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## sentix Economic Index: Recovery gains momentum

- **Economic momentum in the Euro area gains further** in November. The overall headline index rises to +13.1 index points and the expectations are the highest since December 2015.
- Also, the current situation index improves significantly with a plus of six points. Within the Euro area, **Germany remains strong** while the countries of the Alps (Austria and Switzerland) weakened.
- **Global backwind continues.** Even for the United States the confidence remains for the time after the presidential election. The Global aggregate index rises to +14.8 points, the **highest numbers since May 2015**.

### Statistics

Poll running: **03-to 05-November-2016**

Survey participants: **1,024 investors**

(of those are institutional investors: **259**)

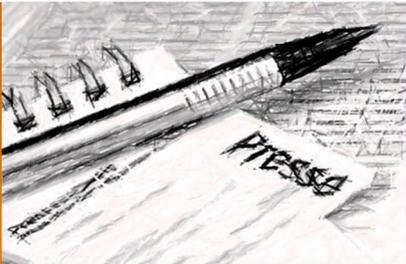
## Current economic regimes\* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
 Eurozone	boom	 USA	upturn
 Germany	boom	 Japan	stabilisation
 Switzerland	upturn	Asia ex-Japan	boom
 Austria	slight upturn	Latin America	upturn
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 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: November 2016

Euro area	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16
Overall Index	9.9	1.7	4.2	5.6	8.5	13.1
Headline Index						
- Current situation	9.8	5.5	3.8	4.5	6.3	12.3
- Expectations	10.0	-2.0	4.8	6.8	10.8	14.0



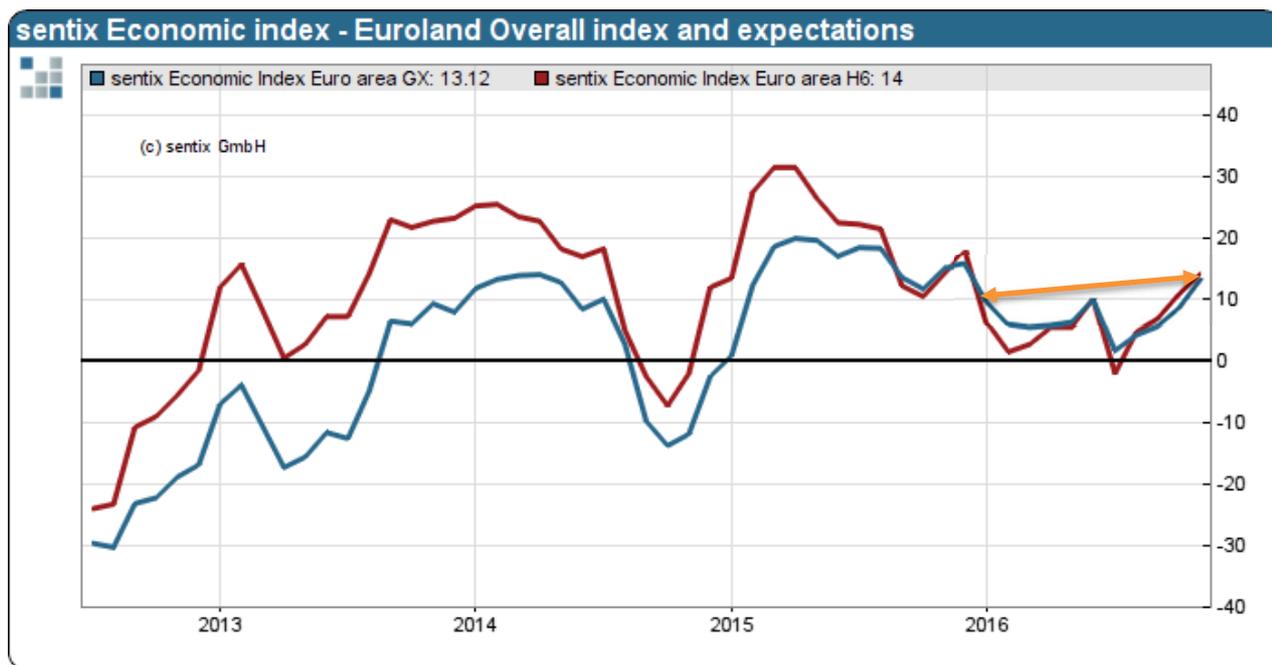
## Commentary on the survey results for November 2016

### Recovery gains momentum

In November, the positive trend in the economic indices continues. The overall index for Euroland is even rising to a new year's high, driven by further rising expectations. But also, the plus of six points in the position assessment sets an exclamation mark. Important is the fact that the economic assessment for the US does not indicate any weakness for the time after the handover. Together with Japan and the emerging markets, the sentix Global Aggregate continues to grow, which points to a solid global economic upturn.

