



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: Recession shock is deep

- The corona virus is keeping the global economy in a stranglehold: without exception, all regions of the world are in a deep recession. Never before has the assessment of the current situation collapsed so sharply in all regions of the world within one month.
- In Euroland, the overall index fell by 25.8 points. For the second month in a row, a negative record is set in the economic slump. The Euroland overall index marks an all-time low.
- The recession shock is deep - in all regions of the world. The US, too, is now in a full downward spiral. The region Asia ex Japan (China) offers the only glimmer of hope: economic expectations signal that at least no deterioration in the current situation should occur there. A fast, V-shaped recovery is unlikely.

Statistics

Poll running: **02-Apr to 04-Apr 2020**
Survey participants: **1.173 investors**
(**268** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

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

* 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: April 2020

Euro Area	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	-4.5	0.7	7.6	5.2	-17.1	-42.9	Alltime Low!
Headline Index							
- Current situation	-5.5	-1.0	5.5	4.0	-14.3	-66.0	Alltime Low!
- Expectations	-3.5	2.5	9.8	6.5	-20.0	-15.8	



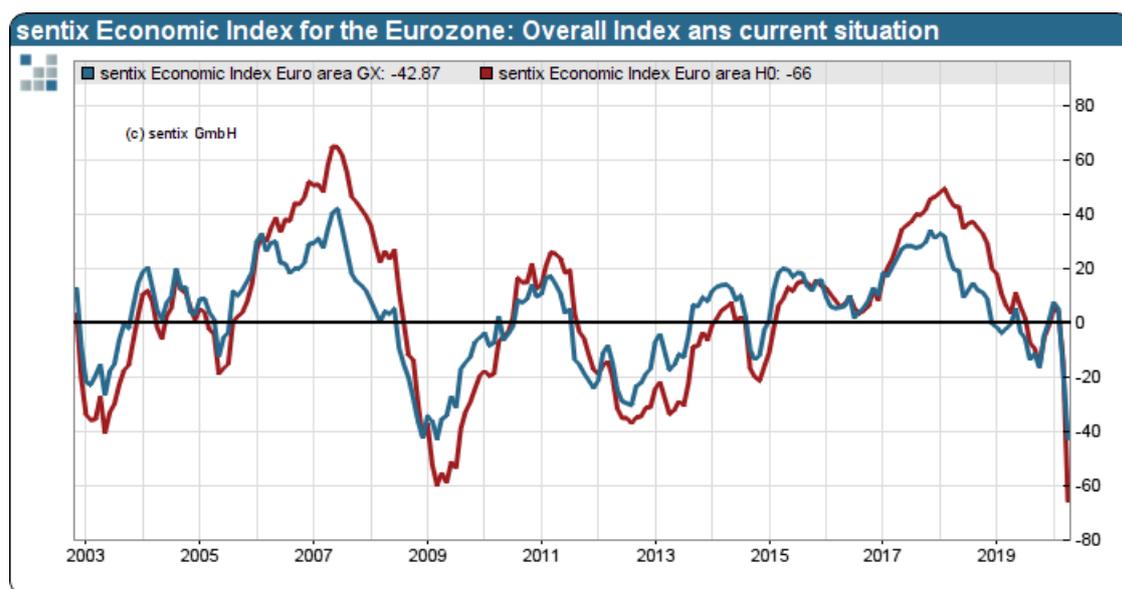
Commentary on the survey results for April 2020

Recession shock is deep

The corona virus is holding the world economy in a stranglehold. Never before has the assessment of the current situation collapsed so sharply in all regions of the world within one month. In Euroland, the overall index is falling to an all-time low. The USA is now also in a full downward spiral. The region Asia ex Japan (China) sends the only glimmer of hope: economic expectations there at least signal no deterioration. A quick V-recovery of the economy is not to be expected.

