



Registration for the press distribution list and further information at [www.sentix.co.uk](http://www.sentix.co.uk)



**Manfred Huebner**

CEFA, Managing Director

[manfred.huebner@sentix.de](mailto:manfred.huebner@sentix.de)



sentix GmbH

Wiesenhüttenstraße 17, 60329 Frankfurt am Main

Tel. +49 (69) 3487 961-0, [info@sentix.de](mailto:info@sentix.de)

## sentix Economic Index: More upside potential ahead!

- The **sentix Economic Indices surprise in January**. All indices have turned positive which indicates more growth potential ahead.
- Especially the indices for the Eurozone and Eastern Europe look promising. The headline index for the Eurozone increases by +8.2 points and reaches the highest value since August 2015.
- The headline index for the US economy rises above its recent December 2016 all-time high. We expect more economic upside potential in 2017.







### Statistics

Poll running: **05 to 07-January-2017**

Survey participants: **975 investors**

(**228** of those are institutional investors)

## Current economic regimes\* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
 Eurozone	boom	 USA	boom
 Germany	boom	 Japan	boom
 Switzerland	boom	Asia ex-Japan	boom
 Austria	boom	Latin America	upturn
Eastern Europe	upturn	Global Aggregate	boom

\* The regimes – ranging from recession to boom – are derived from the sentix Economic Indices according to the principle of the “economy clock” (see annotation on penultimate page). They reflect investors’ perceptions of different economies. These perceptions are the basis for investors’ behaviour, i.e. their asset allocation, and are thus relevant for financial markets. They are historically close to actual economic activities but need not necessarily be identical.

## Results for the Eurozone economy: January 2017

Euro area	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	
Overall Index	4.2	5.6	8.5	13.1	10.0	18.2	Highest value since 08-2015
Headline Index							
- Current situation	3.8	4.5	6.3	12.3	8.3	16.5	Highest value since 07-2011
- Expectations	4.8	6.8	10.8	14.0	11.8	20.0	



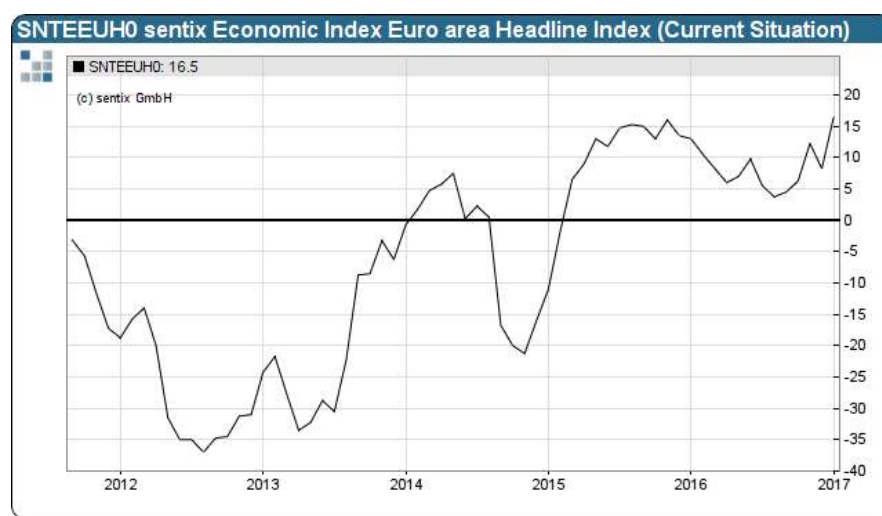
## Commentary on the survey results for January 2017

### More upside potential ahead!

The sentix economic indices surprise in January: All indices turn positive and imply more growth potential ahead. Especially the Eurozone and Eastern Europe benefit at the beginning of 2017. The headline index for the Eurozone increases by 8.2 points and reaches the highest value since August 2015. Economic expectations and current situation values improve dynamically. At the same time, we expect more economic upside potential for Eastern Europe and Austria due to its strong ties with the east of Europe. The US economy can maintain its strong growth momentum in January. The headline index marks the second all-time high in a row. Therefore, the Global Aggregate Index jumps to a 9-year high. Therefore, we expect more economic upside potential for 2017.

### Eurozone – the “Trump effect” arrives in Europe

In December, the economic indices for the US economy were in the spotlight. This month the indices for the Eurozone excel. At the beginning of 2017, the headline index for the Eurozone economy jumps significantly by +8.2 points. Both the current situation and the expectations component of our index manage to gain ground. Currently, investors are especially upbeat about the present economic situation of the Eurozone. The index rises to the highest level since July 2011.



sentix Economic Index for the Eurozone: Current Situation

In addition to the positive review of the Eurozone, investors upgrade their outlook on the German economy as well. Economic expectations increase by +4 points. The current situation index crests to a 5-year high and stands now at 52.5 points.

