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sentix economic index: worries around the Euro economies just won't subside

- The sentiment in Euroland remains subdued. The Euroland total index lost a further 2.8 points and is now at -24 index points.
- Especially economic situation continues to be in serious trouble (-5.5 points!), while on the other side expectations are not able to improve, despite support from the side of central banks.
- The outlook is better for the USA and Germany. It is the economic situation that ensures the index plus for both countries. However, neither has yet freed itself from the downturn scenario.
- The ambitious markets have lost their driving force. Asia consolidates and Eastern Europe is the new problem child on the economic horizon.

Statistics

Survey period: **01.12.-03.12.2011**

Participants: **937**

sentix indications for upcoming market events

07.12.2011 - CI-Indizes (JP) - In line with expectations

13.12.2011 - ZEW-Index - Especially the economic expectations remain cushioned

20.12.2011 - ifo-Index: Recurrence of negative vibrations

At this point we will publish upcoming important market events and the expectations which can be derived from already published sentix data.

sentix – first mover advantage

Table of December results for Euroland economy

Euroland	Jul 11	Aug 11	Sep 11	Okt 11	Nov 11	Dez 11
Gesamtindex	5.3	-13.5	-15.4	-18.5	-21.2	-24.0
Headline-Index						
Aktuelle Lage	19.25	3.50	-3.25	-5.75	-11.75	-17.25
Erwartungen	-7.75	-29.00	-26.75	-30.50	-30.25	-30.50
Teilindex Private						
Aktuelle Lage	19.50	2.50	-2.00	-5.00	-8.50	-11.50
Erwartungen	-4.00	-26.00	-24.50	-27.00	-26.50	-28.00
Teilindex Institutionelle						
Aktuelle Lage	19.00	4.50	-4.50	-6.50	-15.00	-23.00
Erwartungen	-11.50	-32.00	-29.00	-34.00	-34.00	-33.00



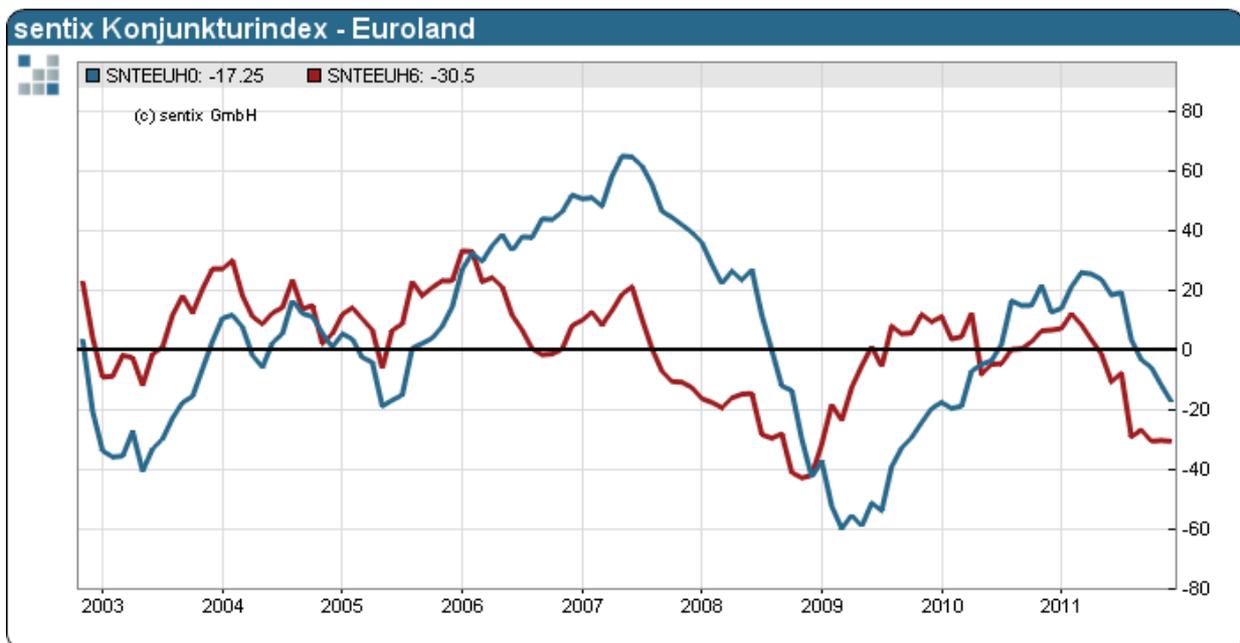
Comments to the survey results of December 2011:

Worries around the Euro economies just won't subside

The Euro debt-crisis is leaving deeper and deeper tracks in the real economy. In December, the sentix economic index dropped for the fifth time in a row and is now down to -24 points. Pressure arises from a worsening situation while economic expectations remain unimpressed by the latest support operations by the central banks. It is better in the USA and Germany, but these two have not yet freed themselves of the downturn scenario.

The uncertainty around the Euro debt-crisis and the rising interest rates in many Euro states weigh heavily on the real economy in December. The sentix economic survey, conducted amongst almost 1000 participants, shows that the economic situation is growing more and more acute.

