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sentix Economic Index: Better but still not good

- The sentix overall economic index for the Eurozone improved by 2.4 points to -8.7 points. This slightly exceeds analysts' expectations. Nevertheless, the data are not good, as expectations remain negative at -13.0 points.
- The German economy has also come through the winter better than many expected. The situation score rose for the sixth time in a row to -2.3 points. But here, too, expectations remain clearly negative at -11.5 points.
- In the international context, the picture is basically the same. While the situation scores mostly improve moderately, expectations remain negative. For the USA we even measure a clear decline in expectations to -12.5 points. This should give cause for concern. In Eastern Europe, the situation and expectations are improving against the trend.

Statistics

Poll from **6th Apr. to 8th Apr. 2023**
Survey participants: **1,300 investors**
(**244** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

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

* 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 2023

Euro Area	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23
Overall index	-30.9	-21.0	-17.5	-8.0	-11.1	-8.7
Headline Index						
- Current situation	-29.5	-20.0	-19.3	-10.0	-9.3	-4.3
- Expectations	-32.3	-22.0	-15.8	-6.0	-13.0	-13.0

Highest since
03.2022 **6. increase in a row**



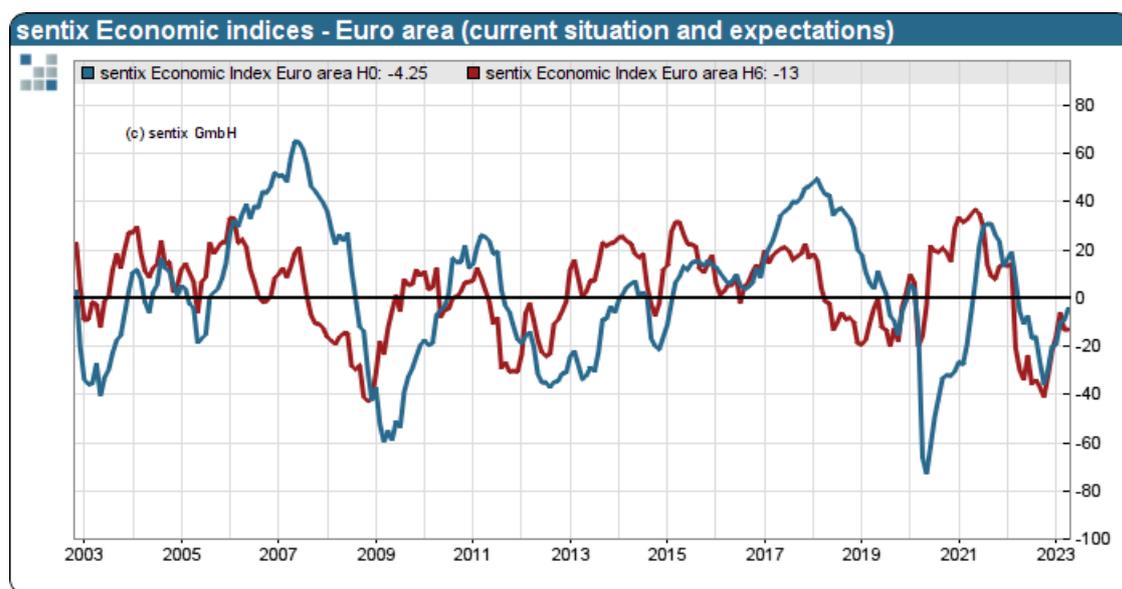
Commentary on the survey results for April 2023

Better but still not good

The Eurozone economy continues to recover at the beginning of April. The major upheavals feared as a result of the gas and electricity price crisis in Europe have failed to materialise this winter. The situation assessment of the 1,300 investors surveyed by sentix reflects this with the sixth consecutive increase in the situation values for the Eurozone. The fact that this is not an all-clear signal becomes clear when looking at the expected values. They remain negative. In Eastern Europe, a friendlier picture is painted, with an increase in both components. For the USA, we measure a deterioration of the situation and expectations, contrary to the trend. This should not go unnoticed!

Euro area: Well through the winter, but not out of the woods in the spring

The sentix overall economic index for the Eurozone rose by 2.4 points to -8.7 points at the beginning of April, more strongly than economists had expected. This rise is driven by the sixth increase in the situation index in a row. At -4.3 points, these are at their highest level since March 2022. There is no doubt that the Eurozone economy has come through the winter months better than many feared in the autumn. The mild winter and gas stockpiling "at any price", combined with considerable savings by households and manufacturing industry, have prevented a dangerous energy shortage. This was not paid for with a recession, but with a stagnation of the economy.



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

Looking into the future, however, investors are far less optimistic. Expectations remain negative at -13 points. This is due to the still considerable uncertainty about the further course of the Ukraine war, concerns about a lasting burden on the energy-intensive industrial sector and - new - question marks about the state of the US economy (see following commentary).

