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## sentix-economic index: Euroland is turning into a global problem

- The recession in Euroland is deepening. The total index for Euroland drops for the third time in a row and has reached -28.9 point - the lowest value since May 2009!
- Situational and expectational values have dropped in unison; situational values have reached their lowest point since August 2009.
- Previous growth motors are starting to stutter. The Germany-index loses almost 7 points to 9.1 points, mainly due to the expectational component.
- For the USA, the economic situation is also becoming more difficult. The total index drops to a negative value for the first time since December 2011 (-0.1).
- Euroland is turning into a global problem. The Global Aggregate Index drops distinctly!

### Statistics

Survey time: **31.05.-02.06.2012**

survey participants: **860**

## sentix Indikationen für anstehende Marktereignisse

Here, you can find valuable information on important upcoming market events and the expectations that can be derived from already published sentix data on these issues.

04.06.2012 - ISM Dienste USA - weitere Enttäuschung

05.06.2012 - PMIs Euroland - keine Entwarnung zu erwarten

19.06.2012 - ZEW-Index - Weitere Rückschläge bei Lage und Erwartungen

22.06.2012 - ifo Index - Druck aus Euroland verstärkt sich, Erwartungen weiter fallend

## Table of Results **June 2012** for the Euroland-economy

<b>Euroland</b>	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
<b>Gesamtindex</b>	-21.1	-11.1	-8.2	-14.7	-24.5	-28.9
<b>Headline Index</b>						
- Lage	-18.8	-15.8	-14.0	-20.0	-31.5	-35.0
- Erwartungen	-23.5	-6.3	-2.3	-9.3	-17.3	-22.5

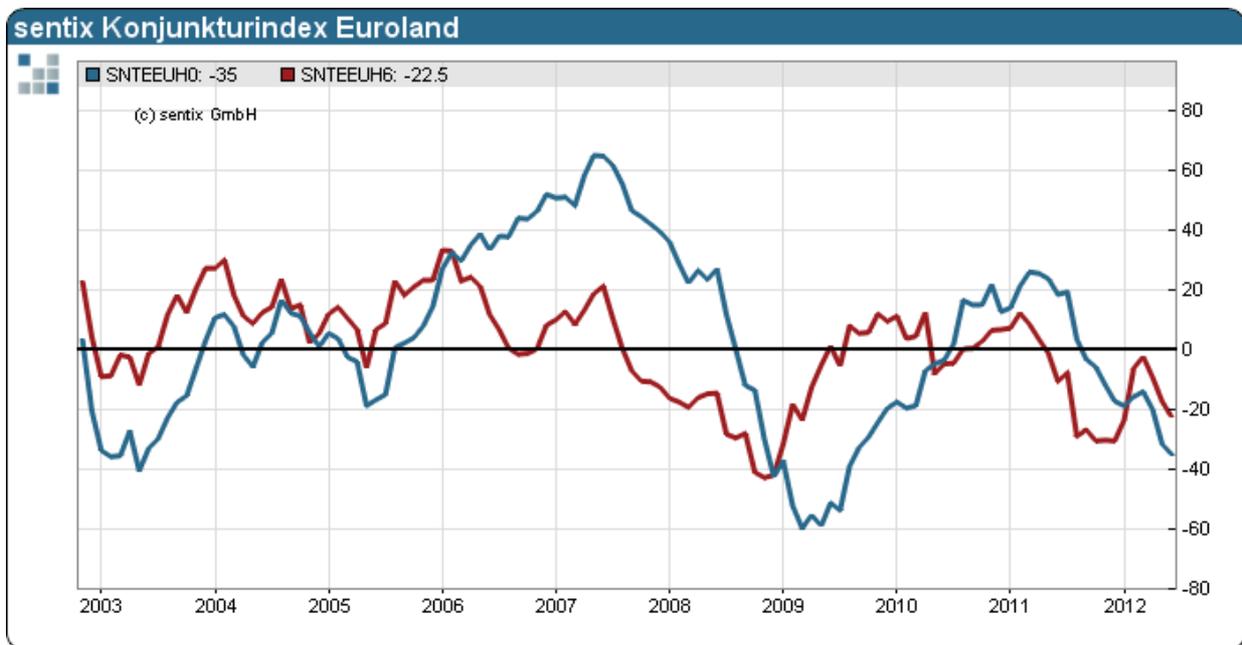


## Commentary to the survey results of June 2012

### Euroland is turning into a global problem

The recession in Euroland is deepening. The sentix total index for the Euroland-economy has dropped for the third time in a row and has hit the lowest value since May 2009 at -28.9! Situational and expectational values are equally affected. The development in Euroland is affecting the previous growth motors more and more negatively. Germany, the USA and the global index all drop clearly. This should now challenge the central banks. Low inflation expectations open space for this.