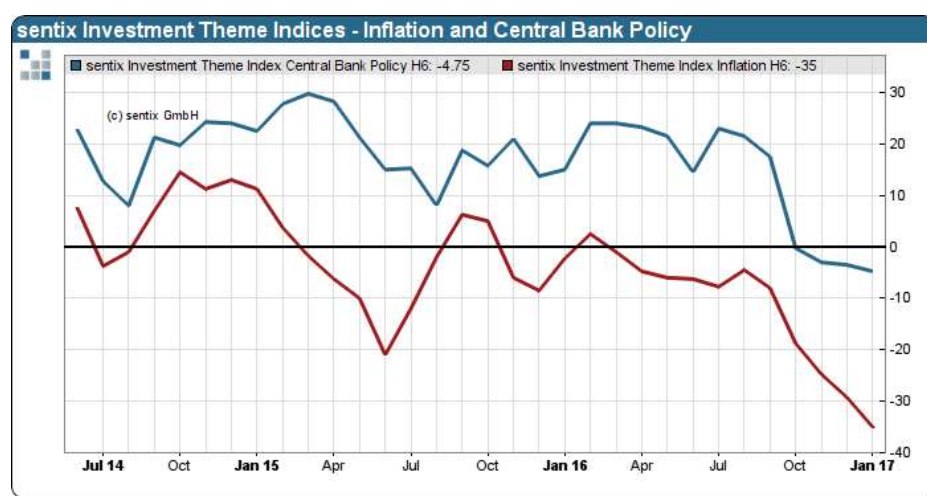
Germany	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17
Overall Index	19.8	19.5	27.7	29.2	27.8	33.1
Headline Index						
- Current situation	33.4	34.3	45.5	47.8	45.8	52.5
- Expectations	7.0	5.7	11.3	12.0	11.3	15.3

Highest value  
since 07-2011



The Eurozone's economic indices finally align with the already positive development of the indices of other world regions. The "Trump Effect" on the global economy, however, is not the trigger of the current economy recovery. Moreover, it is just an accelerator within an ongoing process. The present economic recovery started with the turnaround of the emerging markets' since February 2016. Even the surprising Brexit has been digested smoothly. The election of Donald Trump as next president of the United States has contributed to positive tailwinds. The acceleration of the recovery momentum, however, causes adverse side effects. The sentix Investment Theme Indices document those. Despite that the ECB does not show any signs of a policy reversal, the sub-indices measuring inflation and central bank policy indicate more downside risk for European bond markets. Hence, we expect a steepening of the yield curve.

Background Investment Theme Indices: sentix asks survey participants besides their opinion on the economy whether inflation, economic development, central bank policy, fiscal policy or the Euro/US-Dollar exchange rate may affect the European bond market.



sentix Investment Theme Indices: **Central Bank Policy** and **Inflation**

## Eastern Europe – To Russia with Love

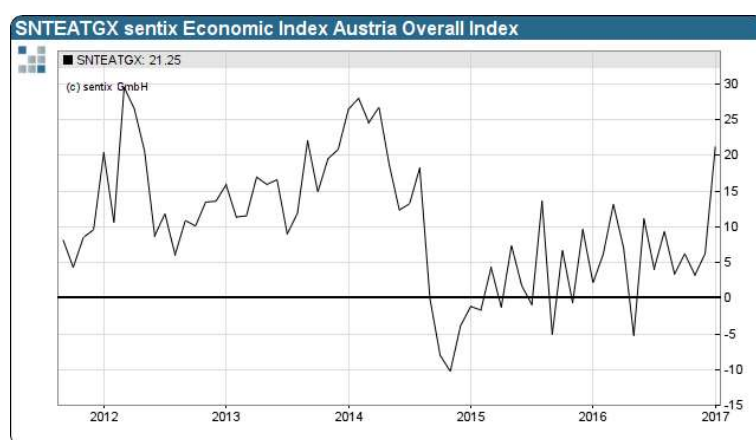
In January, even the troubled child of our index family benefits. The headline index representing Eastern Europe's economy increases by + 5.3 points. The region benefits from repeated announcements by president-elect Trump to establish a mutually beneficial relationship between the two countries. Investors start to dream of an end of the US imposed sanctions on the Russian economy.

Eastern Europe	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17
Overall Index	-5.0	-2.9	-1.6	2.2	1.8	7.1
<b>Headline Index</b>						
- Current situation	-12.8	-10.0	-8.5	-4.8	-6.5	0.0
- Expectations	3.0	4.5	5.5	9.5	10.5	14.5



As a consequence of a brighter outlook in Eastern Europe, the indices for the Austrian economy experience a positive feedback due to the close relationship. The headline index increases by +9 15 points as both expectation and current situation values advance.

