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**Manfred Hübner**

CEFA, Managing Director

[manfred.huebner@sentix.de](mailto:manfred.huebner@sentix.de)



sentix GmbH

Wiesenhüttenstraße 17, 60329 Frankfurt am Main

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

**sentix Economic Index: It gets better!**

- The economic situation in the euro zone stabilized significantly in May. The overall index rises to 5.3 points, the best value since November 2018. The situation values in particular surprise positively!
- The German economy has also stabilised noticeably. Here the situation values even rise to 18.3 points and expectations for the fourth time in a row.
- Internationally, things are looking even better. From the point of view of the investors surveyed by sentix, the economic situation in Asia ex Japan has returned to boom level. The US economy also remains strong, although there are still negative expectations here due to the high situation values. Japan is also improving.

**Statistics**

Poll running: **2-May to 4-May, 2019**

Survey participants: **942 investors**  
(**278** of those are institutional investors)

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

| Region / country | Regime        | Region / country | Regime     |
|------------------|---------------|------------------|------------|
| Eurozone         | slowdown      | USA              | slowdown   |
| Germany          | slowdown      | Japan            | upswing    |
| Switzerland      | upswing       | Asia ex-Japan    | boom       |
| Austria          | upswing       | Latin America    | stagnation |
| Eastern Europe   | slight upturn | Global Aggregate | upswing    |

\* 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: May 2019**

| Euro Area             | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |                       |                      |
|-----------------------|---------|---------|---------|---------|---------|---------|-----------------------|----------------------|
| <b>Overall index</b>  | -0.3    | -1.5    | -3.7    | -2.2    | -0.3    | 5.3     | Highest since 11.2018 | 3. increase in a row |
| <b>Headline Index</b> |         |         |         |         |         |         |                       |                      |
| - Current situation   | 20.0    | 18.0    | 10.8    | 6.3     | 3.8     | 11.0    |                       |                      |
| - Expectations        | -18.8   | -19.3   | -17.3   | -10.3   | -4.3    | -0.3    | Highest since 03.2018 | 4. Increase in a row |



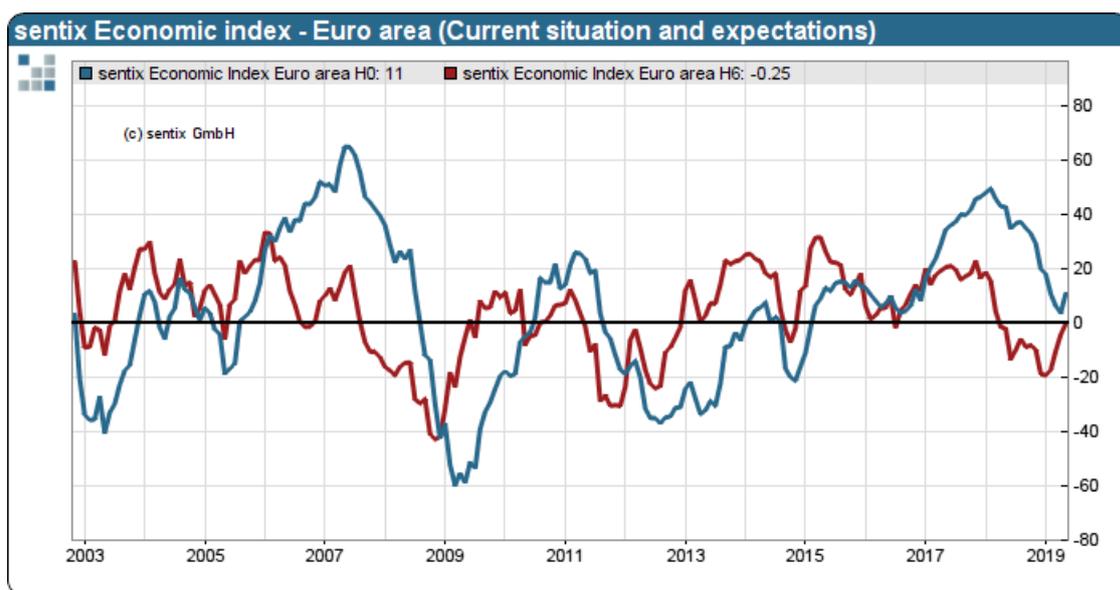
## Commentary on the survey results for May 2019

### It gets better!

In May, the economic situation continued to improve globally, but also in Europe. Fears of a recession are thus receding into the background, which is reflected in the improved situation values in all the regions considered. We can also report further stabilisation for the euro zone. The overall index rises to 5.3 points (from -0.3). The assessment of the situation rises from 3.8 to 11.0 points.

