



Registration for the press distribution list and further information at [www.sentix.co.uk](http://www.sentix.co.uk)



**Manfred Hübner**

CEFA, Managing Director

[manfred.huebner@sentix.de](mailto:manfred.huebner@sentix.de)

**sentix**   
expertise in behavioral finance

sentix GmbH

Wiesenhüttenstraße 17, 60329 Frankfurt am Main

Tel. +49 (69) 3487 961-0, [info@sentix.de](mailto:info@sentix.de)

## sentix Economic Index: Emerging markets on a downward trend







- The sentix overall index for the economy in the Euro zone fell from 14.7 to 12.0 points in September.
- The weakness of the emerging markets, especially in Asia and Latin America, is weighing on economic assessments. But also home-made European problems.
- The US economy is still doing extremely well in an international comparison, but other regions are now suffering considerably from the constant, conflict-enhancing rhetoric of US President Trump, under a strong US dollar and local issues. Latin America is highly exposed.

### Statistics

Poll running: **6-Sep. to 8-Sep., 2018**

Survey participants: **1.090 investors**  
(267 of those are institutional investors)

## Current economic regimes\* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
 Eurozone	slowdown	 USA	slowdown
 Germany	downturn	 Japan	slowdown
 Switzerland	slowdown	Asia ex-Japan	slowdown
 Austria	upturn	Latin America	recession
Eastern Europe	slowdown	Global Aggregate	slowdown

\* 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: September 2018

Euro Area	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18
Overall index	19.6	19.2	9.3	12.1	14.7	12.0
Headline Index						
- Current situation	43.0	42.8	34.5	36.8	37.3	35.0
- Expectations	-1.5	-2.0	-13.3	-10.0	-5.8	-8.8



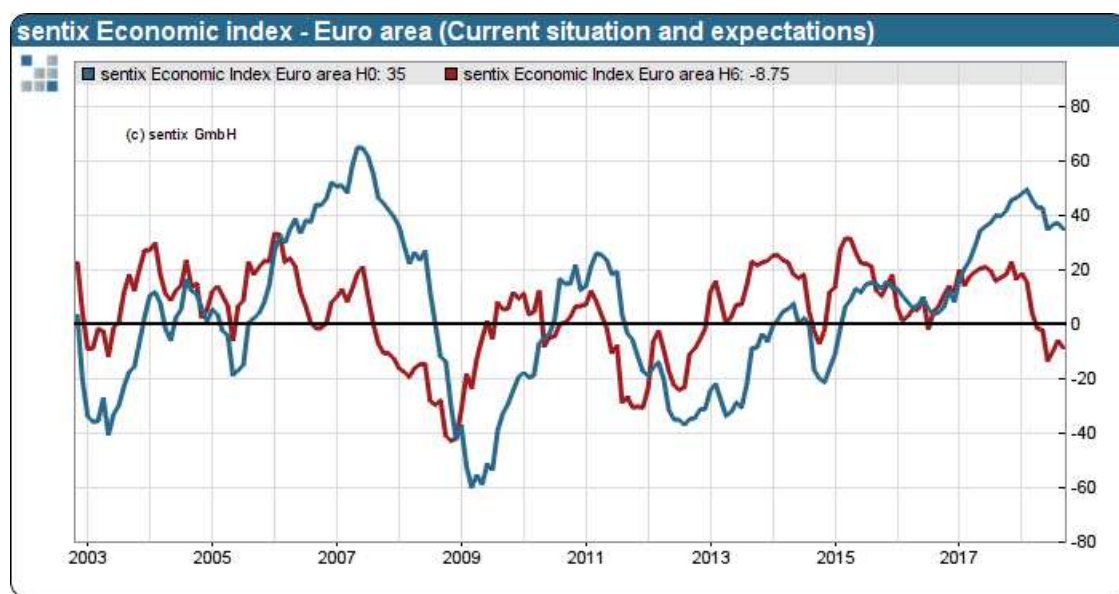
## Commentary on the survey results for September 2018

### Emerging markets on a downward trend

In the last two months, investors have hoped that the economic downturn will be short-lived. This hope was largely lost at the beginning of September. From the perspective of the more than 1,000 investors surveyed by sentix, the economic sky darkens significantly, especially above all above the emerging markets. And this also has an impact on the developed markets.

