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sentix Economic Index: The recession begins

- The sentix economic data for the Euro area deteriorate again. The overall index collapses by another 11 points to -18 points. This is the lowest value since July 2020. Since the situation is now also negative, the beginning of a recession must be assumed.
- Germany will also have to deal with a recession. The situation falls by 14.8 points to -4.8 points. This is as bad as it was last in March 2021. The expectations values also fall again to their worst level since January 2009!
- Internationally, the declines are smaller, but the trend is the same everywhere. Both the situation and expectations scores continue to fall. No region is currently able to resist the negative momentum. Even the important Asian region is already struggling with stagnation.

Statistics

Poll from **31st April to 2nd April 2022**
Survey participants: **1,249 investors**
(**266** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
Eurozone	Downturn	USA	Cooling down
Germany	Downturn	Japan	Downturn
Switzerland	Downturn	Asia ex-Japan	Stagnation
Austria	Downturn	Latin America	Downturn
Eastern Europe	Recession	Global Aggregate	Downturn

* 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: April 2022

Euro Area	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22	
Overall index	18.3	13.5	14.9	16.6	-7.0	-18.0	Lowest since 07.2020
Headline Index							
- Current situation	23.5	13.3	16.3	19.3	7.8	-5.5	Lowest since 04.2021
- Expectations	13.3	13.8	13.5	14.0	-20.8	-29.8	Lowest since 12.2011



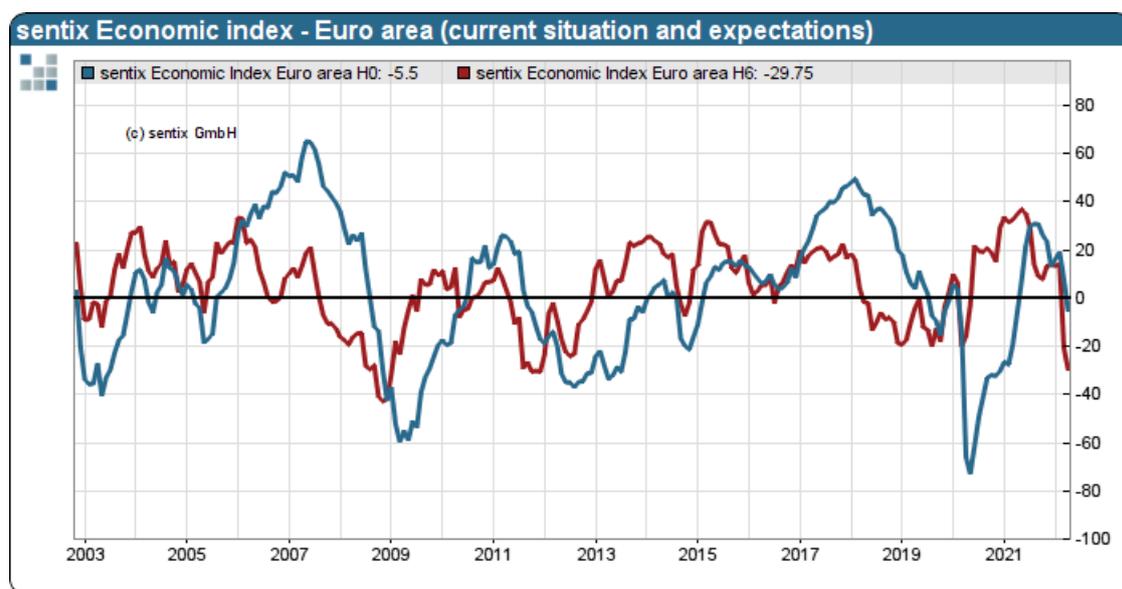
Commentary on the survey results for April 2022

The recession begins

When it comes to the question of when the recession began in the Eurozone, economists are likely to determine the beginning of the second quarter of 2022 as the start of a recession in retrospect. This is at least the conclusion we have to draw from the current data of the sentix business cycle indices. At the beginning of April, the sentix economic indices collapse. The overall index plunged again by a full 11 points after the weak March value. Both the situation and the expectations indexes are now negative, and the economy is thus beginning to shrink. At the moment, no other global region can provide a real counterbalance. Even the Asian region is already stagnating.

Euro area: A second surprisingly sharp decline

If the March values were already a shock for investors, albeit an expected one due to the onset of the Ukraine conflict, the renewed sharp setback in the sentix economic indices for Euroland is likely to catch investors on the wrong foot again. Only very few economists expect the overall Eurozone index to slump by a further 11 points to -18. The consequences are not to be played down. For this decline is fed by a sharp drop in the assessment of the situation to -5.5 points (lowest value since March 2020). In addition, the expectations values are falling again. Economic expectations fell by a full 9 points to -29.8 index points. This is the lowest value since December 2011.



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

The Eurozone economy is thus being pushed into recession by the Ukraine conflict and the accompanying sanctions and uncertainties. Unfortunately, the sentix economic data are thus once again fulfilling their reputation as economic "first movers" in an unattractive way. For the capital markets, this is likely to have considerable consequences in the coming weeks.