At -24, the total index falls for the fifth month in a row. The values for economic current situation are hit once more and reflect the weaker production data we saw in the recent past. Surprisingly, the expectations remain in a clearly negative region, in spite of the fact that concentrated action on the part of central banks impressed stock markets last week. With this, Euroland remains strongly in danger of slipping into recession.



sentix economic index Euroland – current situation (blue) and expectations (red)

Even if one considers the latest liquidity support as part of the solution to the problem, impulses from monetary policies only take effect on the development of the real economy with a significant delay in time.

On average there are six months between the beginning of monetary relaxation and measurable positive effects on the economy. In the current cycle, investors reckon with fiscal policies showing under-par efficiency. Accordingly, values for economic expectations are unimpressed.

USA and Germany – better, relatively

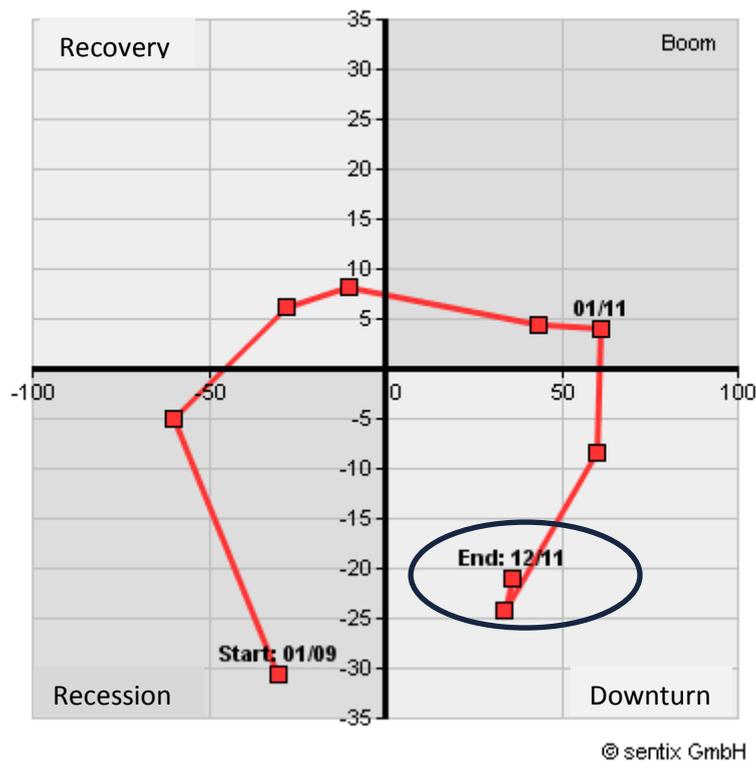
The Eurozone remains tarnished, on the other side, the indicators measured for the USA and Germany are quite a bit better. Especially the USA has positively surprised investors. The total index rises from -13.9 to -6.4 points. This is the second strong rise in a row. With this, the US-index remains on par with its level in autumn 2010. Especially situational values were able to recover noticeably and are a reaction to US economic data which turned out a lot more positive than expected.



USA	Jul 11	Aug 11	Sep 11	Okt 11	Nov 11	Dez 11
Gesamtindex	-8.0	-25.5	-21.5	-20.4	-13.9	-6.4
Headline-Index						
Aktuelle Lage	-8.00	-22.50	-22.75	-21.00	-13.50	-3.75
Erwartungen	-8.00	-28.50	-20.25	-19.75	-14.25	-9.00
Teilindex Private						
Aktuelle Lage	-6.50	-23.00	-20.50	-19.00	-12.00	-3.50
Erwartungen	-5.50	-25.50	-20.00	-18.50	-13.50	-11.00
Teilindex Institutionelle						
Aktuelle Lage	-9.50	-22.00	-25.00	-23.00	-15.00	-4.00
Erwartungen	-10.50	-31.50	-20.50	-21.00	-15.00	-7.00

For Germany, the total index also rose slightly – a circumstance we can also attribute to the assessment of the current situation. But despite this data being relatively better than in other regions, both countries are not yet out of choppy economic waters, as the economic expectations have still not turned in a positive direction. The following chart of the sentix economic clock shows that the indication for Germany is still stuck in the downturn-quadrant:

sentix -DE- Economy Clock



By the way, you can find all charts and data as well as historic reports at <http://konjunktur.sentix.de>

