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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



ISI Emerging
Markets Group

EMIS GEIC

Macrobond



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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>



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