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Manfred Hübner

CEFA, Managing Director

manfred.huebner@sentix.de

sentix 
expertise in behavioral finance

sentix GmbH

Wiesenhüttenstraße 17, 60329 Frankfurt am Main

Tel. +49 (69) 3487 961-0, info@sentix.de

sentix Economic Index: The sun rises in Asia

- In March, the sentix overall economic index for the Euro zone stabilizes and stands at -2.2 points. While the situation values are falling for the seventh time in a row, future-oriented expectations are rising significantly by 7 points to -10.3.
- We are also measuring a similar development for Germany. The situation values lose for the fifth time to +20 points. Expectations, on the other hand, rise to -10.8 points.
- However, the biggest ray of hope in the sentix Economic Indices is the region Asia ex Japan. Both situation values and expectations can improve here. This means that this region is on the upswing again. Latin America is also continuing to stabilize.

Statistics

Poll running: **28-Feb to 2-Mar, 2019**

Survey participants: **1.000 investors**
(**293** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

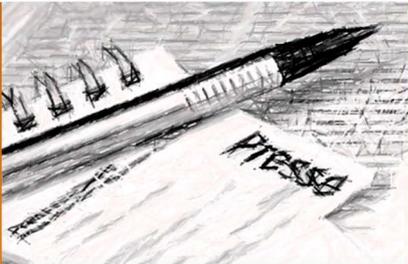
Region / country	Regime	Region / country	Regime
 Eurozone	downturn	 USA	downturn
 Germany	downturn	 Japan	slowdown
 Switzerland	Downturn	Asia ex-Japan	upswing
 Austria	Stabilisation	Latin America	downturn
Eastern Europe	Stagnation	Global Aggregate	slowdown

* 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: **March 2019**

Euro Area	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19
Overall index	11.4	8.8	-0.3	-1.5	-3.7	-2.2
Headline Index						
- Current situation	33.0	29.3	20.0	18.0	10.8	6.3
- Expectations	-8.3	-9.8	-18.8	-19.3	-17.3	-10.3

Lowest since 09.2016 **7. decline in a row**



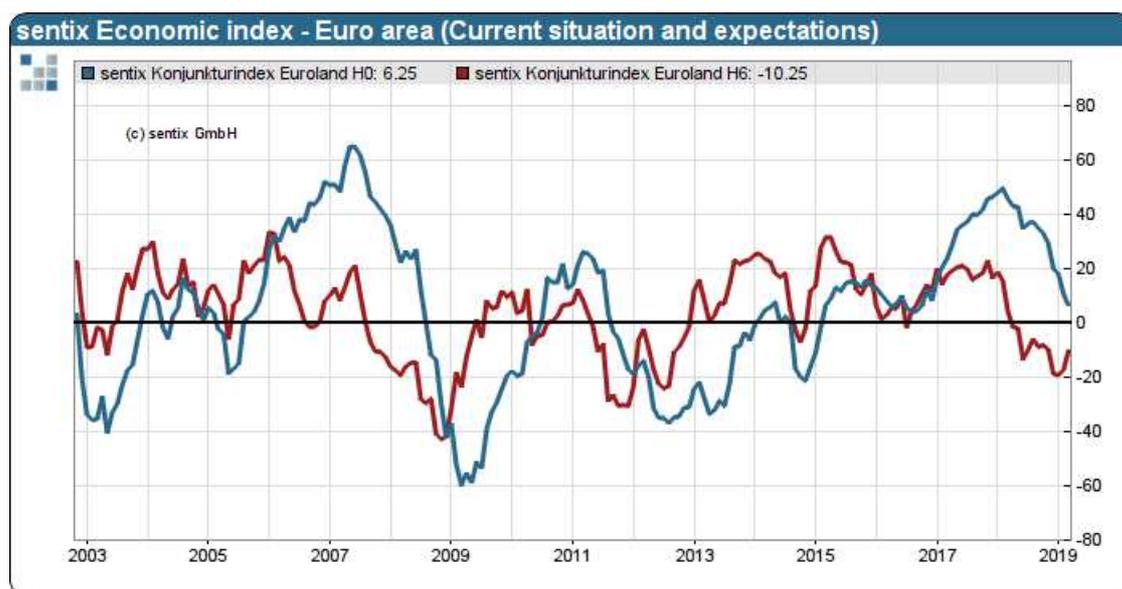
Commentary on the survey results for March 2019

The sun rises in Asia

In March, the sentix economic indices are sending signs of stabilisation in the eurozone economy. While the assessment of the situation has fallen to 6.3 points for the seventh time in a row, economic expectations have improved for the second time. This is fueling hopes that there will be no recession. The results for the German economy are similar. In the search for the starting point of a new upswing, the region Asia ex Japan moves into focus. The situation and expectations are improving here.

Euro area: Signs of stabilisation

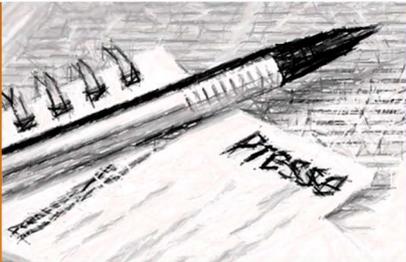
Even if there are increasing signs of an economic stabilisation in the euro zone, it is too early to give the all-clear. After all, the situation values in Euroland are falling again by 4.5 points to their lowest level since September 2016. However, a ray of hope emerges when looking at the economic expectations, which are clearly rising by 5 points to -10.3. Thus, the expected values are still negative, but every economic turning point begins with an increase in the expectation values (see 2009 or 2016).