### Euro area: International trends weigh on the economy

The sentix economic index for the Euro zone falls from 14.7 to 12.0 points at the beginning of September - and thus more strongly than economists surveyed by Bloomberg had expected for this month. The situation and expectations are falling at the same rate, putting the recovery trend in the index into perspective over the past two months. Two developments are particularly noticeable in the search for the causes. One is the weakness in the international arena. Economic expectations for the emerging regions in Asia and Latin America are losing a great deal and are thus also weighing on the prospects in the developed industrial nations. Due to the solid US dollar and political crises, the emerging markets are in the crossfire.



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

But there are also enough problems in Europe itself, especially at the political level. These may not (yet) stop the recovery tendencies in the Euro zone economy on their own. However, the external, international catalyst, which is also intensified by the trade dispute between the USA and almost the rest of the world, is now having a noticeable negative impact.

Despite these grey clouds in the economic sky, investors do not expect central banks to leave their increasingly restrictive course. The thematic index for central bank policy remains almost unchanged at -19. This is also due to the fact that inflation remains a negative topic for investors, although it is surprising that the corresponding thematic index has risen from -31 to -24, i.e. the inflation risks - despite the surprisingly strong wage increases in the USA - have fallen somewhat.



## Germany: If it is too good for the donkey, he goes dancing on the ice

In view of the increasingly adverse international environment, one can only wonder about Germany. In a feeling of economic strength, Germany is banning cars of its citizens, damaging one industrial sector after another (automobiles, banks) as a result of ongoing discussions, and engaging in an escalating conflict in the area of migration that is likely to dampen the mood in the end. It is therefore almost surprising that economic expectations are only falling by 2.3 points. But the harbingers of a downturn are unmistakable.

Germany	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18
Overall index	24.4	23.5	18.5	16.2	20.4	18.1
Headline Index						
- Current situation	62.0	59.8	56.3	51.3	54.8	51.8
- Expectations	-7.8	-7.8	-13.8	-14.0	-9.3	-11.0

## Asia ex Japan: Uncertainty over trade dispute weighs on the economy

The attentive observer has increasing difficulties in determining exactly how many goods from China have already been or will be subject to customs duties by US President Trump. Almost daily, new tweets with numbers, announcements and pull-backs reach the public. In return, the Chinese are announcing countermeasures. The danger is that this development will slip and trade between the two countries will suffer serious damage. In any case, investors already see a considerable burden on the Chinese economy. The sentix economic index for Asia ex Japan falls sharply from 16.1 to 11.9 points, the lowest value since 2016.

Asia ex Japan	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18	
Overall index	21.9	22.7	20.6	12.4	16.1	11.9	Lowest since 07.2016
Headline Index							
- Current situation	43.3	42.3	38.5	33.3	34.8	28.5	Lowest since 02.2017
- Expectations	2.5	4.8	4.0	-6.5	-1.0	-3.5	

## Latin America: Recession again

In the discussion about the Turkish crisis and the US-China trade dispute, the deep economic crisis on the South American continent is almost out of sight. Venezuela in hyperinflation. Argentina in a new currency crisis. And Brazil, too, plagued by corruption and violence, is falling back into another recession. The slump of the sentix economic index for Latin America from -3.9 to -19 (!) reflects exactly this!

Latin America	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18	
Overall index	8.1	7.1	-4.5	-6.9	-3.9	-19.0	Lowest since 03.2016
Headline Index							
- Current situation	12.3	11.8	-1.5	-4.8	-3.8	-21.0	Lowest since 12.2016
- Expectations	4.0	2.5	-7.5	-9.0	-4.0	-17.0	Lowest since 03.2009



## Further result tables

### United States

	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18
Overall index	19.8	22.1	20.3	18.6	25.6	23.6
Headline Index						
- Current situation	52.0	52.8	50.8	53.8	62.8	63.3
- Expectations	-8.3	-4.8	-6.5	-11.8	-6.3	-10.0

Alltime High! 3. increase in a row

### Japan

	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18
Overall index	18.3	17.3	14.3	10.9	13.2	12.3
Headline Index						
- Current situation	38.5	36.8	32.0	30.5	30.3	30.8
- Expectations	-0.3	-0.5	-2.0	-7.0	-2.5	-4.8

### Latin America

	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18
Overall index	8.1	7.1	-4.5	-6.9	-3.9	-19.0
Headline Index						
- Current situation	12.3	11.8	-1.5	-4.8	-3.8	-21.0
- Expectations	4.0	2.5	-7.5	-9.0	-4.0	-17.0

