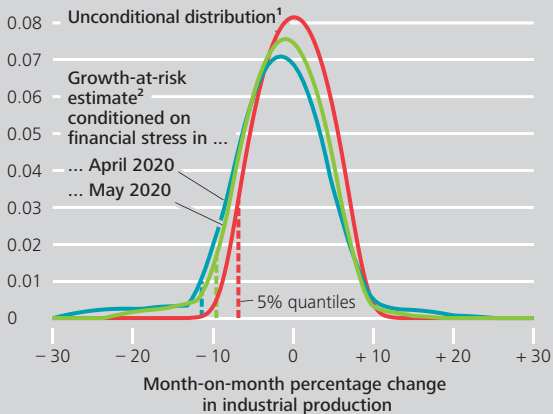


Downside risks to industrial production in Germany due to financial stress

Probability density



Sources: FRED Federal Reserve Bank of St Louis, Federal Statistical Office and Bundesbank calculations. **1** Based on the monthly changes in industrial production over the January 1990 to February 2020 observation period. **2** Based on a quantile regression in which the quantiles of the distribution of the change in industrial production are regressed on the values of two variables observed in the previous month: a measure of stress in the financial markets (VIX stock market volatility index) and a measure of financial conditions (Chicago Fed's National Financial Conditions Index).