Austria	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17
Overall Index	9.4	3.4	6.2	3.3	6.2	21.2
Headline Index						
- Current situation	7.3	2.2	3.3	3.3	6.0	20.5
- Expectations	11.5	4.5	9.3	3.3	6.5	22.0

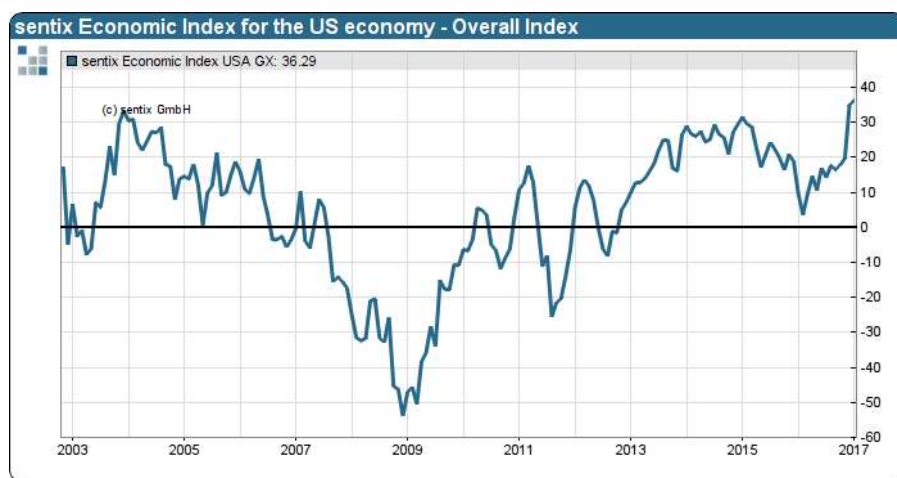


sentix Economic Index for Austria: Overall Index

## The United States – Second all-time high in a row!

Yes, they can! The sentix indicator measuring the health of the US economy hits a new all-time high in January. Despite that the 1.3 points increase is far from being spectacular, an additional increase after last month's astonishing leap upwards is noteworthy. The slight decrease of expectations should not unsettle investors. As expected, the indication of the previous sentix results is now visible in other leading US indicators such as the ISM and Markit-PMI. Sentix again proved its capability to be the first mover.

USA	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	
Overall Index	17.6	16.5	17.8	19.6	35.0	36.3	Highest level since 07-2002
Headline Index							
- Current situation	29.3	29.3	30.0	32.8	42.5	46.5	Highest level since 05-2006
- Expectations	6.5	4.5	6.3	7.3	27.8	26.5	



sentix Economic Index for the USA: Overall Index

## Global growth stimulus

Japan benefits from global economic tailwinds. The overall index increases by +5.7 points. As all regional economic indices have turned positive, we expect more upside potential to come in 2017. The sentix Global Aggregate has reached with 21.2 points a new 9-year high. Only in July 2007, the Global aggregate stood at a higher value.

Japan	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17
Overall Index	-6.2	-4.8	-1.3	1.3	9.0	14.7
Headline Index						
- Current situation	-12.8	-10.3	-6.8	-3.0	5.8	13.3
- Expectations	0.5	0.8	4.3	5.8	12.3	16.3

Highest value  
since 01-2014

Global Aggregate	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17
Overall Index	7.9	9.1	11.6	14.8	17.9	21.2
Headline Index						
- Current situation	8.4	10.3	12.5	16.8	17.8	22.4
- Expectations	7.4	7.9	10.7	12.9	18.0	20.0

Highest value  
since 05-2011

Highest value  
since 07-2007

Highest value  
since 01-2014





## More tables

Switzerland	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17
Overall Index	3.7	10.8	18.7	13.6	15.4	20.9
Headline Index						
- Current situation	6.5	18.9	25.0	15.8	20.5	23.8
- Expectations	1.0	2.9	12.5	11.5	10.5	18.0

Asia ex Japan	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17
Overall Index	14.1	16.4	19.7	22.4	20.6	21.7
Headline Index						
- Current situation	15.0	18.0	21.5	25.5	23.0	24.5
- Expectations	13.3	14.8	18.0	19.3	18.3	19.0

Latin America	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17
Overall Index	-12.5	-9.1	-6.0	0.8	-5.0	-2.6
Headline Index						
- Current situation	-29.3	-23.8	-21.5	-13.3	-21.3	-16.5
- Expectations	6.0	6.8	10.8	16.0	12.8	12.3



