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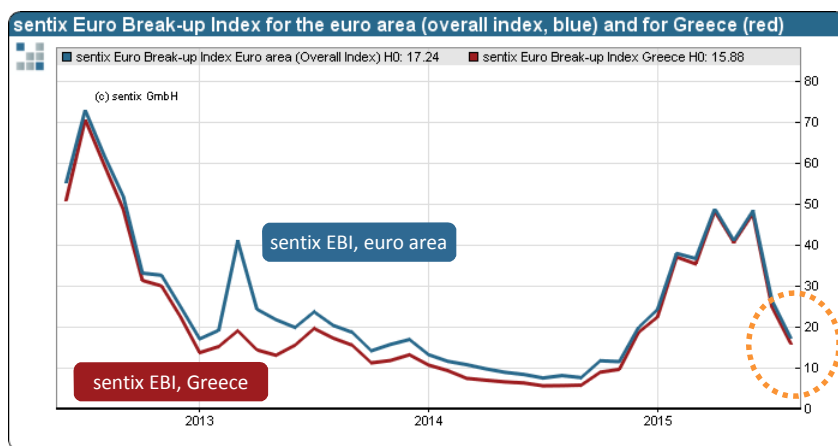
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Euro Break-up Index signals chances for Greek government bonds

The sentix Euro Break-up Index (EBI) falls from 26.5% to 17.2% in August, its lowest reading since November last year. The development is driven by the fact that an increasing number of investors do not expect a “Grexit” anymore. This makes Greek government an opportunity.

The fading “Grexit” fears are mirrored in the national **EBI for the Hellenic Republic** which drops from 25.0% to **15.9%**, also its lowest level since November 2014. While the political risks in Greece have risen with the fresh announcement of snap elections, the third rescue package for the country has clearly taken shape over the recent weeks (for instance by its adoption by the German Bundestag). For the rest of the countries the EBI moves scarcely in August, the exception being **Cyprus** for which the index decreases to a new all-time low at **2.3%**.



This month's takeaway is thus that first and foremost a strongly growing number of investors expect Greece to be kept in the euro zone. Such a scenario makes **Hellenic government bonds rather attractive**. Here, the current EBI readings indicate further potential – supposed investors will start to act according to their expectations reflected in the indices. For 10-year Greek government bonds, for instance, the national EBI for Greece – all other things equal – points to yields clearly below 8% – and thus turns them perhaps into to the **most interesting trade in the “govies” market** at the current juncture.



Background

The sentix Euro Break-up Index is published on a monthly basis and was launched in June 2012. Its poll is running for two days around the fourth Friday of each month. Results are regularly published on the following Tuesday morning. Survey participants may choose up to three euro-zone member states of which they think they will quit the currency union within the next twelve months. Further details on the sentix Euro Break-up Index can be found on: <http://ebr.sentix.de>.

This month's reading of 17.2% means that currently this percentage of all surveyed investors expect the euro to break up within the next twelve months. The EBI has reached its high at 73% in July 2012, and touched its low at 7.6% in July 2014.

The current poll in which 981 individual and institutional investors participated was conducted from August 27 to August 29, 2015.

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.

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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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