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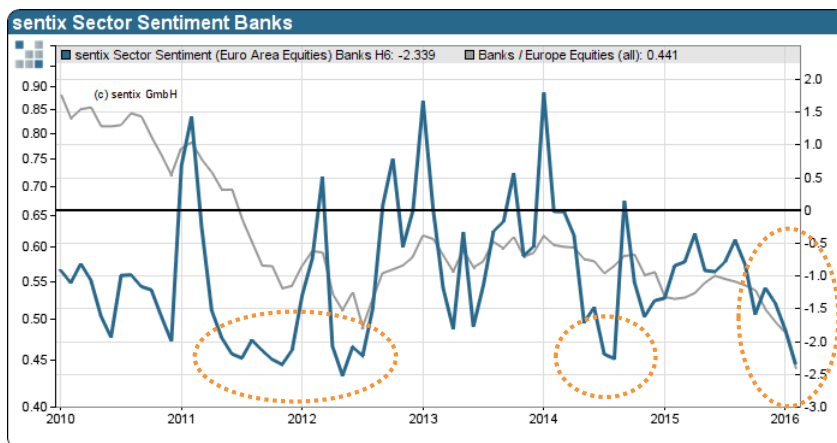
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The banks falter

The sentix Sector Sentiment Index documents a strong deteriorated investor sentiment for European Bank stocks. The mood is on a 24-month low. This results in a tactical buy opportunity.

The **sentix Sector Sentiment** Index for **European Bank stocks tumbles further** and now quotes at -2.3 index points on a **24-month low**. Comparable values were measured only during the euro crisis 2011/12, and in the late summer 2014 (see chart). The sector sentiment measures the 6-month expectations of investors in relation to the Stoxx 600 sector and is an indication for the sector's future performance.



Lately, **the negative developments at Deutsche Bank AG** should have considerably accounted for the gloomy investor sentiment. This has impacted the whole industry and contributed to an "underperformance" of the banking sector in recent weeks. The current sentiment extreme shows, however, that the vast majority of investors have already turned their back on bank stocks. This is usually a sign that relative performance is on the cusp of rising again. **For couching investors, the negative sentiment extreme indicates a contrarian buy opportunity.**



Background

sentix Sector Sentiment is a monthly survey conducted since 2002 among individual and institutional investors as part of the sentix Global Investor Survey. The survey is run around the second Friday of each month. Investors are asked about their 6-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 latest survey was conducted from February 11th to February 13th 2016 and incorporates market opinions of 1,124 private and institutional investors.

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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