Lowest since  
03.2016

Lowest since  
12.2016  
Lowest since  
03.2009

### Global

	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18
Overall index	18.8	19.4	15.0	11.2	15.2	10.7
Headline Index						
- Current situation	40.9	40.3	34.4	32.8	35.5	30.4
- Expectations	-1.3	0.3	-2.7	-8.4	-3.3	-7.3

Lowest since  
09.2016

Lowest since  
08.2017

### Switzerland

	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18
Overall index	27.0	23.5	16.9	25.5	24.4	21.7
Headline Index						
- Current situation	48.3	43.8	47.5	44.8	49.5	49.5
- Expectations	7.5	5.0	-10.0	7.8	1.8	-3.0

### Austria

	Apr. 18	May. 18	Jun. 18	Jul. 18	Aug. 18	Sep. 18
Overall index	44.8	41.7	38.1	32.0	33.8	34.0
Headline Index						
- Current situation	64.0	67.0	64.0	60.0	53.0	64.5
- Expectations	27.0	18.8	14.8	7.0	16.0	7.0

Lowest since  
12.2016



## Data availability

**Bloomberg L.P.**

**FACTSET**



**Macrobond**



**HAVER ANALYTICS®**

**sentix**   
expertise in behavioral finance

## About sentix

sentix is the pioneer and leading provider of sentiment analyses (behavioural 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 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>





## Disclaimer

### Important information concerning liability, compliance, protection of investors and copyright

This information is meant only for distribution in countries in which law permits this.

This analysis is for information purposes only and (i) does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any financial, money market or investment instrument or any security, (ii) is neither intended as such an offer for sale or subscription of or solicitation of an offer to buy or subscribe for any financial, money market or investment instrument or any security nor (iii) as an advertisement thereof. The investment possibilities discussed in this report may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. The investments discussed may fluctuate in price or value. Investors may get back less than they invested.

Changes in rates of exchange may hurt the value of investments. Furthermore, past performance is not necessarily indicative of future results. In particular, the risks associated with an investment in the financial, money market or investment instrument or security under discussion are not explained in their entirety.

We assume no liability for the information contained in this analysis. The analysis is no substitute for personal investment consultation. Even by the depicted opportunities and risks, investors must individually assess – by their personal investment strategies, the financial, legal and fiscal situation - whether an investment in the financial instruments depicted here is sensible for them. As this document is in no way a direct investment recommendation, this document or parts of it should not be used as the basis for any conclusion of the contract or any commitment to obligations of any kind. Investors are asked to contact the investment analysts of their banks for individual investment advice and other individual explanations and advice.

Neither the sentix GmbH nor any of its managing directors, employees or other persons assumes liability for losses or damages caused in connection with the use of this document or its contents.

The sentiment analysis is made available via the internet to those sentix participants of which is assumed that they do not base their investment decisions inappropriately by this analysis.

Statements or conclusions made through data or services do not include warrants or guarantees for the future market- or price changes. The opinions and assessments expressed therein can change without prior notice.

The sentix GmbH explicitly points out that both the sentix GmbH, its legal agents as well as their employees (in the following: the Involved) regularly conduct transactions in equity and other financial instruments which the data and services refer to. They do this both in their names and for their accounts as well as in the name and accounts of third parties. Should the Involved have been involved in an emission of instruments for the finance markets in the past 12 months, this is separately indicated at the corresponding place.

All rights of use for this analysis, its data and services are the property of the sentix GmbH and are copyrighted. The sentix GmbH reserves its right to inflict penalties for the unauthorised usage of data and services, especially unauthorised commercial use. Reproduction or subsequent processing of website elements, analyses, data or services in electronic, written or another form is prohibited without prior consent by the sentix GmbH. Analyses that are only available in the secure customer area may be quoted, neither in full nor in part. An exception to this are analyses, data or services which have been posted by the sentix GmbH via the press mailing list or which have been presented in another form for public propagation.

This analysis may not – either in full or in part, regardless of underlying intent – be forwarded, reproduced or published.

„sentix“ is a registered trademark of sentix Holding GmbH.

DAX, TecDAX, Xetra und Eurex have registered trademarks of the Deutsche Börse AG. Dow Jones EURO STOXX 50 is a registered trademark of the STOXX Limited. Other names of products and companies which may be mentioned on this site could also be protected or be registered trademarks of other companies.

### ANALYST DECLARATION

Neither in the past, present or future is the remuneration of the author linked – either directly or indirectly – to his or her recommendations or views expressed in this context.