The sentix Theme Barometer, on the other hand, underlines that at least in terms of inflation and central bank policy the negative expectations have noticeably decreased. No all-clear, but the negative momentum is weakening.



Germany: After the energy crisis is before the energy crisis?

The former economic model boy is swimming along with the average of the Eurozone. In Germany, too, the situation is improving for the sixth time in a row - the feared energy disaster has fortunately not occurred, albeit at immense cost. And Germany seems to want to continue with this policy. While nuclear power plants in Ukraine can "continue to operate as a matter of course" in a war zone, in Germany the last reactors will be taken off the grid on 15 April. Around 5-7% of daily electricity production will have to be compensated for. The persistently negative economic expectations of investors are perhaps also a sign that the question of energy security has probably not been answered sustainably and positively.

Germany	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23	
Overall index	-30.0	-20.3	-16.5	-6.8	-9.6	-6.9	
Headline Index							
- Current situation	-28.0	-18.3	-18.0	-8.8	-7.5	-2.3	Highest since 06.2022 6. increase in a row
- Expectations	-32.0	-22.3	-15.0	-4.8	-11.8	-11.5	

USA: What's happening on the other side of the Atlantic?

Contrary to the general trend in the sentix economic indices, the situation and expectations assessments in the USA are declining. The situation index fell moderately to 8.5 points, while the expectations index plummeted to -12.5 points. The shock of the bankruptcy of the Silicon Valley Bank was apparently less well digested here than the takeover of the CS Group in Switzerland. But the first weak data are also coming from the US labour market, as well as from other economic data. It seems that the sharp rise in interest rates is having a broader negative impact after all.

United States	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23	
Overall index	-9.4	-0.5	-3.5	3.6	1.1	-2.3	
Headline Index							
- Current situation	4.0	9.3	4.3	9.0	10.0	8.5	
- Expectations	-22.0	-9.8	-11.0	-1.8	-7.5	-12.5	Lowest since 11.2022

Eastern Europe: Solidarity helps

Investors' economic assessments of Eastern Europe improved significantly to -19.8 points in the overall index. The situation (+5.5 points) and expectations (+3 points) both improved. This seems to indicate at least that European solidarity and aid programmes are having a supportive effect. However, according to our definition, Russia also belongs to this region. Russia also receives support from many other countries. The crash remains absent here as well.

Eastern Europe	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23	
Overall index	-37.8	-31.2	-27.6	-21.6	-24.1	-19.8	Highest since 02.2022
Headline Index							
- Current situation	-44.3	-38.8	-36.8	-31.0	-31.3	-25.8	Highest since 02.2022
- Expectations	-31.0	-23.3	-18.0	-11.8	-16.8	-13.8	



Further result tables

Japan	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23		
Overall index	-15.2	-8.0	-6.6	-0.5	-1.0	-0.7		
Headline Index								
- Current situation	-10.0	-4.0	-5.3	-1.0	1.0	3.5	Highest since 06.2022	3. increase in a row
- Expectations	-20.3	-12.0	-8.0	0.0	-3.0	-4.8		
Asia ex Japan	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23		
Overall index	-12.5	-4.8	1.4	11.7	11.5	11.1		
Headline Index								
- Current situation	-11.5	-5.8	-4.3	7.5	12.3	14.8	Highest since 03.2022	5. increase in a row
- Expectations	-13.5	-3.8	7.3	16.0	10.8	7.5		
Latin America	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23		
Overall index	-21.4	-16.2	-16.9	-8.6	-10.4	-11.5		
Headline Index								
- Current situation	-22.8	-19.5	-23.8	-15.3	-13.8	-13.8		
- Expectations	-20.0	-12.8	-9.8	-1.8	-7.0	-9.3		
Global	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23		
Overall index	-17.7	-10.1	-7.2	1.6	0.1	0.0		
Headline Index								
- Current situation	-15.1	-9.3	-9.8	-1.0	1.5	3.7	Highest since 03.2022	3. increase in a row
- Expectations	-20.3	-10.8	-4.5	4.2	-1.3	-3.6		
Switzerland	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23		
Overall index	-10.3	5.6	2.9	7.2	4.2	-1.2	Lowest since 11.2022	
Headline Index								
- Current situation	6.8	15.8	21.0	17.0	18.5	17.3		
- Expectations	-26.0	-4.0	-13.8	-2.3	-9.3	-18.0	Lowest since 11.2022	
Austria	Nov. 22	Dec. 22	Jan. 23	Feb. 23	Mar. 23	Apr. 23		
Overall index	-24.2	-12.7	-20.5	-11.3	-7.4	-3.1	Highest since 06.2022	3. increase in a row
Headline Index								
- Current situation	-12.5	-2.0	-19.5	-11.3	3.5	7.0	Highest since 08.2022	3. increase in a row
- Expectations	-35.3	-22.8	-21.5	-11.3	-17.8	-12.8		



Data availability

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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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