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## sentix Economic Index: The next surprise at the start of the year

- At the start of the year, the sentix economic indices surprise for the third time in a row. Situation and expectation values rise by around 6 points and lead to a rise in the value of the overall index (+7.6 points) for the third time in a row.
- We also measure an improvement of a similar magnitude for Germany, to its highest value since May 2019. With a situation index of +6, the spectre of recession seems to have been dispelled.
- The recent events surrounding Iran have not unsettled investors. The global index is rising, as are the indices of other regions of the world. The data for the Asia region ex Japan are improving particularly strongly. Here the assessment of the situation is again at 20.3 points and expectations are also continuing to rise!

### Statistics

Poll running: **02-Jan to 04-Jan 2020**

Survey participants: **932 investors**  
(**241** of those are institutional investors)

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

Region / country	Regime	Region / country	Regime
Eurozone	Slight upswing	USA	Upswing
Germany	Slight upswing	Japan	Slight upswing
Switzerland	Upswing	Asia ex-Japan	Boom
Austria	Boom	Latin America	Upswing
Eastern Europe	Slight upswing	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: January 2020

Euro Area	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	-13.7	-11.1	-16.8	-4.5	0.7	7.6	Highest since 11.2018	3. increase in a row
Headline Index								
- Current situation	-7.3	-9.5	-15.5	-5.5	-1.0	5.5	Highest since 06.2019	3. increase in a row
- Expectations	-20.0	-12.8	-18.0	-3.5	2.5	9.8	Highest since 02.2018	3. Increase in a row



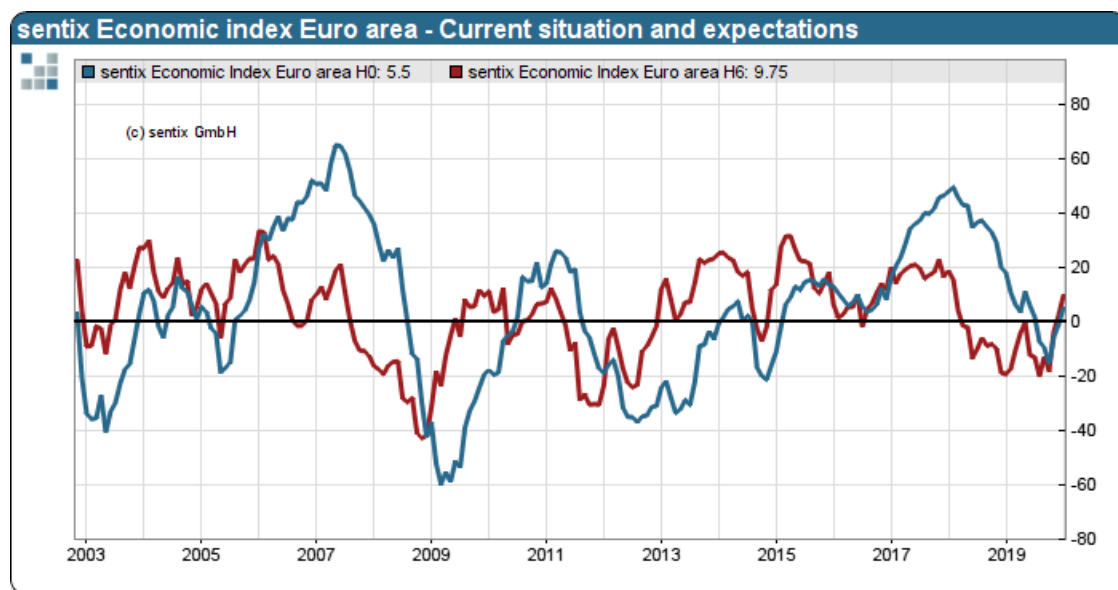
## Commentary on the survey results for January 2020

### The next surprise at the start of the year

The riots surrounding the conflict between the US and Iran, which dominated the news at the end of the week, were either ignored by investors or are not considered to be crucial for the economy. This is the result of the sentix economic survey, which brought a further improvement in the economic assessment of the global economy at the beginning of the year. This is the third surprise in a row for the "first mover"! The data for all regions of the world are improving, especially in Asia ex Japan.

