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## sentix Economic Index: A very deep recession?!

- The Eurozone economy continues to plummet. The overall index drops to -38.3 points in October, the lowest level since May 2020. Situation and expectations scores fall again.
- The sentix economic data for Germany signal a catastrophic state of the economic condition. The overall index as well as the situation fall for the 4th time in a row. Expectations again mark an all-time low!
- Looking at the global situation, there is also little hope for improvement. In the USA, the economic erosion is slowing down. In Japan and Eastern Europe we see a series of new lows. Only in Asia ex Japan, dominated by China, can the overall index stabilise. Nevertheless, the global data continue to be disappointing.

### Statistics

Poll from **6<sup>th</sup> Oct. to 8<sup>th</sup> Oct. 2022**  
Survey participants: **1,331 investors**  
(**249** of those are institutional investors)

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

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

\* 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: October 2022

Euro Area	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22	
Overall index	-22.6	-15.8	-26.4	-25.2	-31.8	-38.3	Lowest since 05.2020
Headline Index							
- Current situation	-10.5	-7.3	-16.5	-16.3	-26.5	-35.5	Lowest since 08.2020
- Expectations	-34.0	-24.0	-35.8	-33.8	-37.0	-41.0	Lowest since 12.2008



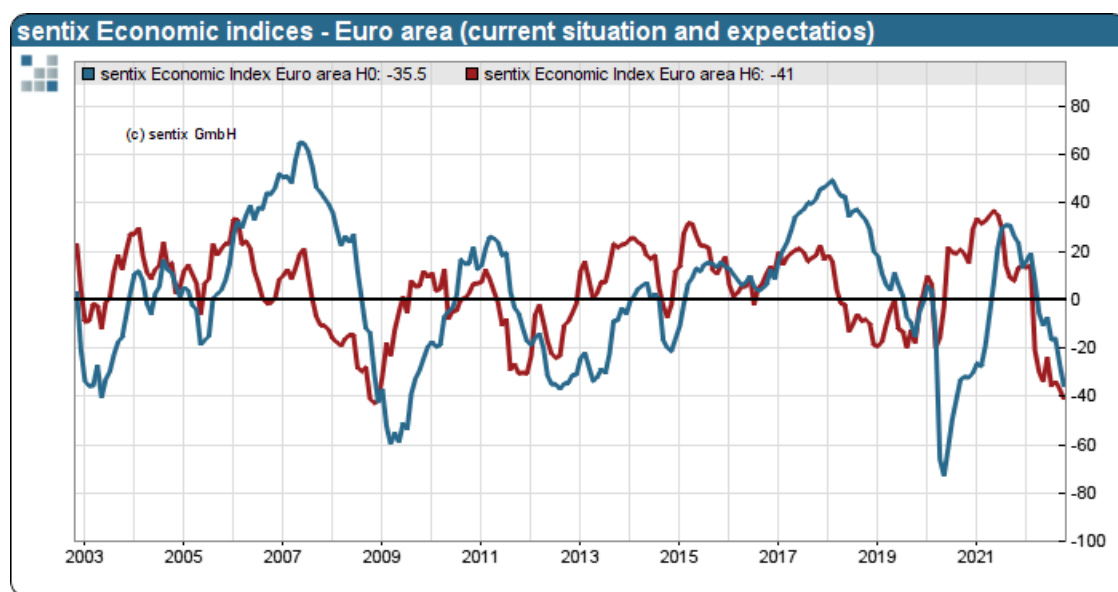
## Commentary on the survey results for October 2022

### Catastrophic conditions

At the beginning of October, the sentix economic indices signal an unchanged difficult economic situation - in Europe, but also globally. At -38.3 points, the overall Eurozone index sinks to its lowest level since May 2020. The ongoing uncertainties about the gas and energy situation in winter have not diminished due to the attack on the Nordstream pipelines. In addition to the economic worries, there is now also an increasing probability of an escalation of the military conflict in Ukraine. Globally, there is little reason for hope. Only China seems to be stabilising somewhat at present.

### Euro area: No stopping?

The economic situation in the eurozone continued to deteriorate in October 2022, according to more than 1,300 investors surveyed by sentix. At -38.3 points, the overall index marks the lowest level since May 2020, with the assessment of the situation plummeting 9 points to -35.5. This is the worst reading since August 2020, when the real economy was still significantly affected by the Corona Lockdown measures. The situation scores thus clearly signify that the economy is in recession. In previous downturns, the monetary and fiscal policy players would have stepped into action at this point at the latest to provide light at the end of the tunnel.



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

There can be no talk of that this time. Monetary policy is on a restrictive course in order to at least not inflame the considerable inflation any further. However, the measures taken so far are unlikely to be sufficient to dampen either inflation or the downturn. Governments are trying to curb the harmful effects of high energy prices on consumers with considerable fiscal measures. But the supply problems in the energy market are not being addressed.

