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## sentix Economic Index: Europe clearly lags behind

- The sentix Business Cycle Index for the Eurozone rose sharply in March by 5.2 points to its highest level since February 2020. Above all, the situation scores improved significantly. The economic recovery is thus continuing.
- In Germany, the increase is not quite as strong, but the overall index of 11.9 points is still the best value since November 2018.
- The improvements are evident in virtually all regions of the world. It is essentially the situation scores that are improving significantly everywhere, indicating that the global economy is emerging from the recession caused by the Corona pandemic. The overall global index rises for the eleventh time in a row to now +20.5 points.

### Statistics

Poll running: **4<sup>th</sup> Mar. to 6<sup>th</sup> Mar. 2021**

Survey participants: **1,218 investors**  
(288 of those are institutional investors)

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

Region / country	Regime	Region / country	Regime
Eurozone	Recovery	USA	Recovery
Germany	Recovery	Japan	Recovery
Switzerland	Recovery	Asia ex-Japan	Boom
Austria	Recovery	Latin America	Recovery
Eastern Europe	Recovery	Global Aggregate	Recovery

\* 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: March 2021

Euro Area	Oct. 20	Nov. 20	Dec. 20	Jan. 21	Feb. 21	Mar. 21	
Overall index	-8.3	-10.0	-2.7	1.3	-0.2	5.0	Highest since 02.2020
Headline Index							
- Current situation	-32.0	-32.3	-30.3	-26.5	-27.5	-19.3	Highest since 03.2020
- Expectations	18.8	15.3	29.3	33.5	31.5	32.5	



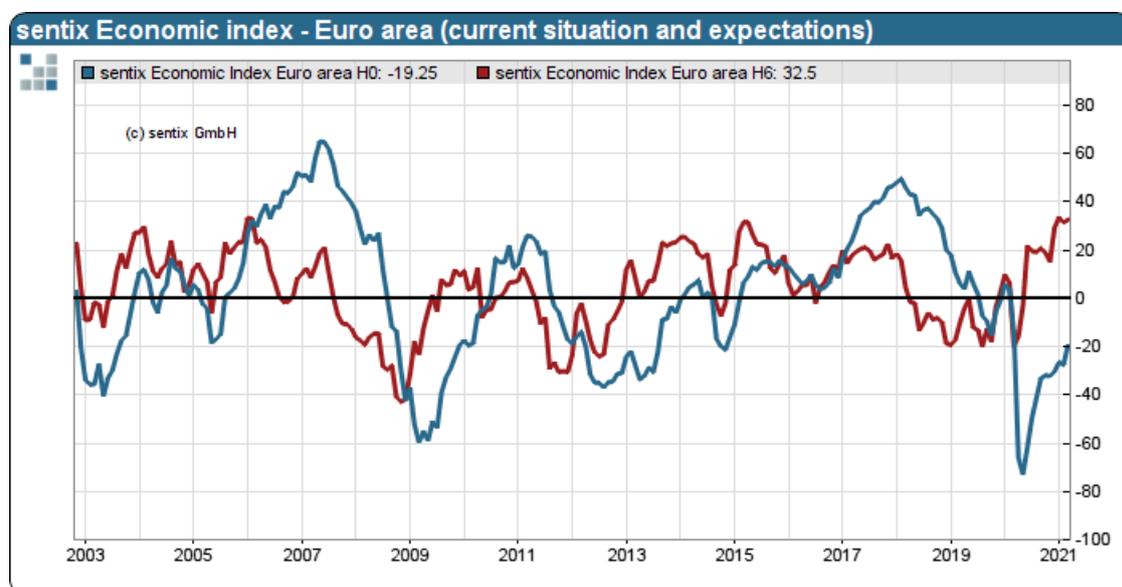
## Commentary on the survey results for March 2021

### The global upswing

At the beginning of March, the global economy is on a sustained recovery path, increasingly driven less by expectations for the future and more by improvements in the assessment of the situation. The global situation index rises for the tenth time in a row to 5.5 points, the overall index even for the eleventh time in a row to the best value since March 2018. The picture is basically the same in all world regions, the upswing is thus broad-based. In Euroland, the situation assessment also improved significantly from -27.5 to -19.3 points, despite continuing restrictions in many countries.

### Euro area: Lockdowns have surprisingly little negative impact

The restrictions still in force in many eurozone countries due to the Corona containment measures surprisingly have only a minor impact on the sentix business cycle indices. While the expectation values for the Eurozone remain stable in positive territory at +32.5, the situation assessment can improve by 8.2 points to -19.3. This is the best value since March 2020, meaning that around 80% of the gap left by the Corona crisis has already been wiped out. For around the turn of the year 2019 / 2020, the situation assessment was around plus / minus zero. The hope of investors is that this recovery path will continue. On a positive note, the pandemic seems to have peaked at the global level and vaccination is also progressing well in that the number of immunised individuals is increasing and statistics suggest that effective vaccination protection is being achieved. These trends allow for a faster opening of the economy. This is what investors are betting on.



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

At the same time, the economic recovery process continues to be supported by expansive monetary and fiscal policies. However, from the investors' point of view, this and the probably pent-up demand, which is expressed in the currently high savings rates, clouds the inflation outlook considerably. The thematic index for inflation continues to fall sharply in March to -39.5 points. This is an all-time low and thus indicates clear inflation risks for the coming months.