Due to the still considerable dynamics in the inflation trend, investors do not expect the central bank to be able to come to the rescue with a looser, even more expansive monetary policy. The economy and the stock markets are thus left to their own devices. For many investors, this is a new experience with its own risks.



Germany: Recession is coming

The German economy will also slide into recession. At the beginning of April, the overall economic index falls to -17.1 points, the lowest level since June 2020, and the situation index slumps by 14.8 points to -4.8 points. Expectations fall sharply again. At -28.8 points, we are recording the worst value since January 2009. This data does not yet take into account the fact that there will actually be a disruption in energy supplies. In addition to the Ukraine conflict, it is above all the accompanying inflationary circumstances and increasingly obvious imbalances in the logistics sectors that are unsettling consumers and companies.

Germany	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22	
Overall index	19.7	14.4	17.0	17.9	-5.2	-17.1	Lowest since 06.2020
Headline Index							
- Current situation	24.8	13.8	19.0	20.0	10.0	-4.8	Lowest since 03.2021
- Expectations	14.8	15.0	15.0	15.8	-19.3	-28.8	Lowest since 01.2009

US: Feeding off the good economic situation

The US economy is also showing a downward momentum. Economic expectations fell for the fourth time in a row and stand at -10.8 points. Nevertheless, the US economy is in a better position, as the assessment of the current situation, although also declining, is still positive at 24.5 points. The US economy is thus "only" in a cyclical downturn, which is, however, increasingly gaining negative momentum.

United States	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22	
Overall index	25.3	24.2	23.3	22.1	11.9	6.1	Lowest since 11.2020 5. decline in a row
Headline Index							
- Current situation	37.3	34.3	34.0	35.0	29.8	24.5	Lowest since 03.2021
- Expectations	14.0	14.5	13.0	10.0	-4.5	-10.8	Lowest since 04.2020 4. decline in a row

Global Aggregate: No region remains unscathed

None of the world regions considered by sentix in the context of the economic survey is currently able to hold its own against the weakening tendencies. Even the Asian region with the growth engine China is currently struggling with stagnation. In Eastern Europe, the indication for a deep recession remains, which is not really surprising given the severity of the sanctions against Russia.

Global	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22	
Overall index	17.2	15.1	16.9	17.0	1.0	-5.4	Lowest since 08.2020
Headline Index							
- Current situation	20.1	15.1	17.1	19.5	11.3	3.6	Lowest since 02.2021
- Expectations	14.3	15.1	16.7	14.6	-8.8	-14.1	Lowest since 03.2020 3. decline in a row



Further result tables

Japan	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22		
Overall index	17.1	14.6	17.5	16.0	4.9	-2.1	Lowest since 10.2020	3. decline in a row
Headline Index								
- Current situation	20.5	14.5	17.8	18.5	14.5	7.8	Lowest since 03.2021	
- Expectations	13.8	14.8	17.3	13.5	-4.3	-11.5	Lowest since 03.2020	3. decline in a row
Asia ex Japan	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22		
Overall index	19.6	18.5	21.7	21.4	8.5	0.5	Lowest since 07.2020	3. decline in a row
Headline Index								
- Current situation	20.8	17.5	20.0	22.5	17.0	8.0	Lowest since 10.2020	
- Expectations	18.5	19.5	23.5	20.3	0.3	-6.8	Lowest since 03.2020	3. decline in a row
Eastern Europe	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22		
Overall index	6.9	2.4	3.3	3.4	-37.4	-36.0		
Headline Index								
- Current situation	5.8	-2.5	-1.0	0.3	-31.0	-37.3	Lowest since 08.2020	
- Expectations	8.0	7.5	7.8	6.5	-43.5	-34.8		
Latin America	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22		
Overall index	-4.6	-6.6	-5.1	-1.4	-9.0	-9.8	Lowest since 03.2021	
Headline Index								
- Current situation	-11.3	-17.3	-14.8	-8.5	-8.8	-8.0	Highest since 05.2019	
- Expectations	2.3	4.8	5.0	6.0	-9.3	-11.5	Lowest since 05.2020	
Switzerland	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22		
Overall index	28.0	17.8	28.8	29.1	6.1	12.4		
Headline Index								
- Current situation	41.8	39.0	40.8	38.3	27.5	32.5		
- Expectations	15.0	-1.5	17.5	20.3	-13.3	-6.0		
Austria	Nov. 21	Dec. 21	Jan. 22	Feb. 22	Mar. 22	Apr. 22		
Overall index	30.2	13.3	21.9	19.9	-5.6	-11.5	Lowest since 06.2020	3. decline in a row
Headline Index								
- Current situation	50.5	19.5	30.0	29.3	16.0	4.8	Lowest since 04.2021	3. decline in a row
- Expectations	11.5	7.3	14.0	11.0	-25.0	-26.5	Alltime Low!	3. decline in a row



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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