### Euro area – New yearly high

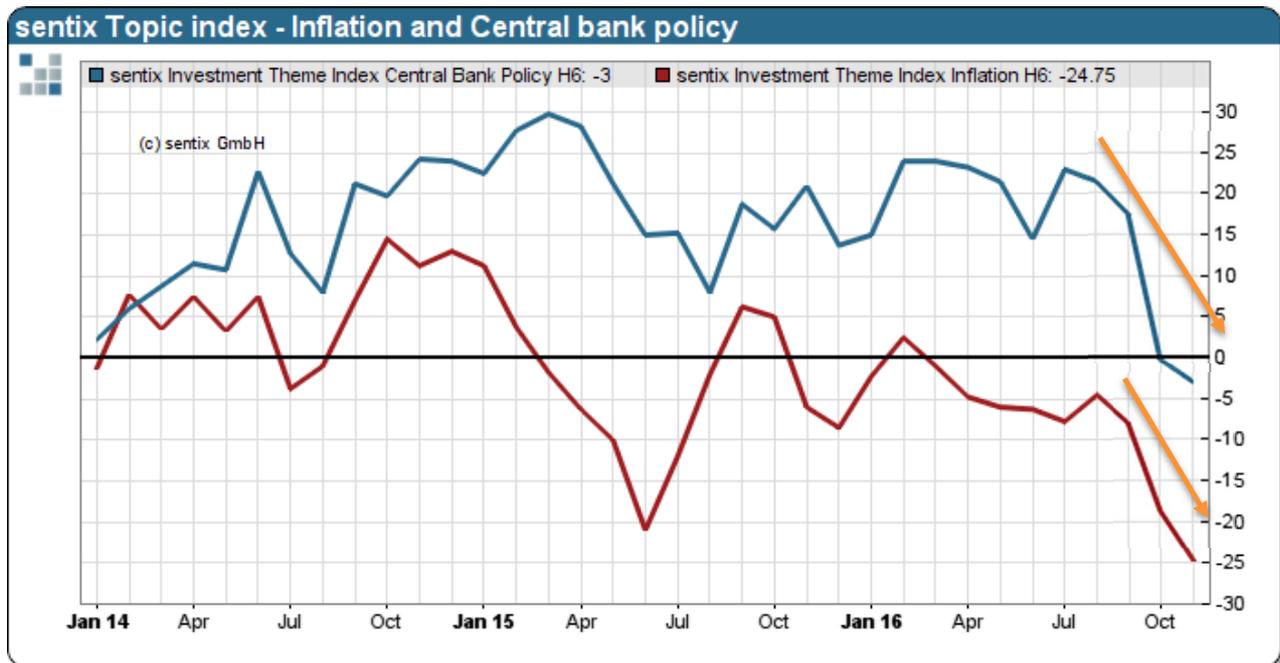
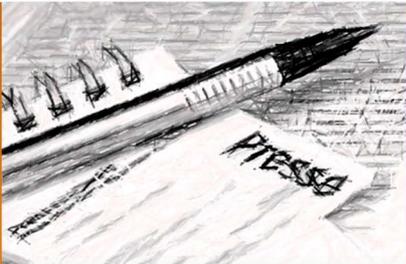
In the Euro area, the signs are still on improvement. In purely numerical terms, the figures even reach the boom quadrant in the sentix economic cycle clock (for explanation, see appendix)! On a positive note, all aggregates are rising: the situation, the expectations and, consequently, the overall index. We are not only recording a one-year high in November 2016, but the dynamism of the increase is particularly impressive. This is expected to pose a positive surprise in the fourth quarter of 2016 on the economic side.



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

The ECB should take benevolently note of this. After all, she had practiced restraint in further stimulating measures to make the previous, on the way, work. Thus, no further acute need for action should be expected from the monetary authorities. Investors are taking advantage of the decline in the influence of central bank policy, which is reflected in the sentix topic index "Central bank policy".

Background: Sentix monthly raises these data parallel to the economic assessments for the following topics: business cycle, inflation, central bank policy, fiscal policy and exchange rates.



sentix Investment Theme Indices: **Central bank policy** and **Inflation**

This is likely to have a direct impact on the interest rate landscape, as the previous support argument over the ongoing purchase of government bonds loses strength. In addition, the topic index "inflation" is experiencing a further pointing. Due to the improved economic environment, investors are experiencing increased risks of inflation. This should also have a recouping effect on further interest rate developments.

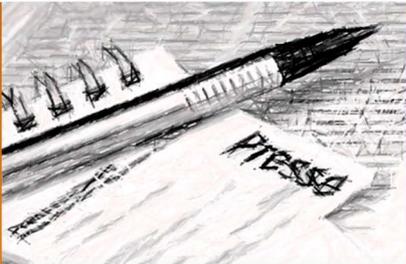
### Germany – The boom continues

For Germany, the signs are still on "boom". Although the positive signs do not develop quite as dynamically as for the Euro area, the improvement must be judged as very positive because of the already high level. The expectation component increased by 0.7 points, the situation improved by 2.3 points, which corresponds to the highest level since April 2015.

