



Registration for the press distribution list and further information at www.sentix.co.uk



Patrick Hussy
CEFA, Managing Director
patrick.hussy@sentix.de



sentix GmbH
Wiesenhüttenstraße 17, 60329 Frankfurt am Main
Tel. +49 (69) 3487 961-0, info@sentix.de







sentix Economic Index: Second exclamation mark of the "first mover"

- After the "first mover" had already indicated a dynamic turn in the economy at the beginning of November, he is now setting a second exclamation mark in the following month of December. The sentix overall index for Eurozone rises by 5.2 points to +0.7 points. The expectation values reach the highest level since March 2018!
- The German economy can also score: Expectations even make it up and reach the highest level since February 2018.
- The Region Asia ex Japan stands out particularly positively alongside Switzerland. At the global level, investors are now attesting the global index as a whole a slight upturn. The US economy is also radiating new life energy.

Statistics

Poll running: **5-Dec to 7-Dec, 2019**
Survey participants: **1,131 investors**
(284 of those are institutional investors)

Current economic regimes* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
 Eurozone	stagnation	 USA	cooling down
 Germany	stagnation	 Japan	slight upswing
 Switzerland	boom	Asia ex-Japan	upswing
 Austria	slight upswing	Latin America	downturn
Eastern Europe	slight downturn	Global Aggregate	slight upswing

* 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 Euro area economy: December 2019

Euro Area	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	-5.8	-13.7	-11.1	-16.8	-4.5	0.7	Highest since 05.2019
Headline Index							
- Current situation	1.8	-7.3	-9.5	-15.5	-5.5	-1.0	Highest since 07.2019
- Expectations	-13.0	-20.0	-12.8	-18.0	-3.5	2.5	Highest since 03.2018



Commentary on the survey results for December 2019

Second exclamation mark of the "first mover"

Many economic observers have come to terms with an economic downturn. But the "first mover" is sending an exclamation mark for the second month in a row with its dynamic turn: The sentix overall index for Euroland rises again, the expected values even reach the highest level since March 2018! Many things are going better than expected, the prospects are brightening across the globe. The Asia ex Japan region is developing into a special source of hope - especially for the German economy.

Euro area pulls its head out of the noose

Both the assessment of the current situation (+4.5 points) and the expectations (+6 points) are rising and confirm the dynamic turn of the sentix indication from the previous month. The second improvement in a row may be taken as an indication that the spectre of recession has been dispelled in the Euro zone. More and more investors are convinced that the worst is over for the economy in the Euro zone and that impulses from the central bank and politicians will stimulate the economy in the coming months. Investors are pinning their hopes on an increase in government spending on government investments. There have been repeated appeals from ECB Council members to the individual EU member states. The latest signals from the EU Commission also point in this direction.



sentix Economic Index for the Eurozone: **current situation** and **expectations**

Market observers have only just fully adjusted to a downturn and lowered their forecasts for 2020. The renewed improvement of the "first movers" is taking place at a time when many companies are still publishing bad news. But these concern the past. Rethinking is announced, an economic revival is definitely in the figures!

The indicated improvement is affecting labour markets, which have developed extremely robustly despite the economic weakness in 2018 / 2019. This applies to Euroland and also to US employment. As a result, the shortage of skilled labour is likely to accentuate and bring some surprises in terms of wages. This inevitably has consequences for the inflation trend and not least for the interest rate environment.



Germany is moving along

It is pleasing that Germany is also getting some of the positive tailwind. As a former world export champion, the country has recently been particularly affected by problems in world trade. Now that a trend reversal has been confirmed - starting with the region Asia ex Japan - this automatically means an easing for the German economy. The overall index rises by 5.1 points, the current situation and expectations improve similarly. After all, the economic expectations for Germany are at their highest level since February 2018!

Germany	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	-4.8	-13.7	-12.8	-19.4	-6.5	-1.4	Highest since 06.2019
Headline Index							
- Current situation	7.0	-5.5	-10.5	-18.0	-8.3	-3.3	Highest since 07.2019
- Expectations	-16.0	-21.5	-15.0	-20.8	-4.8	0.5	Highest since 02.2018

USA: Can't be crushed

The sentix overall index for the US economy rises to +11.6 points, the highest level since May 2019. Customs disputes with China continue to have little effect on the US economy. The labor market and consumer spending remain stable, which is reflected in a good assessment of the current situation (27.0 points). The 6-month outlook is improving, the subindex is climbing slightly more undynamically by 3.5 points.

