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Manfred Hübner
Managing Director, CEFA
manfred.huebner@sentix.de



sentix GmbH
Mainzer Strasse 4b, 65550 Limburg/Lahn
Tel. +49 (6431) 59786-04, info@sentix.de

sentix Economic Index: Upswing (still) without Germany

- To speak of a spring revival would probably be an exaggeration. However, the sentix economic index for the eurozone has improved for the fifth time in a row, although it remains negative at -10.5 points.
- This is largely due to the weak development in Germany, where the overall index fell against the general trend to -27.9 points. The recession is persistent.
- We are seeing a clearly positive trend in the US data and in the development of the Asia ex-Japan region. With the start of the new Chinese year, the expectation values jump to 15.8 points. A new phase of growth is also on the horizon for the Latin America region.

Statistics

Poll from **29th Feb. to 2nd Mar. 2024**
Survey participants: **1,267 investors**
(**246** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
Eurozone	Downturn	USA	Upswing
Germany	Recession	Japan	Upswing
Switzerland	Upswing	Asia ex-Japan	Upswing
Austria	Stabilization	Latin America	Stabilization
Eastern Europe	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: March 2024

Euro Area	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24		
Overall index	-21.9	-18.6	-16.8	-15.8	-12.9	-10.5	Highest since 04.2023	5. increase in a row
Headline Index								
- Current situation	-27.0	-26.8	-23.5	-22.5	-20.0	-18.5	Highest since 06.2023	5. increase in a row
- Expectations	-16.8	-10.0	-9.8	-8.8	-5.5	-2.3	Highest since 02.2022	6. Increase in a row



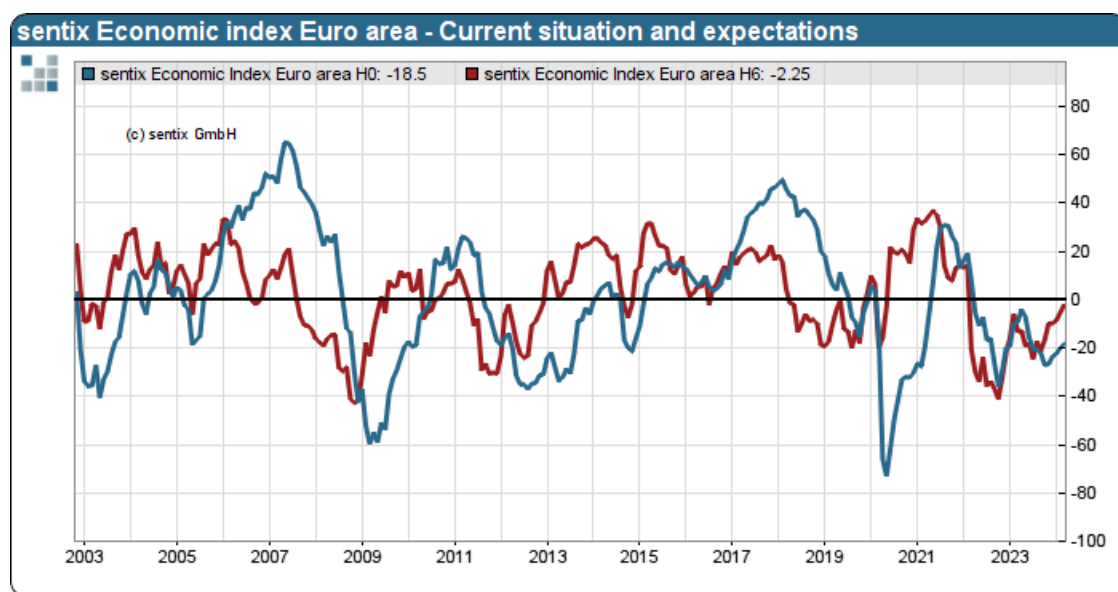
Commentary on the survey results for March 2024

Upswing (still) without Germany

At the beginning of March 2024, the sentix economic indices are improving for the most part, albeit still in mostly small steps. The overall Eurozone index rises by 2.4 points to -10.5 points. This is the fifth increase in a row. The situation also improved for the fifth time and expectations even for the sixth time (+3.2 points to -2.3 points). Nevertheless, one cannot speak of a typical spring revival. This is because Germany, as an economic heavyweight, remains the ghost driver and is hampering the recovery. The situation looks more favourable in the other global regions. The USA, Asia ex Japan and Latin America are particularly favourable.

Euro area: No spring revival yet

It is the best value since April 2023: the overall economic index for the eurozone rises by 2.4 points to -10.5 points. The fifth increase in a row is thus in line with what economists had expected for the data release. The situation also improved by 1.5 points, but remains at -18.5 points, which indicates a certain tendency towards recession, at least in individual sectors. Expectations improved for the sixth time by 3.2 points. Here too, however, the sign remains negative with an index reading of -2.3 points. Nevertheless, these are the best expectation values since February 2022, i.e. since the start of the war in Ukraine.



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

Although the data points in the right direction, there can be no talk of a classic spring revival. The momentum is also comparatively weak, starting from the very weak values at the end of 2022. This is probably also due to the changed interest rate landscape. From an investor perspective, the ECB is currently acting too restrictively. As a result, they expect a more expansive approach despite the moderate economic recovery. The thematic index for central bank policy continues to rise to +19.5 points.