Euro area: Situation worse than 2009

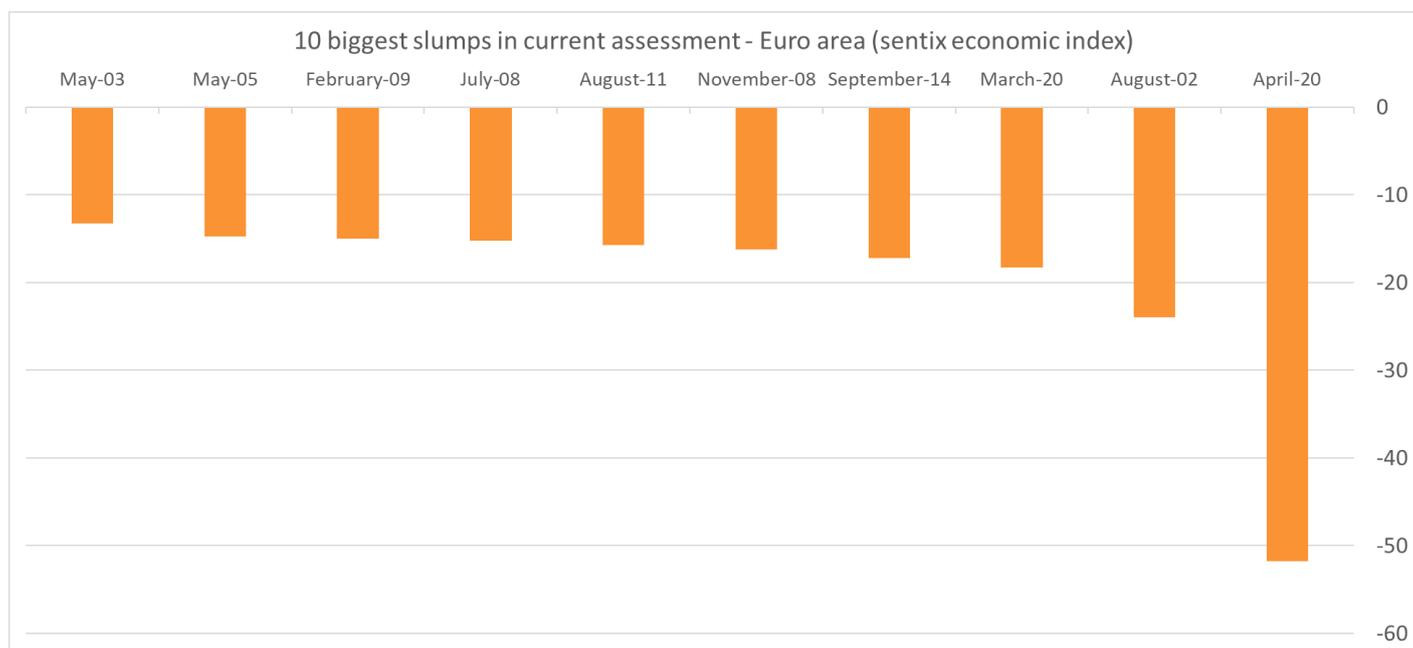
The economy in Euroland is in a deep recession. The corona crisis and the simultaneous worldwide shutdown is essentially bringing economic activity to a standstill. Never before has the current situation in Euroland (-66.0 points) been assessed so negatively as at the current edge. We also note a negative record of -42.9 points in the overall index. The massive deterioration of the previous month is thus continuing, and the full force of the recession is only much stronger!



sentix Economic Index for the Eurozone: Overall Index and current situation

The outline of the current assessment component is unparalleled in the history of sentix: The monthly change of -51.75 points is an absolute record since the beginning of the sentix data collection in 2003. The figures underscore the dramatic economic situation in the euro zone.

When analysing such breakdowns, not only the rate of change should be taken into account, but also the level at which this change takes place. The disruption takes place from a negative previous value of -14.3 (already recessive) to -66 points. The situation is therefore much worse than in 2009. Economic forecasts to date underestimate the shrinking process. The recession will go much deeper and longer! There is an enormous need for revision in the already reduced forecasts of many institutes.



The 10 largest monthly changes in the current assessment of the economic situation in the euro zone since 2003

The rate of change of currently -51.75 points documents a deep shock to the investors surveyed. This state of shock does not only affect the institutional investor group and can thus be limited to the circle of financial market participants, but also affects private investors to the same extent. These reflect the picture from all sectors and sub-sectors of the economy. Euroland must prepare itself for a severe economic and social test.

Institutional investor

- Current situation	-3.5	0.0	6.5	5.0	-11.0	-67.0
- Expectations	1.5	7.5	16.0	13.0	-17.5	-10.5

Individual investor

- Current situation	-7.5	-2.0	4.5	3.0	-17.5	-65.0
- Expectations	-8.5	-2.5	3.5	0.0	-22.5	-21.0

Detailed information on Euroland by investor groups

Are there also positive things to report from the current figures? The downward momentum in the expectations for the euro zone is losing momentum, with the sub-index rising by as much as 4.2 points in April to the current -15.8 points. However, this should not yet be interpreted as a signal for a turnaround. Taking into account that the expectations component reflects the future prospects in relation to the current status quo, the current improvement does not point to a recovery or even an easing. For this to happen, the expectation values would have to turn into the positive range.

