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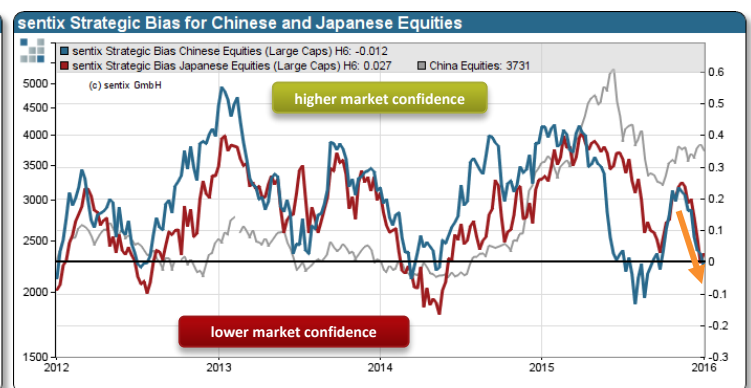
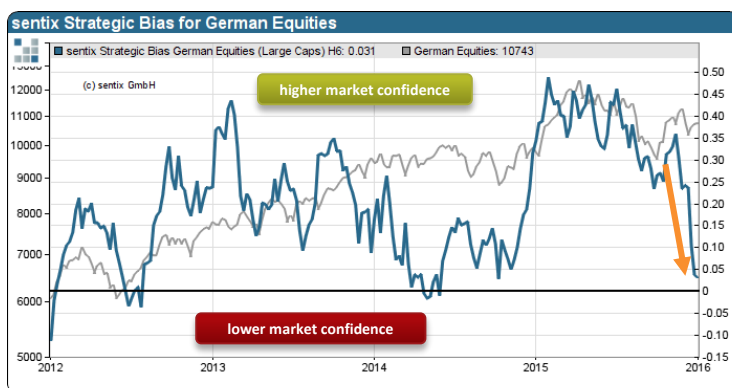
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Investors' confidence in equity markets plunges – a “bearish” signal

Investors' confidence in major equity markets suffered a blow recently as analysed in the latest sentix Global Investor Survey. The strategic optimism continues to fall to a 52 week low for German equities. Likewise, confidence in East Asian equity markets have been significantly hit.

The latest sentix Strategic Bias for German equities, as well as for Chinese and Japanese equities, which measures investor's market confidence e.g. intermediate-term market expectations (six months), continues trending downwards as 2015 draws a close. Correspondingly, the indicator for the DAX (German large caps) falls to a 52 week low (see left chart). On the one side, investors react confused about the state of the global economy. Yet on the other side, sluggish growth in China begins to dawn on investors that the rebalancing of the Chinese economy will probably cause collateral damage. The dramatic slump in equity prices across Chinese stock exchanges on the first trading day of 2016, once more **confirms the leading attributes of the sentix indicator in predicting significant market turning points**. As observed at the beginning of 2015 in case for German equities or in mid of 2015 for the Chinese stock market: significant changes in investors' market confidence translate into a rebalancing of portfolios.



Therefore, a **deterioration in the sentix Strategic Bias should be interpreted as a “bearish” signal for equity markets in the intermediate-term.**



Background

The **sentix Strategic Bias** (investors' six-month market confidence) is polled on a weekly basis since 2001 as part of the sentix Global Investor Survey. It reflects the strategic view of market participants as well as their basic convictions and perceptions of value for a given market. As this indicator represents investors' general willingness to buy or sell it should not be interpreted as a contrarian signal. Rather it is usually leading the market by several weeks.

The current **sentix Global Investor Survey** was conducted from December 30, 2015 to January 01, 2016. 928 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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