In view of the economy, interest rate policy is seen as too restrictive. Investors are also not worried about a return of inflation. The corresponding sub-index remains virtually unchanged at 9.75 points. Investors therefore remain confident about the bond markets.



Germany: The ghost drivers

The German economy is increasingly turning into an economic ghost train. In view of the improving global data, it is becoming increasingly apparent that it is Germany's extraordinary, unfortunately unsuccessful economic policy that is preventing a thorough economic recovery in the heartland of Europe. The recession remains in place and the data is deteriorating even at this weak level. The situation is as weak as it was in July 2020 and Germany has already manoeuvred itself back into an "economic lockdown".

Germany	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24	
Overall index	-31.1	-26.3	-25.5	-26.1	-27.1	-27.9	3. decline in a row
Headline Index							
- Current situation	-39.5	-37.8	-35.3	-35.5	-39.3	-40.5	Lowest since 07.2020 3. decline in a row
- Expectations	-22.3	-14.0	-15.3	-16.3	-14.0	-14.3	

USA: Firm equities are fuelling economic sentiment

In recent months, we have often praised the robustness of the US economy, which has defied both the global downturn and a restrictive monetary policy. However, the rise in the sentix economic data that we measured at the beginning of March is less likely to be a sign of economic strength, but is in no small part inspired by the firm equity markets. This is because the situation values, which rise to 29.5 points, are hardly reflected in other indices that say anything about the current state of the economy. But economics is psychology, as we all know, and it remains to be seen whether record highs in equities will be accompanied by real improvements.

United States	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24	
Overall index	0.8	5.0	5.6	6.2	12.1	16.9	Highest since 02.2022 5. increase in a row
Headline Index							
- Current situation	11.8	18.0	19.3	17.5	25.3	29.5	Highest since 03.2022
- Expectations	-9.5	-7.3	-7.3	-4.5	-0.3	5.0	Highest since 02.2022 3. Increase in a row

Asia ex Japan: New year, new luck?

The Chinese New Year is behind us and investors are optimistic about the coming months. Expectations in particular show a significant improvement from 10.3 to 15.8 points. This is the best value since February 2023 and the fifth increase in a row. The Chinese economy is thus attempting a comeback.

Asia ex Japan	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24	
Overall index	0.7	2.7	4.1	6.7	6.7	13.0	Highest since 02.2022
Headline Index							
- Current situation	1.0	1.3	2.0	4.8	3.3	10.3	Highest since 05.2023
- Expectations	0.5	4.3	6.3	8.8	10.3	15.8	Highest since 02.2023 5. Increase in a row



Further result tables

Japan	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24		
Overall index	3.3	4.5	4.6	6.8	13.2	12.5		
Headline Index								
- Current situation	10.3	8.5	9.3	10.3	18.5	14.5		
- Expectations	-3.5	0.5	0.0	3.5	8.0	10.5	Highest since 02.2022	3. Increase in a row
Eastern Europe	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24		
Overall index	-23.1	-21.1	-19.2	-17.9	-15.7	-11.8	Highest since 02.2022	5. increase in a row
Headline Index								
- Current situation	-30.0	-29.0	-27.5	-25.3	-23.8	-18.8	Highest since 02.2022	5. increase in a row
- Expectations	-16.0	-12.8	-10.5	-10.3	-7.3	-4.5	Highest since 02.2022	5. Increase in a row
Latin America	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24		
Overall index	-11.5	-11.5	-10.2	-6.5	-5.7	-2.6	Highest since 02.2022	6. increase in a row
Headline Index								
- Current situation	-15.0	-16.8	-16.3	-10.5	-11.8	-8.8	Highest since 04.2022	
- Expectations	-8.0	-6.0	-4.0	-2.5	0.5	3.8	Highest since 02.2022	6. Increase in a row
Global	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24		
Overall index	-5.8	-3.3	-2.0	-0.1	2.0	6.6	Highest since 02.2022	5. increase in a row
Headline Index								
- Current situation	-5.0	-3.8	-2.5	-0.8	0.9	5.5	Highest since 03.2022	5. increase in a row
- Expectations	-6.6	-2.8	-1.6	0.5	3.2	7.7	Highest since 02.2022	6. Increase in a row
Switzerland	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24		
Overall index	-3.7	-2.3	3.3	2.9	4.1	11.8	Highest since 04.2022	
Headline Index								
- Current situation	0.5	3.5	10.5	11.8	12.0	15.3	Highest since 08.2023	5. increase in a row
- Expectations	-7.8	-8.0	-3.8	-5.5	-3.5	8.5	Highest since 02.2022	
Austria	Oct. 23	Nov. 23	Dec. 23	Jan. 24	Feb. 24	Mar. 24		
Overall index	-26.3	-20.7	-23.0	-17.1	-12.6	-10.5	Highest since 06.2023	3. increase in a row
Headline Index								
- Current situation	-29.5	-26.3	-35.5	-28.8	-22.0	-21.3	Highest since 09.2023	3. increase in a row
- Expectations	-23.0	-15.0	-9.5	-4.8	-2.8	1.0	Highest since 02.2022	5. Increase in a row



Data availability

Bloomberg L.P.

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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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