Germany: Labour market measures masks the real deterioration

The recession shock is also deep in Germany. The overall index is falling to its lowest level since March 2009 at -36 points. The power of recession is not yet really being felt by many in Germany, as many employees are currently falling into the social safety net of the labour market measures or are receiving aid payments from the state. However, these



only have a short-term effect and could at best postpone an adjustment reaction by economic entities. Hope is therefore based on the expectation component. Will things get better soon? Although the downward pressure on the expectations component is easing noticeably, rising from -20.5 to -9 points, the outlook for the economy is not yet clear. However, a turnaround can only be proclaimed if expectations rise above zero with a view to the future. Unfortunately, this is currently not the case. sentix - the first mover of leading indicators - is not yet sending a turnaround signal.

Germany

	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	-6.5	-1.4	6.9	4.5	-16.9	-36.0	Lowest since 03.2009
Headline Index							
- Current situation	-8.3	-3.3	6.0	4.3	-13.3	-59.3	Lowest since 05.2009
- Expectations	-4.8	0.5	7.8	4.8	-20.5	-9.0	

USA: Now Trump and the economy have also been hit

The US has now arrived in the midst of the global recession. Not only are the virus infection figures rising at a record pace, but the impact on the US economy is also increasing. About 10 million new unemployed in 2 weeks draw a devastating economic picture, which has been suppressed in Germany so far by labour market measures. The virus uncovers all the shortcomings and failures of politics and society. The US president also feels the effects of this, because no "deal" can be made with the corona virus. The slogan "America first" now also applies to the infection statistics. The consequences are dramatic, the current situation collapses within 2 months by an incredible 97.3 points!

United States

	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	8.7	11.6	15.9	20.3	0.2	-39.1	Lowest since 03.2009
Headline Index							
- Current situation	24.8	27.0	31.0	38.3	17.8	-59.0	Lowest since 07.2009
- Expectations	-6.3	-2.8	1.8	3.8	-16.0	-16.5	Lowest since 10.2019

Asia ex Japan: No "V" shaped recovery

In Asia ex Japan, especially in China, the recession is already immanent. The region, which was the first to be paralysed by the new virus, remains in recession in April. The overall index lost ground to -21.8 points, driven by the current situation, which continues to deteriorate at -41.8 points, although the shutdown there is already being reversed. The news from the Chinese central government that 85% of the economy is back to normal appears to be untrusted. The global networking of the economy is far too strong for this. Nor should the rise in the expectations component from -12.5 points to 0 be applauded. Instead, investors are continuing the current trend, only it is not getting any worse. So far we are far from a V-shaped recovery of the economy.

Asia ex Japan

	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	8.5	12.0	18.4	7.1	-13.5	-21.8	Lowest since 12.2008
Headline Index							
- Current situation	11.8	14.3	20.3	6.8	-14.5	-41.3	Alltime Low!
- Expectations	5.3	9.8	16.5	7.5	-12.5	0.0	



Further result tables

Japan	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	0.9	2.9	7.4	7.0	-17.5	-30.5	Lowest since 07.2009
Headline Index							
- Current situation	3.5	2.0	7.8	8.5	-16.8	-50.5	Lowest since 07.2009
- Expectations	-1.8	3.8	7.0	5.5	-18.3	-7.8	
Eastern Europe	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	-1.8	0.7	5.4	5.5	-12.9	-38.6	Lowest since 04.2009
Headline Index							
- Current situation	-1.0	0.3	3.8	5.3	-10.8	-58.5	Lowest since 05.2009
- Expectations	-2.5	1.3	7.0	5.8	-15.0	-16.0	Lowest since 12.2011
Latin America	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	-17.4	-15.4	-9.5	-6.9	-20.4	-45.5	Alltime Low!
Headline Index							
- Current situation	-24.5	-25.0	-18.5	-14.5	-22.5	-65.0	Alltime Low!
- Expectations	-10.0	-5.3	0.0	1.0	-18.3	-23.3	Lowest since 01.2009
Global	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	3.0	6.4	12.1	8.1	-12.0	-32.2	Lowest since 03.2009
Headline Index							
- Current situation	6.9	9.0	14.5	10.5	-8.8	-52.3	Lowest since 03.2009
- Expectations	-0.7	3.8	9.8	5.8	-15.3	-9.3	
Switzerland	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	10.3	15.5	14.4	14.0	-9.4	-32.9	Lowest since 03.2009
Headline Index							
- Current situation	20.8	20.0	25.0	27.0	-6.0	-46.0	Alltime Low!
- Expectations	0.3	11.0	4.3	1.8	-12.8	-18.8	Lowest since 10.2019
Austria	Nov. 19	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	
Overall index	4.0	8.1	24.4	20.2	-3.0	-37.3	Alltime Low!
Headline Index							
- Current situation	10.8	10.0	25.3	28.0	11.5	-63.8	Alltime Low!
- Expectations	-2.5	6.3	23.5	12.8	-16.5	-5.8	



Data availability

Bloomberg L.P.

FACTSET

REFINITIV™




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.