The sentix economic index once again proved its' worth as 'first mover'. In the beginning of April we saw the lonely leading indicator of the sentix indices - in May, well-known barometers followed and confirmed the downturn-warning for the Euroland-Zone. But, in the meantime, we are no longer just looking at a downturn. The Eurozone has once again slipped into a recession which, according to the verdict of the private and institutional investors surveyed by sentix, has further deepened. The current readings and the expectations drop again in June and send the total index to the lowest value since May 2009.



sentix economic index Euroland –situation and expectations

The Euro crisis is creating more and more real problems in the national economies in the Euro zone. Rising interest rates are only one conspicuous characteristic. More and more, economic subjects are becoming aware of the possibility of a fracturing of the Eurozone. This leads to a new risk assessment, to a change in liquidity needs and a change in calculation bases. It is no surprise, therefore, that real economies in the former economic powerhouses are being affected more and more.

#### Germany has the sniffles – is the flu next?

Germany – hitherto a 'model state' – is beginning to feel the effects more and more. The total index for Germany loses almost 7 points in June. The expectational values have felt the sting especially strongly and drop to -14 points.

With this, the sentix economic clock for Germany is once again clearly in the downturn quadrant. This is a doubly negative piece of news for the Eurozone, as we now have to look for a corrective against the ever-growing negative spiral.



## All world regions are suffering more and more

The difficulties are not limited to the Eurozone. All countries and world regions that sentix take under scrutiny have lost ground.

The investors are especially strong in their reactions towards the USA and the Asian region.

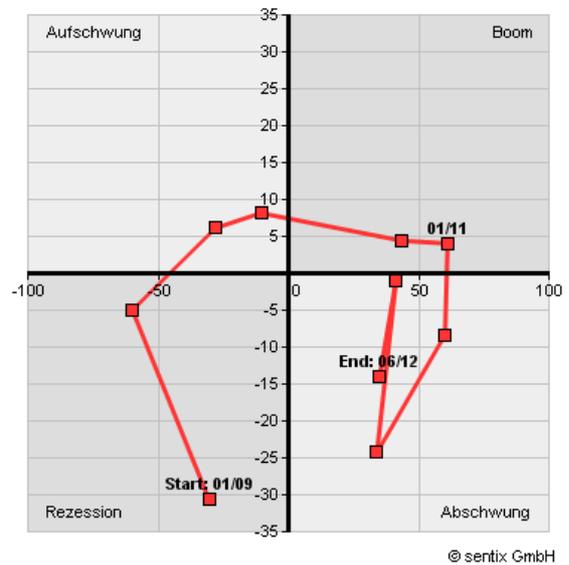
The US total index drops by 7.8 points and ends at a value of -0.1 – back in the negative zone. For President Obama, this is not a welcome development with the crucial phase of his election campaign around the corner. The expectations for the US economy are negative for the first time since December 2011.

The 'Asia ex Japan' region also proves to be affected by the self-strengthening economic downturn tendencies. The total index for the region drops by almost 10 (!) points, and here, too, the majority of expectations is clearly negative.

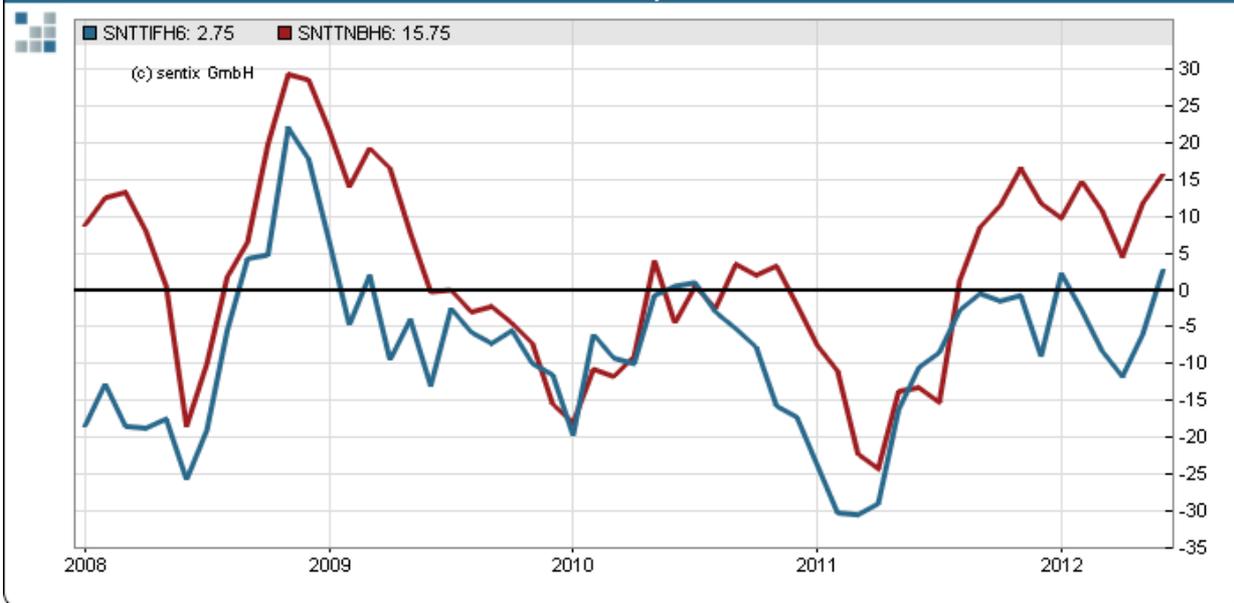
## Further relaxation measures?