As a result, the important economic expectations also continue to fall! The current reading of -41 is a clear warning of a very deep economic dislocation. The last time such a weak expectation value was measured was in December 2008. That says it all.



## Germany: Catastrophic conditions

The former economic powerhouse is sinking deeper and deeper into the maelstrom of the energy-policy ghost train that the country has gotten itself into. The current government, and especially the Minister of Economics, Habeck, do not seem to be up to the magnitude of the task. The decline, as reflected in the sentix indices, is in any case unprecedented. The overall index falls for the 4th time in a row to its lowest level since March 2009. At -33.5 points, the situation has dropped by 10 points compared to September. And despite this miserable present, expectations fall to an all-time low of -41.3 points. Politicians have already been relieved of their duties for less.

Germany	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22		
Overall index	-20.5	-12.8	-24.2	-24.4	-29.9	-37.4	Lowest since 03.2009	4. decline in a row
Headline Index								
- Current situation	-7.3	-2.0	-13.0	-14.8	-23.5	-33.5	Lowest since 07.2020	4. decline in a row
- Expectations	-32.8	-23.0	-34.8	-33.5	-36.0	-41.3	Alltime Low!	

## USA: Slowed further down

The data for the USA are also in reverse gear. However, the downturn is much more moderate, which is probably due to the fact that the USA is benefiting from the European emergency and the war in Ukraine. Nevertheless, the loss of economic momentum continues in the USA as well. The overall index drops to -12.6 points. At -0.3, the situation is negative for the first time since February 2021. Expectations also fall slightly to -24.3 index points. Upswing is different.

United States	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22		
Overall index	-2.9	-1.0	-13.5	-6.0	-10.8	-12.6		
Headline Index								
- Current situation	18.0	17.0	1.0	8.0	1.8	-0.3	Lowest since 02.2021	
- Expectations	-21.8	-17.5	-27.0	-19.0	-22.5	-24.3		

## Global aggregate: China alone cannot right the ship

In the Asia ex Japan region, which is dominated by the economic heavyweight China, the sentix economic aggregate index improved slightly. Otherwise, declines dominate everywhere. Both situation and expectations are affected. At -23.9 points, global expectations have fallen to their lowest level since January 2009. The global economic ship is listing heavily and there are currently no signs of any forces that could right it again.

Global	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22		
Overall index	-13.3	-7.9	-14.5	-13.0	-18.7	-20.3	Lowest since 05.2020	
Headline Index								
- Current situation	-4.8	-2.5	-8.5	-6.5	-13.6	-16.6	Lowest since 10.2020	
- Expectations	-21.5	-13.2	-20.3	-19.3	-23.7	-23.9	Lowest since 01.2009	



## Further result tables

Japan	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22	
Overall index	-9.8	-5.7	-13.4	-9.4	-13.2	-16.6	Lowest since 06.2020
Headline Index							
- Current situation	1.0	4.0	-5.8	-0.8	-6.5	-10.5	Lowest since 10.2020
- Expectations	-20.0	-15.0	-20.8	-17.8	-19.8	-22.5	Lowest since 01.2009

Asia ex Japan	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22	
Overall index	-9.6	-2.6	-5.5	-6.4	-13.0	-12.9	
Headline Index							
- Current situation	-4.8	-1.5	-1.8	-1.3	-8.8	-10.3	Lowest since 09.2020
- Expectations	-14.3	-3.8	-9.3	-11.5	-17.3	-15.5	

Eastern Europe	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22	
Overall index	-38.6	-31.1	-35.6	-34.4	-38.1	-41.8	Lowest since 03.2009
Headline Index							
- Current situation	-38.8	-33.5	-37.8	-36.5	-40.8	-47.0	Lowest since 06.2020
- Expectations	-38.5	-28.8	-33.5	-32.3	-35.5	-36.5	Lowest since 05.2022

Latin America	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22	
Overall index	-15.8	-14.4	-20.5	-21.0	-25.9	-24.5	
Headline Index							
- Current situation	-12.3	-13.5	-19.8	-19.8	-25.8	-24.5	
- Expectations	-19.3	-15.3	-21.3	-22.3	-26.0	-24.5	

Switzerland	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22	
Overall index	2.2	-0.4	-10.5	-8.3	-13.9	0.9	Highest since 05.2022
Headline Index							
- Current situation	21.5	14.0	6.8	15.0	8.3	19.3	Highest since 05.2022
- Expectations	-15.5	-13.8	-26.3	-29.0	-33.8	-16.0	

Austria	May. 22	Jun. 22	Jul. 22	Aug. 22	Sep. 22	Oct. 22	
Overall index	-15.0	-0.5	-16.3	-7.2	-15.6	-32.1	Lowest since 04.2020
Headline Index							
- Current situation	12.5	16.3	4.3	8.3	4.3	-21.0	Lowest since 03.2021
- Expectations	-39.0	-16.0	-34.8	-21.5	-33.5	-42.5	Alltime Low!



## Data availability

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## 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>





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