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sentix Economic Index: Asia load on the global economic momentum

- The Euro zone has survived the Greece turmoil unscathed. The current situation values have continued to improve to 15.3 points. The expectation values on the other hand also declined in Europe, due to a slowing global momentum.
- The expectations index for the Asian region fell by 5.75 points to its lowest level since September 2012! The region changed its state from boom to a slight upturn.
- The economic momentum also weakens in the US and in Japan. Latin America surprised negatively and now finds itself in a clear downturn scenario.

Statistics

Poll running: **06.08.-08.08.2015**

Survey participants: **1.002 investors**
(of which institutional investors: **260**)

In which economic regime* are we?

Region / Land	Regime	Region / Land	Regime
Eurozone	boom	USA	upturn
Germany	boom	Japan	upturn
Switzerland	stagnation	Asia ex Japan	slight upturn
Austria	upturn	Latin America	downturn
Eastern Europe	stabilisation	Global Aggregate	upturn

* 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 page 6). 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.

Table of the **August 2015** results for the euro-zone economy

Euro area	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	
Overall Index	18.6	20.0	19.6	17.1	18.5	18.4	
Headline Index							
- Current situation	6.5	9.0	13.0	11.8	14.8	15.3	Highest since July 2011
- Expectations	31.5	31.5	26.5	22.5	22.3	21.5	Lowest since January 2015



Commentary on the survey results for August 2015

Asia a burden on global economic momentum

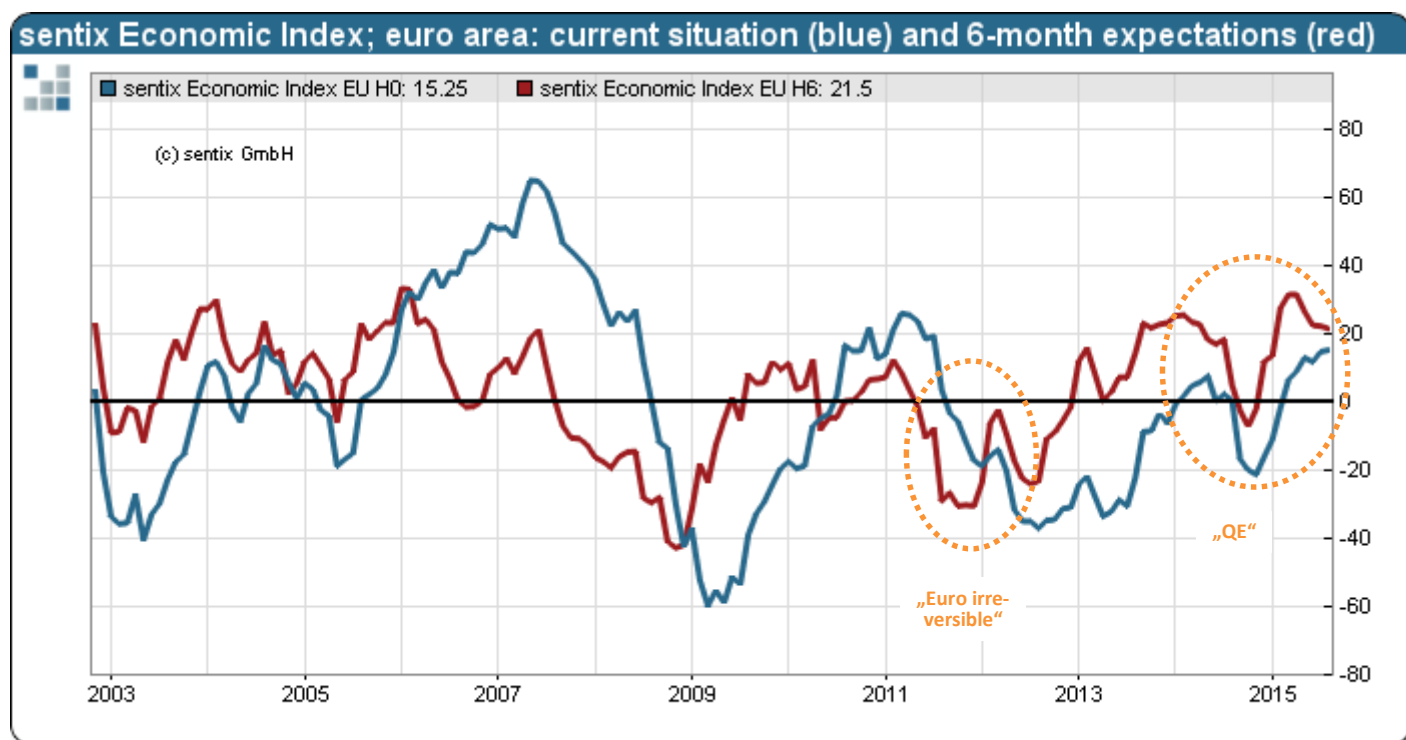
Uncertainties regarding further development on the Chinese stock markets are now also heavily impacting economic expectations for the Asia (ex Japan) region, which have fallen considerably and are now at the September 2012 level. This weakness is expanding increasingly to other regions, causing expectations for all other observed countries and regions (except Austria and Switzerland) to decline as well.

Euro zone – comparatively robust

The euro-zone economy is proving relatively robust despite the global headwind. The assessment of the current situation has improved again slightly, and expectations have fallen only negligibly from 22.3 to 21.5 points. The euro zone has thus weathered the commotion in Greece and the further decline in that country's economic momentum relatively well.