### Euro area: Danger of recession averted

The sentix economic index for the Euro-Zone surprises with a significant rise to 5.3 points in May. This is the third consecutive increase and the highest level since November 2018. This improvement is supported by an increase in situation values, which rose from 3.8 to 11.0 points. The danger of recession is thus averted, even though the expected values are still just in the negative range. However, for the fourth time in a row expectations have improved to their highest level since March 2018.



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

The global environment made a significant contribution to this positive development. The Asia ex Japan region in particular, but also the US economy, are contributing to this. Now that the danger of an unregulated Brexit has been averted until at least October, these global factors can also increasingly assert themselves in Europe. This is also evident in the case of Germany. Its economy is heavily dependent on exports and development in China. The fact that something has changed here underlines the good assessment of the situation there.

The forthcoming elections in Europe will thus take place in a relaxing economic environment. For investors in the bond market, this development is less a cause for rejoicing. Bonds regularly come under pressure when the economy recovers. A look at the sentix theme indices shows that the burden from the investors' point of view is still limited. However, the index for central bank policy fell from 16.25 to 11.25 (for professionals, the index even fell from 19 to 11.5!). If the current upswing continues, the support of the central banks, on which many investors currently rely, could be in question again as early as this summer.

## Germany: China is working

The German economy also showed a strong improvement in May with a total index of 7.9. Apparently, the spark from the Chinese economy, which has recovered significantly since the start of the year, is increasingly jumping over to the export-dependent German economy. The assessment of the situation rises by almost eight points to 18.3 points. Expectations improve for the fourth time in a row to the highest level in February 2018.

| Germany               | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |  |
|-----------------------|---------|---------|---------|---------|---------|---------|--|
| <b>Overall index</b>  | 7.2     | 6.1     | 3.1     | 4.0     | 2.1     | 7.9     | Highest since 11.2018                      |
| <b>Headline Index</b> |         |         |         |         |         |         |  |
| - Current situation   | 36.3    | 34.8    | 25.8    | 20.0    | 10.5    | 18.3    |  |
| - Expectations        | -18.3   | -19.0   | -17.3   | -10.8   | -6.0    | -2.0    | Highest since 02.2018 4, Increase in a row |

## USA: Fourth consecutive increase

The US economy remains strong. The overall index for the USA rises to 17.7 points for the fourth time in a row. The strength of the economy is shown by the situation values, which stand at 43.3 points. Expectations are still slightly negative, but with such robust situation values, a downswing scenario will recede into the background. The fundamental agreement between President Trump and the Democrats on an infrastructure investment programme thus meets a booming economy. How long can the stock and bond markets dream of a loosening of US monetary policy?

| United States         | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |  |
|-----------------------|---------|---------|---------|---------|---------|---------|--|
| <b>Overall index</b>  | 11.0    | 6.6     | 7.4     | 10.4    | 11.8    | 17.7    | Highest since 11.2018 4, increase in a row |
| <b>Headline Index</b> |         |         |         |         |         |         |  |
| - Current situation   | 49.8    | 42.3    | 37.3    | 36.0    | 33.3    | 43.3    |  |
| - Expectations        | -21.8   | -23.8   | -18.8   | -12.5   | -7.8    | -5.3    | Highest since 05.2018 4, Increase in a row |

## Asia ex Japan: Global locomotive

Since the Chinese government changed course and set economic policy accents, the sentix economic indices for the region have been striving upwards again. In the meantime, they have reached a boom level again. The overall index is 21.1 points. The situation values have risen to 30.5 points and expectations to 12.0 points. The latter is the highest level since February 2018. This positive momentum is now having a significant impact on the other regions of the world. Above all, export-dependent economies such as Germany and Japan are now benefiting from this improvement.