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

In search of the reasons for the beginning hopes for a turn for the better, the region Asia ex Japan is moving into the spotlight. According to sentix investors, this region is currently in the best shape. Should the signs of an upswing increase, this would also have a positive effect on the euro zone. On the other hand, however, loads from the "Brexit" cannot yet be ruled out.

Thematically, investors expect slight support from monetary policy in the coming months from a pause in the interest rate cycle. Nevertheless, the central bank policy barometer does not give the impression that a sustained easing of monetary policy is to be expected. On the one hand, a rapid comeback of the economy would also surprise the central bank and, on the other, investors expect inflationary pressures to rise again.



Germany: Close to stagnation

The sentix economic indices are also sending signals of stabilization for the German economy. However, here too the economy is still in a precarious state. The situation values fell significantly for the fifth time in a row (-5.8 points to +20). Although this value still indicates an expanding economy, it is the lowest reading since November 2014! Expectations for Germany are also rising for the second time in a row, but are still negative at -10.8 points! The former economic locomotive is therefore by no means a positive one at the moment.

Germany	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	20.0	15.6	7.2	6.1	3.1	4.0		
Headline Index								
- Current situation	53.0	47.0	36.3	34.8	25.8	20.0	Lowest since 11.2014	5. decline in a row
- Expectations	-8.8	-11.8	-18.3	-19.0	-17.3	-10.8		

USA: Relatively robustness continues

By international standards, the US economy continues to give a relatively robust impression. Although the situation values are also falling for the fifth time in a row, they are still trading at a positive level of +36 points. Nevertheless, economic momentum is also declining in the USA. The expected values are at -12.5 points despite the increase.

United States	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	25.3	21.4	11.0	6.6	7.4	10.4		
Headline Index								
- Current situation	66.5	61.5	49.8	42.3	37.3	36.0	Lowest since 09.2017	5. decline in a row
- Expectations	-9.5	-12.5	-21.8	-23.8	-18.8	-12.5		

Asia ex Japan: Sunrise

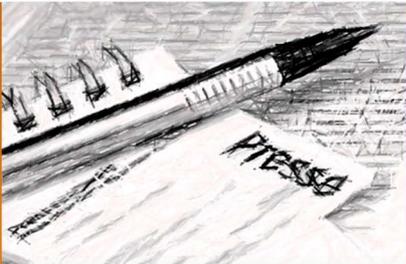
The sun rises in the east. But in economic terms, Japan is not currently the country of the rising sun, but the Asian region led by China. The government's measures to stimulate economic growth both in fiscal and monetary terms are well received by the investors surveyed by sentix. As in most of the other regions under review, the economic expectations are rising for the second time in a row. But for Asia ex Japan the expectations are positive again. The assessment of the situation is also rising, so that the overall situation has improved to its best level since August 2018. Economic development has thus so far been similar to that of 2016.

Asia ex Japan	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	13.9	12.5	7.9	5.4	9.9	15.3	Highest since 08.2018	
Headline Index								
- Current situation	29.3	27.8	24.3	20.5	22.3	24.5		
- Expectations	-0.5	-1.8	-7.3	-8.8	-1.8	6.5	Highest since 03.2018	



Further result tables

Japan	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	17.9	13.5	3.9	1.7	4.1	5.4		
Headline Index								
- Current situation	37.0	32.0	22.3	20.0	17.0	14.3	Lowest since 01.2017	5. decline in a row
- Expectations	0.3	-3.5	-13.0	-15.0	-8.0	-3.0		
Eastern Europe	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	3.3	3.3	-3.5	-3.0	-2.2	0.7		3. increase in a row
Headline Index								
- Current situation	13.3	13.0	6.8	7.8	6.3	6.5	Highest since 08.2018	
- Expectations	-6.3	-6.0	-13.3	-13.3	-10.3	-5.0		
Latin America	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	-12.9	-10.2	-12.4	-8.3	-6.8	-3.9	Highest since 08.2018	3. increase in a row
Headline Index								
- Current situation	-17.3	-14.3	-13.0	-8.8	-8.5	-6.5	Highest since 08.2018	6. increase in a row
- Expectations	-8.5	-6.0	-11.8	-7.8	-5.0	-1.3	Highest since 05.2018	3. Increase in a row
Global	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	12.8	11.1	4.4	2.6	4.7	8.3		
Headline Index								
- Current situation	31.7	29.5	23.5	20.5	18.9	19.0	Highest since 05.2018	
- Expectations	-4.6	-5.9	-13.0	-13.8	-8.7	-1.9		
Switzerland	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	19.6	16.9	9.7	4.5	6.3	10.5		
Headline Index								
- Current situation	50.8	49.3	35.3	30.8	31.3	26.8	Lowest since 03.2017	
- Expectations	-7.8	-11.3	-13.0	-18.8	-16.0	-4.5	Highest since 09.2018	
Austria	Oct. 18	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19		
Overall index	32.3	21.0	19.3	21.4	13.8	15.5		
Headline Index								
- Current situation	58.3	52.0	45.8	47.0	35.3	30.5	Lowest since 03.2017	
- Expectations	9.0	-6.3	-4.3	-1.5	-5.8	1.5		



Data availability

Bloomberg L.P.

FACTSET



Macrobond



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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 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 Behavioural Finance.

Background, methodology and more

Current reports and documentation: <https://www.sentix.de/index.php/en/sentix-Economic-News/>

Charts and tables: <https://www.sentix.de/index.php/en/sentix-Economic-Factsheets/economy-at-a-glance.html>



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