## Germany: Hesitant policy with no discernible side-effect

In Germany, the policy of the federal government is criticised very clearly. "Too complicated, too cautious" say those for whom the openings of the economy are not fast enough. "The chaos in vaccine supply is slowing us down" say the others who remain cautious about the virus. This is not reflected in the sentix economic indices. Here we get the same picture of further improvement in the situation for Germany as we can measure for other world regions. Expectations remain stable, so that in March the German economy is in an upswing that seems to be benefiting above all from the global recovery.

Germany	Oct. 20	Nov. 20	Dec. 20	Jan. 21	Feb. 21	Mar. 21		
<b>Overall index</b>	1.4	1.3	6.9	9.2	8.6	11.9	Highest since	
							11.2018	
<b>Headline Index</b>								
- Current situation	-19.3	-17.5	-17.3	-15.8	-15.5	-9.5	Highest since	10. increase in a row
							02.2020	
- Expectations	24.5	22.0	34.3	37.5	35.8	35.8		

## USA: Aid packages and farewell to the pandemic

The sentix economic indices continue to improve significantly for the USA. The overall index rises to +25.5, which is the eleventh consecutive increase to the best level since August 2018. Expectations remain very high at +43.3 points and the situation score is positive for the first time since March 2020! In addition to the prospect of economic aid, the courage of many states to significantly reduce or even completely lift the Corona containment measures has certainly contributed to this pleasing development. This literally gives the economy room to breathe. Expansionary monetary and fiscal policies and pent-up demand should continue to drive the recovery.

United States	Oct. 20	Nov. 20	Dec. 20	Jan. 21	Feb. 21	Mar. 21		
<b>Overall index</b>	-1.1	4.8	9.1	10.7	18.0	25.5	Highest since	11. increase in a row
							08.2018	
<b>Headline Index</b>								
- Current situation	-20.5	-10.5	-11.8	-11.3	-2.8	9.0	Highest since	3. increase in a row
							03.2020	
- Expectations	20.5	21.3	32.3	35.3	41.0	43.3	Alltime High!	5. Increase in a row

## World: Global recovery continues

This month, the world is the "star". The Global Aggregate Situation Index for the world economy has risen for the tenth consecutive month to its best reading since February 2020, putting it back in positive territory. In global terms, this means that around 90% of the slump caused by the Corona crisis has already been made up for. And the recovery is likely to continue, as expectations remain very positive at 36.5 points!

Global	Oct. 20	Nov. 20	Dec. 20	Jan. 21	Feb. 21	Mar. 21		
<b>Overall index</b>	-0.5	7.1	13.2	14.9	17.5	20.5	Highest since	11. increase in a row
							03.2018	
<b>Headline Index</b>								
- Current situation	-19.3	-6.9	-4.6	-4.1	0.0	5.5	Highest since	10. increase in a row
							02.2020	
- Expectations	20.3	22.1	32.7	35.7	36.5	36.5	Alltime High!	5. Increase in a row



## Further result tables

Japan	Oct. 20	Nov. 20	Dec. 20	Jan. 21	Feb. 21	Mar. 21	
Overall index	-2.6	6.1	14.5	13.6	16.1	20.0	Highest since 03.2018
<b>Headline Index</b>							
- Current situation	-21.0	-8.3	-2.3	-5.0	-1.8	5.0	Highest since 02.2020
- Expectations	17.8	21.5	32.8	34.0	35.5	36.0	Highest since 04.2004 5. Increase in a row
<b>Asia ex Japan</b>							
Overall index	10.3	23.3	29.7	29.6	33.1	33.5	Highest since 02.2013
<b>Headline Index</b>							
- Current situation	-5.0	16.0	19.8	17.8	24.0	26.0	Highest since 05.2019
- Expectations	26.8	30.8	40.0	42.0	42.5	41.3	
<b>Eastern Europe</b>							
Overall index	-12.8	-11.9	-6.3	-1.8	-2.7	-0.3	Highest since 02.2020
<b>Headline Index</b>							
- Current situation	-33.5	-31.8	-30.0	-26.0	-27.0	-22.0	Highest since 03.2020
- Expectations	10.5	10.3	20.8	25.8	25.0	24.0	
<b>Latin America</b>							
Overall index	-26.9	-22.2	-16.5	-11.2	-13.2	-10.2	Highest since 02.2020
<b>Headline Index</b>							
- Current situation	-51.5	-45.3	-43.8	-38.0	-39.8	-35.0	Highest since 03.2020
- Expectations	1.8	4.3	15.5	20.0	17.8	18.3	
<b>Switzerland</b>							
Overall index	13.3	0.9	10.7	11.1	18.2	19.8	Highest since 06.2019 4. increase in a row
<b>Headline Index</b>							
- Current situation	2.5	-6.0	-5.3	-2.3	-5.8	4.5	Highest since 02.2020
- Expectations	24.8	8.0	28.0	25.3	45.0	36.3	
<b>Austria</b>							
Overall index	-9.4	-9.1	3.4	9.5	-1.2	8.5	
<b>Headline Index</b>							
- Current situation	-31.8	-28.3	-33.3	-23.5	-32.0	-22.0	Highest since 09.2020
- Expectations	16.0	12.3	48.0	48.8	35.3	44.3	



## Data availability

Bloomberg L.P.

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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>



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