| Asia ex Japan         | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |  |
|-----------------------|---------|---------|---------|---------|---------|---------|--|
| <b>Overall index</b>  | 7.9     | 5.4     | 9.9     | 15.3    | 16.5    | 21.1    | Highest since 05.2018 4, increase in a row |
| <b>Headline Index</b> |         |         |         |         |         |         |  |
| - Current situation   | 24.3    | 20.5    | 22.3    | 24.5    | 24.0    | 30.5    | Highest since 08.2018                      |
| - Expectations        | -7.3    | -8.8    | -1.8    | 6.5     | 9.3     | 12.0    | Highest since 02.2018 4, Increase in a row |



## Further result tables

| <b>Japan</b>          | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |                          |                      |
|-----------------------|---------|---------|---------|---------|---------|---------|--------------------------|----------------------|
| <b>Overall index</b>  | 3.9     | 1.7     | 4.1     | 5.4     | 4.8     | 9.0     | Highest since<br>11.2018 |                      |
| <b>Headline Index</b> |         |         |         |         |         |         |                          |                      |
| - Current situation   | 22.3    | 20.0    | 17.0    | 14.3    | 10.8    | 16.5    |                          |                      |
| - Expectations        | -13.0   | -15.0   | -8.0    | -3.0    | -1.0    | 1.8     | Highest since<br>03.2018 | 4. Increase in a row |
| <b>Eastern Europe</b> | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |                          |                      |
| <b>Overall index</b>  | -3.5    | -3.0    | -2.2    | 0.7     | 1.9     | 5.6     | Highest since<br>08.2018 | 5. increase in a row |
| <b>Headline Index</b> |         |         |         |         |         |         |                          |                      |
| - Current situation   | 6.8     | 7.8     | 6.3     | 6.5     | 4.3     | 9.0     | Highest since<br>11.2018 |                      |
| - Expectations        | -13.3   | -13.3   | -10.3   | -5.0    | -0.5    | 2.3     | Highest since<br>05.2018 | 4. Increase in a row |
| <b>Latin America</b>  | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |                          |                      |
| <b>Overall index</b>  | -12.4   | -8.3    | -6.8    | -3.9    | -3.8    | -3.4    | Highest since<br>05.2018 | 5. increase in a row |
| <b>Headline Index</b> |         |         |         |         |         |         |                          |                      |
| - Current situation   | -13.0   | -8.8    | -8.5    | -6.5    | -9.0    | -7.5    |                          |                      |
| - Expectations        | -11.8   | -7.8    | -5.0    | -1.3    | 1.5     | 0.8     |                          |                      |
| <b>Global</b>         | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |                          |                      |
| <b>Overall index</b>  | 4.4     | 2.6     | 4.7     | 8.3     | 9.4     | 14.0    | Highest since<br>08.2018 | 4. increase in a row |
| <b>Headline Index</b> |         |         |         |         |         |         |                          |                      |
| - Current situation   | 23.5    | 20.5    | 18.9    | 19.0    | 17.3    | 23.9    | Highest since<br>11.2018 |                      |
| - Expectations        | -13.0   | -13.8   | -8.7    | -1.9    | 1.9     | 4.4     | Highest since<br>03.2018 | 4. Increase in a row |
| <b>Switzerland</b>    | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |                          |                      |
| <b>Overall index</b>  | 9.7     | 4.5     | 6.3     | 10.5    | 15.9    | 13.9    |                          |                      |
| <b>Headline Index</b> |         |         |         |         |         |         |                          |                      |
| - Current situation   | 35.3    | 30.8    | 31.3    | 26.8    | 23.5    | 28.0    |                          |                      |
| - Expectations        | -13.0   | -18.8   | -16.0   | -4.5    | 8.5     | 0.8     |                          |                      |
| <b>Austria</b>        | Dec. 18 | Jan. 19 | Feb. 19 | Mar. 19 | Apr. 19 | May. 19 |                          |                      |
| <b>Overall index</b>  | 19.3    | 21.4    | 13.8    | 15.5    | 23.3    | 25.2    | Highest since<br>10.2018 | 3. increase in a row |
| <b>Headline Index</b> |         |         |         |         |         |         |                          |                      |
| - Current situation   | 45.8    | 47.0    | 35.3    | 30.5    | 37.5    | 36.3    |                          |                      |
| - Expectations        | -4.3    | -1.5    | -5.8    | 1.5     | 10.0    | 14.8    | Highest since<br>08.2018 | 3. Increase in a row |



## Data availability

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expertise in behavioral finance

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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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