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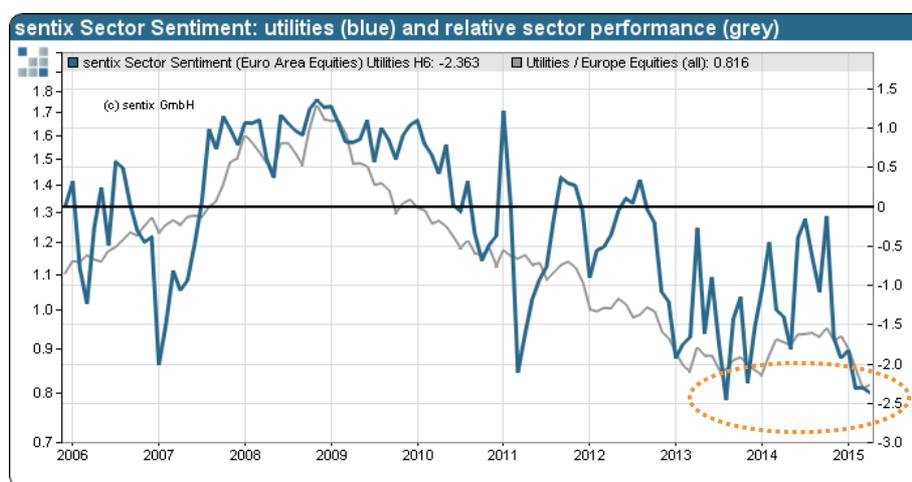
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## Utilities – a contrarian opportunity

**sentix Sector Sentiment for European utilities stocks falls further and now stands close to its all-time low. At the same time the sector's performance stabilises. As a result, a contrarian opportunity arises.**

In April, sentix Sector Sentiment for European utilities stocks falls to -2.4 standard deviations (see "Background" on next page). Currently, this is the worst sentiment among investors measured by sentix (see graph). In addition, **the indicator now has almost reached its all-time low dating from August 2013** – which was then the beginning of a longer period of outperformance for the sector (see graph)!



**At the same time prices do send positive signals, too:** The European utilities future has climbed to a new high in the year running, and the sector's relative strength now trades in a support zone. Consequently, the present sentiment extreme – which taken for itself sends a contrarian buying signal – also falls on a fertile ground from a chartists' perspective. **The chances that utilities stocks will outperform over the coming weeks are thus rather good.**



## Background

sentix Sector sentiment is a monthly survey being conducted since 2002 among individual and institutional investors via the internet. The survey is run around the second Friday of each month. Investors are asked about their six-month expectations regarding 19 European stocks sectors. They can indicate whether they expect a sector to outperform, to perform as the market or to underperform. The survey results are normalised over all sectors and calculated as so-called z-scores. Z-scores are standard deviations from the mean of a given sample. A value of +1 for a sector sentiment means, for instance, that the expectations for the sector stand one standard deviation above the mean expectation for all sectors.

The current sentix Sector Sentiment survey was conducted from April 09 to April 11, 2015. 973 individual and institutional investors took part in it.

## About sentix

sentix is the pioneer and leading provider of sentiment analyses (behavioral 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 large 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 via Bloomberg. sentix clients thus are able to use sentix data almost in real time in order 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 Behavioral Finance.



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