## Data availability

**Bloomberg**

**FACTSET**

 **THOMSON REUTERS**

**CEIC** | A Euromoney  
Institutional  
Investor Company

**Macrobond**

 **GLOBAL  
INSIGHT**

**HAVER ANALYTICS®**

**sentix**   
expertise in behavioral finance

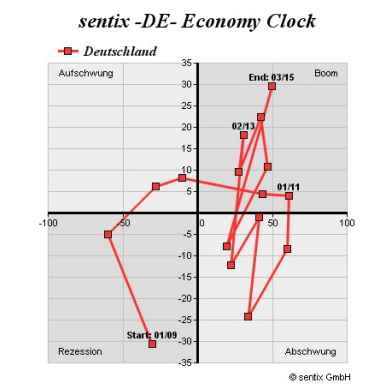
## About sentix

The sentix GmbH is an independent research institute based in Frankfurt/Main, Germany. Founded in 2001, sentix provides analysts and investors, as well as the media and officials, with information about investors' preferences and their estimates and expectations about markets and economic trends.

Sentix is recognised in the industry as one of the leading experts in market sentiment and Behavioral Finance data. Among our clients are big fund managements groups as well as banks and independent fiduciaries. The data products are derived from the sentix Global Investor survey, to which more than 5.000 investors from 20+ countries contribute.

## Background, methodology and more

See <http://economics.sentix.de>



## The idea of the „economy clock“

The sentix economy clock shows the assessment of the current situation and investors' 6-month expectations in an x-y diagram. The evaluation of the current situation is displayed on the x-axis and 6-month expectations on the y-axis. An upturn, for instance, is characterised by still negative readings for the assessment of the current situation but already positive values for investors' expectations. This is why the upturn area lies in the upper left part of the clock. The graph on the left-hand side shows Germany starting in 2009 from a recession ending in 03/15 in a boom.



## Disclaimer

### Important information concerning liability, compliance, protection of investors and copyright

This information is meant only for distribution in countries in which law permits this.

This analysis is for information purposes only and (i) does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any financial, money market or investment instrument or any security, (ii) is neither intended as such an offer for sale or subscription of or solicitation of an offer to buy or subscribe for any financial, money market or investment instrument or any security nor (iii) as an advertisement thereof. The investment possibilities discussed in this report may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. The investments discussed may fluctuate in price or value. Investors may get back less than they invested.

Changes in rates of exchange may hurt the value of investments. Furthermore, past performance is not necessarily indicative of future results. In particular, the risks associated with an investment in the financial, money market or investment instrument or security under discussion are not explained in their entirety.

We assume no liability for the information contained in this analysis. The analysis is no substitute for personal investment consultation. Even by the depicted opportunities and risks, investors must individually assess – by their personal investment strategies, the financial, legal and fiscal situation - whether an investment in the financial instruments depicted here is sensible for them. As this document is in no way a direct investment recommendation, this document or parts of it should not be used as the basis for any conclusion of the contract or any commitment to obligations of any kind. Investors are asked to contact the investment analysts of their banks for individual investment advice and other individual explanations and advice.

Neither the sentix GmbH nor any of its managing directors, employees or other persons assumes liability for losses or damages caused in connection with the use of this document or its contents.

The sentiment analysis is made available via the internet to those sentix participants of which is assumed that they do not base their investment decisions inappropriately by this analysis.

Statements or conclusions made through data or services do not include warrants or guarantees for the future market- or price changes. The opinions and assessments expressed therein can change without prior notice.

The sentix GmbH explicitly points out that both the sentix GmbH, its legal agents as well as their employees (in the following: the Involved) regularly conduct transactions in equity and other financial instruments which the data and services refer to. They do this both in their names and for their accounts as well as in the name and accounts of third parties. Should the Involved have been involved in an emission of instruments for the finance markets in the past 12 months, this is separately indicated at the corresponding place.

All rights of use for this analysis, its data and services are the property of the sentix GmbH and are copyrighted. The sentix GmbH reserves its right to inflict penalties for the unauthorised usage of data and services, especially unauthorised commercial use. Reproduction or subsequent processing of website elements, analyses, data or services in electronic, written or another form is prohibited without prior consent by the sentix GmbH. Analyses that are only available in the secure customer area may be quoted, neither in full nor in part. An exception to this are analyses, data or services which have been posted by the sentix GmbH via the press mailing list or which have been presented in another form for public propagation.

This analysis may not – either in full or in part, regardless of underlying intent – be forwarded, reproduced or published.

„sentix“ is a registered trademark of sentix Holding GmbH.

DAX, TecDAX, Xetra und Eurex have registered trademarks of the Deutsche Börse AG. Dow Jones EURO STOXX 50 is a registered trademark of the STOXX Limited. Other names of products and companies which may be mentioned on this site could also be protected or be registered trademarks of other companies.

### ANALYST DECLARATION

Neither in the past, present or future is the remuneration of the author linked – either directly or indirectly – to his or her recommendations or views expressed in this context.