United States	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	7.0	4.9	5.5	-4.1	8.7	11.6	Highest since 05.2019
Headline Index							
- Current situation	29.5	30.0	25.8	13.0	24.8	27.0	
- Expectations	-13.3	-17.5	-13.0	-19.8	-6.3	-2.8	Highest since 03.2018

Asia ex Japan: Bearers of hope

The region Asia ex Japan is developing into a bearer of hope in the global context. The economic region around China is in the upswing quadrant on the economic clock. All sub-indices are in positive territory. Investors are thus making an advance payment, because an agreement in the trade dispute with the USA and a solution to the Hong Kong crisis are by no means in the dark. Should a positive agreement be reached here, this should strengthen the recovery process.

Asia ex Japan	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	9.3	1.6	2.9	0.0	8.5	12.0	Highest since 05.2019
Headline Index							
- Current situation	19.3	12.8	10.0	6.0	11.8	14.3	Highest since 07.2019
- Expectations	-0.3	-9.0	-4.0	-5.8	5.3	9.8	Highest since 05.2019



Further result tables

Japan	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	1.4	-5.4	-3.0	-8.9	0.9	2.9	Highest since 05.2019
Headline Index							
- Current situation	11.3	3.3	2.8	-5.0	3.5	2.0	
- Expectations	-8.0	-13.8	-8.5	-12.8	-1.8	3.8	Highest since 03.2018
Eastern Europe	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	-1.0	-7.6	-5.4	-10.4	-1.8	0.7	Highest since 05.2019
Headline Index							
- Current situation	3.3	-0.5	-2.3	-7.8	-1.0	0.3	Highest since 07.2019
- Expectations	-5.3	-14.5	-8.5	-13.0	-2.5	1.3	Highest since 05.2019
Latin America	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	-6.6	-11.3	-19.2	-19.0	-17.4	-15.4	
Headline Index							
- Current situation	-9.0	-10.5	-23.0	-23.3	-24.5	-25.0	Lowest since 08.2016
- Expectations	-4.3	-12.0	-15.3	-14.8	-10.0	-5.3	Highest since 07.2019
Global	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	3.9	-2.3	-1.6	-6.3	3.0	6.4	Highest since 05.2019
Headline Index							
- Current situation	14.2	9.3	5.7	-0.3	6.9	9.0	
- Expectations	-5.8	-13.3	-8.7	-12.1	-0.7	3.8	Highest since 05.2019
Switzerland	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	9.1	3.6	5.0	-10.4	10.3	15.5	Highest since 06.2019
Headline Index							
- Current situation	28.0	24.0	21.3	-0.8	20.8	20.0	
- Expectations	-8.3	-15.0	-10.0	-19.5	0.3	11.0	Highest since 02.2018
Austria	Jul. 19	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	
Overall index	15.2	13.0	11.5	1.4	4.0	8.1	
Headline Index							
- Current situation	24.8	25.8	23.8	10.5	10.8	10.0	Lowest since 12.2016
- Expectations	6.0	1.0	0.0	-7.3	-2.5	6.3	Highest since 05.2019



Data availability

Bloomberg L.P.

FACTSET



Macrobond



HAVER ANALYTICS®

sentix 
expertise in behavioral finance

About sentix

sentix is the pioneer and leading provider of sentiment analyses (behavioural finance) in Europe. Since 2001 sentix surveys on a weekly basis around 5.000 investors from over 20 countries (comprising over 1.000 institutional and almost 4.000 individual investors) about their expectations for financial markets as well as for economic developments and their portfolio actions. The sentix survey results are representative of a broadly diversified group of investors.

sentix surveys offer the rare combination of a vast number of participants, high quality and an outstanding speed with which information is gathered and passed on. All sentix indices are regularly accessible for sentix data clients just about one day after the close of each poll – via the sentix website or Bloomberg. sentix clients thus can use sentix data almost in real time to further improve performance.

sentix GmbH was founded in 2001 and today represents the basis for all the services the sentix group offers to its clients in the field of Behavioural Finance.

Background, methodology and more

Current reports and documentation: <https://www.sentix.de/index.php/en/sentix-Economic-News/>

Charts and tables: <https://www.sentix.de/index.php/en/sentix-Economic-Factsheets/economy-at-a-glance.html>



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.