Emerging Markets et al.: Eastern Europe is cause for worry

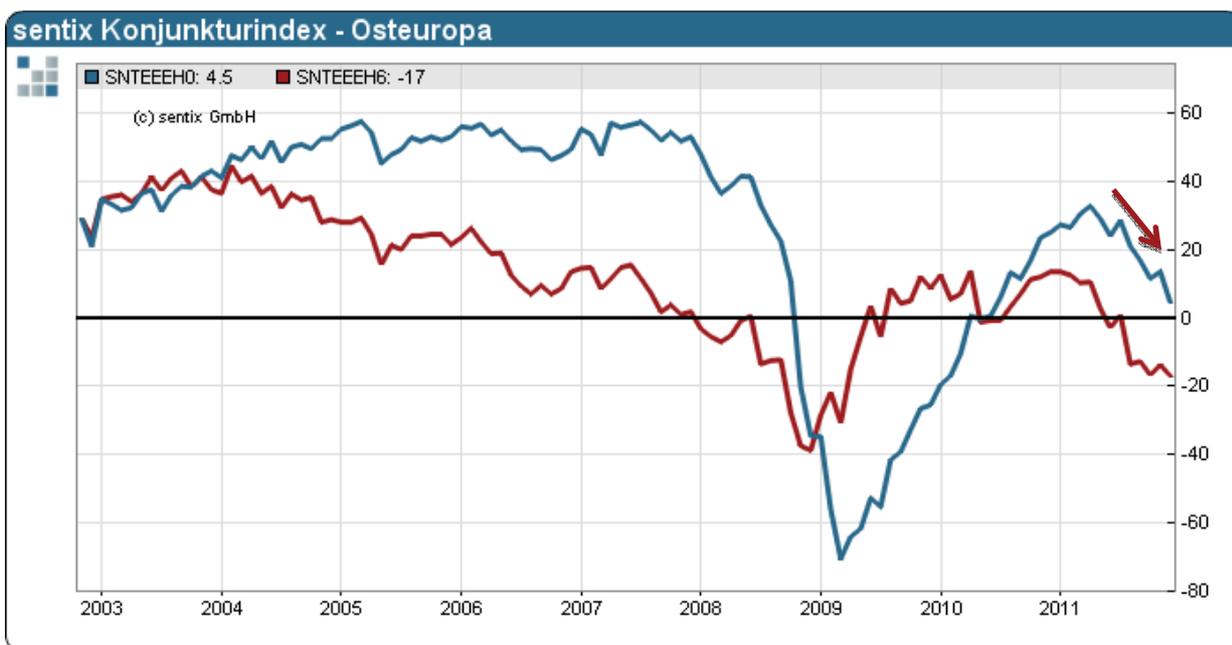
Asia as well as emerging nations in Latin America and Eastern Europe are always listed as potential growth motors. The economic hopes of many market observers are supported by the economic growth perspectives of the BRIC states et al.



But these growth motors are spluttering, at least they are running more slowly, even in China. The latest data publications from there show what sentix data has been pointing to for quite some time: the speed of growth has dropped palpably and will not speed up any time soon.

Asien ex Japan	Jul 11	Aug 11	Sep 11	Okt 11	Nov 11	Dez 11
Gesamtindex	21.8	13.4	13.7	9.2	13.1	11.8
Headline-Index						
Aktuelle Lage	44.25	39.75	35.00	31.00	35.25	31.25
Erwartungen	1.50	-10.00	-5.75	-10.50	-7.00	-6.00

On the contrary, there is a new problem child on the economic horizon, and this child is Eastern Europe. Here, we find this month's strongest drop in the total index. With a value of -6.5 points, the index drops back to the level of February 2010. Economic current situation and expectations are similarly hit and signal a serious problem!

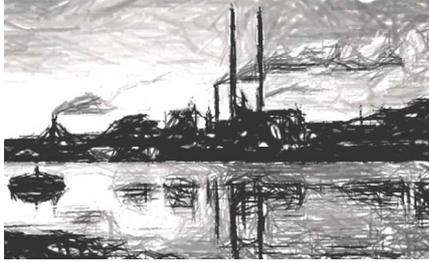


sentix economic index Eastern Europe – current situation (blue) and expectations (red)

Further data

Japan	Jul 11	Aug 11	Sep 11	Okt 11	Nov 11	Dez 11
Gesamtindex	-8.7	-12.3	-13.4	-13.1	-13.1	-11.3
Headline-Index						
Aktuelle Lage	-22.75	-15.50	-16.75	-15.00	-15.00	-11.75
Erwartungen	6.50	-9.00	-10.00	-11.25	-11.25	-10.75

Globales Aggregat	Jul 11	Aug 11	Sep 11	Okt 11	Nov 11	Dez 11
Gesamtindex	7.8	-5.0	-4.4	-6.7	-3.7	-3.1
Headline-Index						
Aktuelle Lage	18.7	9.8	6.3	4.6	7.3	6.9
Erwartungen	-2.5	-18.8	-14.6	-17.4	-14.1	-12.6



Data availability

Bloomberg

FACTSET



sentix 
expertise in behavioral finance



About sentix

On a weekly basis, more than 3.200 registered investors (of which more than 700 are institutionals) supply us with their market assessment. Out of this data, sentix calculates sentiment indexes, which mirror the sentiment of equity markets (DAX, EuroSTOXX 50, Nikkei 225, S&P 500), bond markets (Bund-Future, US-Treasury-Future) and currencies (EUR/USD, USD/YEN). These sentiment indexes are setting the standard, held in high regard by many renowned financial players and are used by investment professionals in their analyses and investment processes. A history of more than seven years and the simple access to data via reputable data providers as well as a website document the outstanding position of sentix as the leading independent sentiment data base.

Background and methodology

See <http://konjunktur.sentix.de>



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