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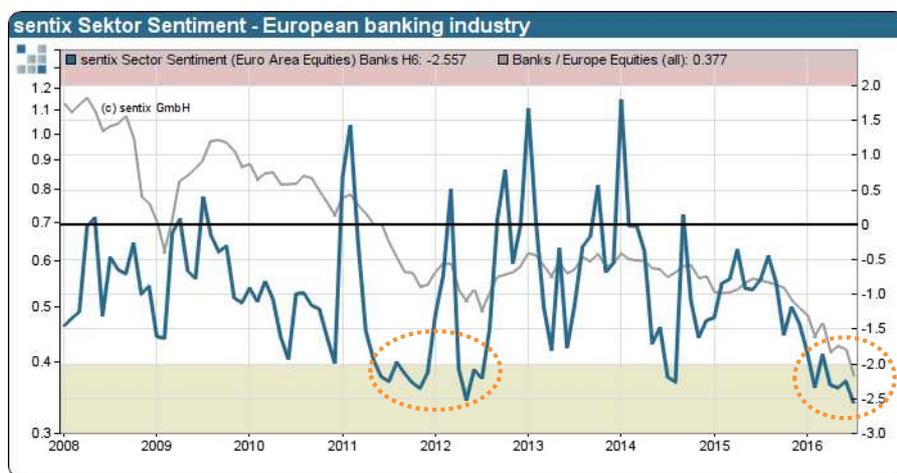
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## Opportunities arise in times of trouble

**The European banking crisis worsens in the wake of the Brexit referendum. The sentix Sector Sentiment marks a new all-time-low. However, investors' impression has reached such an extreme negative value that it could represent a contrarian buy opportunity.**

The sentix sector sentiment for European bank stocks has fallen to -2.55 index points. It is the lowest ever recorded value since the inception of the sentix indicator in 2002. Meanwhile, pessimism has reached such a negative magnitude that even exceeds the negative magnitude of 2012 (refer to the chart below). We all remember: Back in 2012 Mr Draghi was forced to give his famous speech “whatever it takes” to strengthen the European banking sector and the euro. Today, four years later, the banking industry once again teeters on the brink of the abyss. Investors express their concern, in line with pessimistic media response, that a new policy is necessary to solve the crisis.



The sentix Sector Sentiment could provide investors with guidance: As falling indicator values lead in principle to weaker sector performance, however, sentiment readings below -2.0 standard deviations usually precede rising asset prices. Investors willing to dump their holdings usually have done so, as values reach extremely negative territory, thus, reducing downward price pressure.

Based on a behavioural finance point of view, investors' current pessimism could evolve into a potential buying opportunity.



## Background

**sentix Sector Sentiment** is a monthly survey conducted since 2002 among individual and institutional investors as part of the sentix Global Investor Survey. The survey runs on the second Friday of each month. Investors are asked about their 6-month expectations regarding 19 European stocks sectors. They can indicate whether they expect a sector to outperform, to perform as the market or to underperform. The survey results are normalised over all sectors and calculated as so-called z-scores. Z-scores are standard deviations from the mean of a given sample. A value of +1 for a sector sentiment means, for instance, that the expectations for the sector stand one standard deviation above the mean expectation for all sectors.

The latest survey was conducted from 07-July to 09-July-2016 and incorporates market opinions of 1,031 private and institutional investors.

## 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 large 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 Behavioral Finance.



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