Three major factors have positively affected this development: unchanged low euro valuation, low oil prices and a highly expansionary monetary policy, which has resulted in a further significant rise in the M1 money aggregate (+11.5% yoy).

The ECB monetary policy in particular is a key factor at this time, reflected not only in the euro-area aggregate but also in country indices for **Germany** (extremely high current situation figures sustained) and **Austria** (the only country with a clear rise in expectations).



sentix Economic Index, euro zone: assessment of the current situation (blue) and expectations (red)



Asia ex Japan – from boom to slight upturn

The Asia region continues to lose momentum. Its composite index has lost around 9 points, hitting its lowest level seen since July 2009. The assessment of the current situation and expectations have declined equally. From the point of view of investors surveyed by sentix, the region is no longer in a boom but only in a slight upturn. While the weakness of the current situation figures can be explained by the weak performance on the stock markets, expectations, which have declined just as heavily, are dampening the hope of a swift recovery of economic momentum.

Asia ex Japan	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	
Overall Index	24.0	23.0	22.8	19.4	15.0	6.1	Lowest since July 2009
Headline Index							
- Current situation	28.5	26.5	27.0	24.8	19.0	6.5	Lowest since July 2009
- Expectations	19.5	19.5	18.8	14.3	11.0	5.8	Lowest since Sept.2012

Latin America – a region in downturn

The Latin America region continues to bring up the economic rear in global terms. The composite index has fallen by 8.9 points to -18.9 – its lowest level since April 2009.

The current situation assessment has fallen to -30 points, indicating a region in danger of recession (lowest level since May 2009). Investors do not expect improvement in the short term as the decline to -7.1 points in expectations shows. The main driver of this development is the region's largest country, Brazil. But Chile, too, is suffering immensely due to the weak commodities sector.

Latin America	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	
Overall Index	-7.8	-8.1	-6.5	-8.4	-10.0	-18.9	Lowest since April 2009
Headline Index							
- Current situation	-18.0	-19.3	-17.5	-17.5	-21.5	-30.0	Lowest since May 2009
- Expectations	3.0	3.8	5.3	1.3	2.3	-7.1	Lowest since November 2011



More tables

Global Aggregate	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	
Overall Index	18.1	16.6	15.0	14.6	14.2	10.0	Lowest since November 2014
Headline Index							
- Current situation	19.6	17.4	14.6	16.2	16.1	11.5	
- Expectations	16.7	15.8	15.4	13.1	12.4	8.4	

Germany	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	
Overall Index	39.5	31.4	28.2	26.8	26.8	25.7	
Headline Index							
- Current situation	49.9	40.8	39.4	40.3	39.1	39.5	
- Expectations	29.5	22.4	17.5	14.1	15.1	12.7	

USA	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	
Overall Index	28.8	22.6	17.2	20.8	24.4	22.1	
Headline Index							
- Current situation	46.3	38.0	23.0	29.5	35.3	35.0	
- Expectations	12.5	8.3	11.5	12.5	14.0	10.0	

Japan	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	
Overall Index	11.7	10.9	8.7	13.4	14.1	11.6	
Headline Index							
- Current situation	9.3	9.0	8.0	15.3	17.3	14.8	
- Expectations	14.3	12.8	9.5	11.5	11.0	8.5	

Eastern Europe	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	
Overall Index	-6.6	-3.9	-2.0	-3.0	-5.1	-5.9	
Headline Index							
- Current situation	-17.8	-15.5	-12.3	-11.0	-13.3	-12.8	
- Expectations	5.3	8.5	8.8	5.3	3.5	1.3	



Press release sentix Economic Index

10 August 2015

Switzerland	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15
Overall Index	-1.6	7.9	6.9	-4.8	-2.2	1.3
Headline Index						
- Current situation	13.1	13.3	8.7	-6.6	0.7	-3.0
- Expectations	-15.4	2.6	5.1	-3.0	-5.0	5.7

Austria	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15
Overall Index	4.3	-1.3	7.4	1.8	-0.9	13.6
Headline Index						
- Current situation	-2.7	-9.6	-1.8	3.6	-0.1	7.0
- Expectations	11.6	7.5	17.0	0.0	-1.7	20.3

Lowest since
November 2014



Data availability

Bloomberg

FACTSET



Macrobond



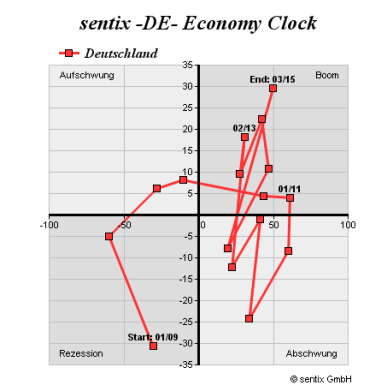
sentix 
expertise in behavioral finance

About sentix

On a weekly basis, almost 5.000 registered investors (of which over 1,000 are institutional investors) supply us with their market assessments. 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 13 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>



The idea of the „economy clock“

The sentix economy clock show the assessment of the current situation and investors' 6-month expectations in a x-y diagram. The assessment of the current situation is displayed on the x-axis and 6-month expectations on the y-axis. An upturn, for instance, is characterised by still negative readings for the assessment of the current situation but already positive values for investors' expectations. This is why the upturn area lies in the upper left part of the clock. The graph on the left hand side shows Germany starting in 2009 from a recession ending in 03/15 in a boom.



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