It should not surprise, therefore, that market participants expect new relaxation measures from central banks. The call for 'rescue' by new central bank measures can already be heard in Euroland, where a third long-term tender is being discussed already. The FED should also be hearing this call more and more loudly, especially as the current measure ('operation twist') will end at the end of June.

## sentix -DE- Economy Clock



## sentix Themenindizes - Inflation und Notenbankpolitik



## sentix topic indices – inflation and central bank policies

The chart above shows the continued expectations of market participants towards further monetary easing (red line). According to investors, there is currently no room to manoeuvre – on the contrary. From the viewpoint of the surveyed investors, the chances of inflation were last better at the beginning of 2009, in the middle of the Lehman crisis.



What remains open is the end of such a monetary measure, if central banks choose to react to the calls of investors. After all, the system is not dry of liquidity, as can be seen in the deposits at the ECB. But liquidity isn't reaching those who need it most. And whether this problem can be solved by pumping more money into the system is being put into doubt by more and more market observers.

## More data and charts

<b>USA</b>	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
<b>Gesamtindex</b>	5.6	11.1	13.7	11.8	7.7	-0.1
<b>Headline Index</b>						
- Lage	8.5	12.0	17.8	17.8	14.0	6.3
- Erwartungen	2.8	10.3	9.8	6.0	1.5	-6.3

<b>Japan</b>	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
<b>Gesamtindex</b>	-7.8	-4.4	1.7	0.6	-1.8	-6.3
<b>Headline Index</b>						
- Lage	-11.8	-11.0	-4.5	-0.8	-2.8	-6.0
- Erwartungen	-3.8	2.5	8.0	2.0	-0.8	-6.5

<b>Deutschland</b>	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
<b>Gesamtindex</b>	10.0	22.0	23.0	19.1	16.0	9.1
<b>Headline Index</b>						
- Lage	37.0	41.4	41.4	41.3	40.3	35.0
- Erwartungen	-14.0	4.1	6.0	-1.0	-5.8	-14.0

<b>Asien ex Japan</b>	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
<b>Gesamtindex</b>	14.4	25.7	28.8	21.8	22.4	12.7
<b>Headline Index</b>						
- Lage	30.8	37.5	41.0	34.8	36.8	27.3
- Erwartungen	-0.8	14.5	17.3	9.5	9.0	-1.0



# sentix Eco Report Indicators for the Global Economy

04. June 2012

<b>Osteuropa</b>	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
<b>Gesamtindex</b>	-7.8	1.6	8.2	5.2	1.3	-3.8
<b>Headline Index</b>						
- Lage	-2.5	1.3	9.5	9.0	6.3	1.8
- Erwartungen	-13.0	2.0	7.0	1.5	-3.5	-9.3

<b>Lateinamerika</b>	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
<b>Gesamtindex</b>	12.2	20.6	23.8	18.2	13.7	5.3
<b>Headline Index</b>						
- Lage	26.5	29.0	33.3	28.3	25.8	15.0
- Erwartungen	-1.3	12.5	14.8	8.5	2.3	-4.0

<b>Globaler Index</b>	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12
<b>Gesamtindex</b>	1.8	10.3	13.8	9.2	5.7	-1.6
<b>Headline Index</b>						
- Lage	9.2	13.3	17.8	14.7	11.7	4.6
- Erwartungen	-5.3	7.4	9.9	3.8	-0.2	-7.7



## Data availability

**Bloomberg**

**FACTSET**



**Macrobond**



**sentix**   
expertise in behavioral finance

## About sentix

On a weekly basis, more than 3.700 registered investors (of which more than 780 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 eleven 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, methodology and more

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



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