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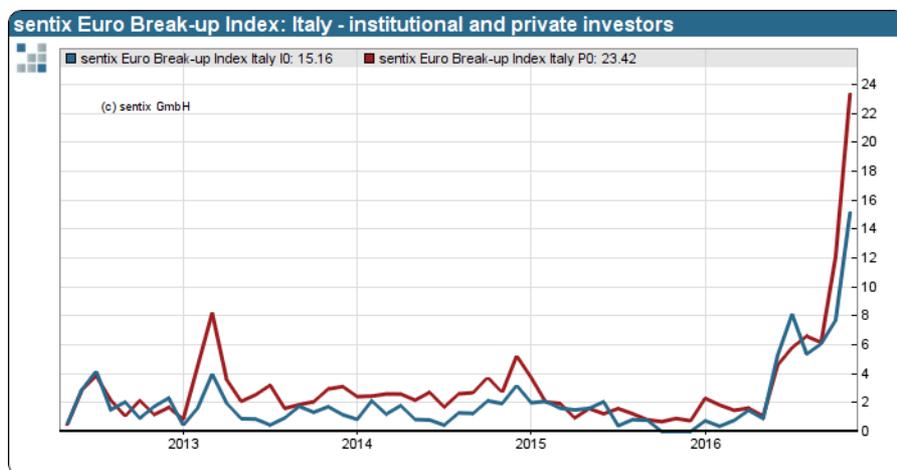
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Euro Break-up Index: It is high time!

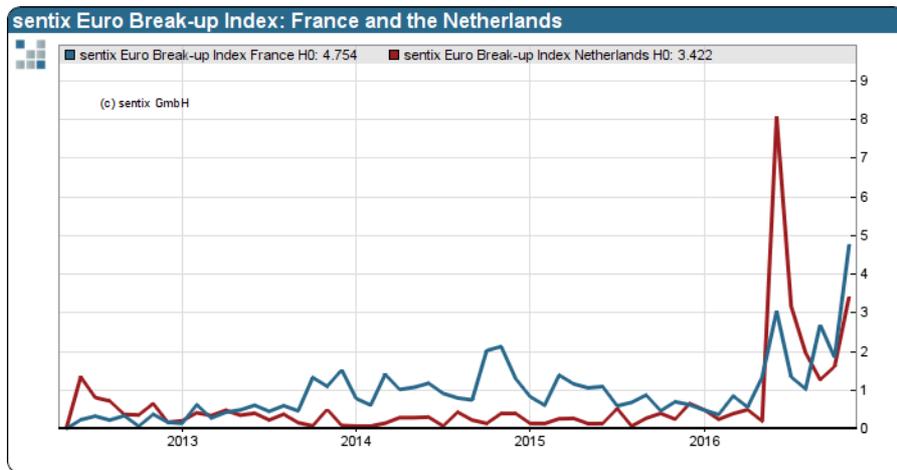
The closer we approach December 4th, the more does the Italian referendum occupy the minds of investors. Fears of more trouble in the Eurozone mount as Italy takes the spotlight in our monthly Euro Break-Index (EBI) survey. Surprisingly, investors do not exclusively pick Italy as a potential exit candidate. Moreover, exit probabilities of many euro member countries are on the rise. Especially France and the Netherlands join ranks with Italy. The sentix EBI increases to 24.1%.

Investors are more and more worried about Italy. The perceived euro exit probability jumps to 19.3% which marks the highest level since the inception of the sentix EBI survey. Foremost, the massive decline of the Italian Target 2 balance (-345 billion Euro as of 30.09.2016) which hints toward capital flight, as well as the apparent weakness of the Italian Banking System (e.g. Unicredito and Generali), threaten the stability of the Eurozone. With the day of the constitutional referendum approaching, not only the political future of Premier Matteo Renzi is at stake – it is high time.



sentix Euro Break-up index: perceived exit probability for Italy (institutional and private investors)

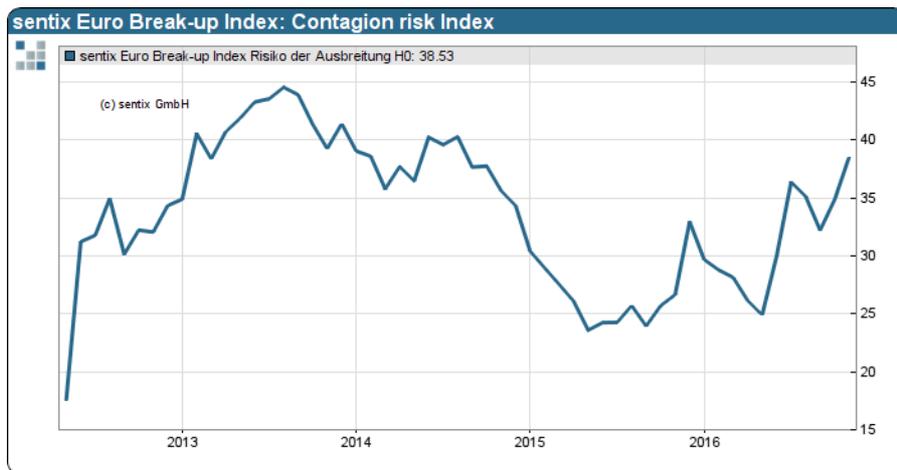
Typically only a single country occupies investors' attention. This time is different. Unfortunately, we measure a significant increase in perceived exit probabilities across many member countries and, in particular for France. The French Index hits with 4.75% a new all-time-high. Even the Index for the Netherlands rises to 3.4% (refer to the chart below).



sentix Euro Break-up index: perceived exit probability for France and the Netherlands

The overall rise to a likelihood of 24.1% that a euro member country quits the union in the next 12 months, reinforces the notion that a surprisingly strong anti-euro sentiment has evolved during 2016. Moreover, Brexit increased overall risk levels.

The sentix contagion risk Index mirrors this development, alike. The Contagion Risk Index exhibits strong momentum.



sentix Euro Break-up index: Contagion Risk Index



Background

The sentix Euro Breakup Index is published on a monthly basis and was launched in June 2012. Its poll is running for two days around the fourth Friday of each month. Results are regularly published on the following Tuesday morning. Survey participants may choose up to three euro-zone member states of which they think they will quit the currency union within the next twelve months. Further details on the sentix Euro Breakup Index can be found on <http://ebr.sentix.de>.

This month's reading of 24.1% means that currently, this percentage of all surveyed investors expect the euro to break up within the next twelve months. The EBI has reached its high at 73% in July 2012 and touched its low at 7.6% in July 2014.

The current poll in which 1,036 institutional and retail investors participated was conducted from November, 24th to November, 26th 2016.

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 1,100 institutional and almost 4,500 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 vast 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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