Germany	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	
Overall Index	20.7	18.4	19.8	19.5	27.7	29.2	Highest level since 05.2015
<b>Headline Index</b>							
- Current situation	34.4	35.2	33.4	34.3	45.5	47.8	Highest level since 03.2015
- Expectations	7.9	2.7	7.0	5.7	11.3	12.0	Highest level since 08.2015

### United States – Confidence after handing over the office

At present, all attention for the US is focused on the presidential election. Investors do not see any confusion for the economy because of the event. Economic expectations are rising, if only by one point to 7.3. Certainly, the choice of the outcome will have consequences on the extent of the expectations. A few days before the decision, there is no abrupt shock for the time after this on the agenda.



USA	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	
Overall Index	17.0	14.3	17.6	16.5	17.8	19.6	Highest level since 12.2015
<b>Headline Index</b>							
- Current situation	27.8	27.0	29.3	29.3	30.0	32.8	Highest level since 01.2016
- Expectations	6.8	2.3	6.5	4.5	6.3	7.3	Highest level since 09.2015

### Global backwind persists

Almost all of the global regions show positive monthly changes in the sentix economic indices (with the exception of the Alpine countries). It is therefore also not surprising that the sentix Global Aggregate Index is expanding its positive trend in recent months. With 14.8 points it still reaches the highest level since June 2015 - thanks in particular to the emerging markets!

Global Aggregate	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	
Overall Index	6.7	4.3	7.9	9.1	11.6	14.8	Highest value since 06.2015
<b>Headline Index</b>							
- Current situation	6.1	6.2	8.4	10.3	12.5	16.8	Highest value since 05.2015
- Expectations	7.3	2.4	7.4	7.9	10.7	12.9	Highest value since 07.2015



## More tables

Switzerland	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16
Overall Index	7.7	-0.9	3.7	10.8	18.7	13.6

Austria	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16
Overall Index	11.1	4.1	9.4	3.4	6.2	3.3

Japan	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16
Overall Index	-6.2	-8.6	-6.2	-4.8	-1.3	1.3
Headline Index						
- Current situation	-12.3	-13.0	-12.8	-10.3	-6.8	-3.0
- Expectations	0.0	-4.0	0.5	0.8	4.3	5.8

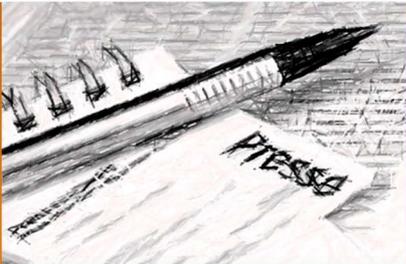
Asia ex Japan	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16
Overall Index	9.0	8.2	14.1	16.4	19.7	22.4
Headline Index						
- Current situation	7.5	9.5	15.0	18.0	21.5	25.5
- Expectations	10.5	7.0	13.3	14.8	18.0	19.3

Eastern Europe	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16
Overall Index	-5.5	-7.3	-5.0	-2.9	-1.6	2.2
Headline Index						
- Current situation	-14.3	-14.3	-12.8	-10.0	-8.5	-4.8
- Expectations	3.8	0.0	3.0	4.5	5.5	9.5

Latin America	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16
Overall Index	-18.0	-13.7	-12.5	-9.1	-6.0	0.8
Headline Index						
- Current situation	-36.8	-30.3	-29.3	-23.8	-21.5	-13.3
- Expectations	3.0	4.5	6.0	6.8	10.8	16.0



## Data availability

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## About sentix

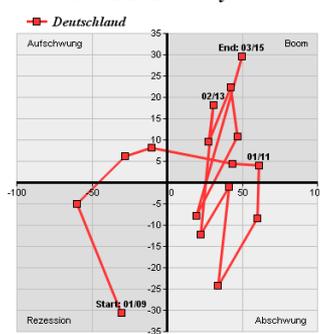
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## Background, methodology and more

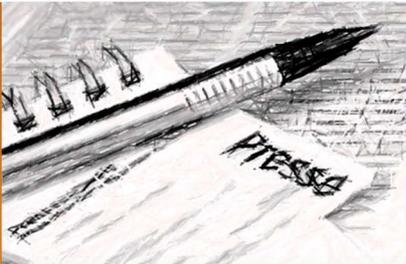
See <http://economics.sentix.de>

*sentix -DE- Economy Clock*



## The idea of the „economy clock“

The sentix economy clock shows the assessment of the current situation and investors' 6-month expectations in an x-y diagram. The evaluation 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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