### Euro area: All good things come in threes

At the start of the year, the sentix economic indices deliver another surprise. The overall index for Euroland again increases significantly to +7.6 points. This is the best value since November 2018! The investors' assessment of the situation rises by 6.5 points to +5.5 points. Thus, a recession in the Euro zone seems to be off the table for the time being. Especially as expectations are also improving for the third time in a row to the best value since February 2018 (+9.8 points). This development is remarkable in two respects. For one thing, investors are once again making advance concessions to the "hard" data. The manufacturing sector in particular is not yet showing any convincing signs of an upswing, at best signs of stabilization.



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

On the other hand, the latest events in the Gulf region have again brought risks for the global economy. However, investors are ignoring these risks or do not consider them to be decisive. More important seems to be the dynamic gain in the other regions of the world, especially in Asia, as well as the slight easing of the trade dispute between the USA and China.

Thus, the environment for the equity markets remains constructive, as an economic upswing traditionally offers a positive environment for equities. Conversely, the picture for the bond markets is darkening, although from the point of view of the investors surveyed by sentix, the expansive central bank policy is still suppressing stronger upward trends in interest rates.



## Germany: Without own intervention

We also measure improvements in the sentix economic indices for Germany. As in the euro zone, situation and expectation values are rising for the third time in a row. However, in contrast to the economic phase 2015 - 2018, Germany is currently being pulled along by the other regions without any action on its part. German politicians still lack the awareness of the problems involved in providing positive impetus to their own economies.

Germany	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	-13.7	-12.8	-19.4	-6.5	-1.4	6.9	Highest since 05.2019	3. increase in a row
Headline Index								
- Current situation	-5.5	-10.5	-18.0	-8.3	-3.3	6.0	Highest since 07.2019	3. increase in a row
- Expectations	-21.5	-15.0	-20.8	-4.8	0.5	7.8	Highest since 01.2018	3. Increase in a row

## USA: Easing of tension in trade dispute

The first partial agreement reached in the trade dispute between the USA and China is good news for the US economy. The economy remains relatively robust, as can be seen from the +31-point level. However, a glance at the expected values, which are only at +1.8 points, shows that the US economy has lost some of its upward momentum in recent months. For President Trump this should be a warning that he cannot afford to take on much of a burden in the election year without risking "his" upswing.

United States	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	4.9	5.5	-4.1	8.7	11.6	15.9	Highest since 05.2019	3. increase in a row
Headline Index								
- Current situation	30.0	25.8	13.0	24.8	27.0	31.0	Highest since 06.2019	3. increase in a row
- Expectations	-17.5	-13.0	-19.8	-6.3	-2.8	1.8	Highest since 02.2018	3. Increase in a row

## Asia ex Japan: The region of hope

Hopes for the global economy continue to rest on the region Asia ex Japan. The partial agreement in the trade dispute is acknowledged by investors with strong mark-ups in the economic indices. With an overall index of +18.4, the region once again clearly leads the list of world regions. With regard to other market price-based leading indicators, it is clear that investors are making significant advance payments here. In the past they have often been right - "first mover advantage".

Asia ex Japan	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	1.6	2.9	0.0	8.5	12.0	18.4	Highest since 05.2019	3. increase in a row
Headline Index								
- Current situation	12.8	10.0	6.0	11.8	14.3	20.3	Highest since 05.2019	3. increase in a row
- Expectations	-9.0	-4.0	-5.8	5.3	9.8	16.5	Highest since 02.2018	3. Increase in a row



## Further result tables

### Japan

	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	-5.4	-3.0	-8.9	0.9	2.9	7.4	Highest since 05.2019	3. increase in a row
Headline Index								
- Current situation	3.3	2.8	-5.0	3.5	2.0	7.8	Highest since 07.2019	
- Expectations	-13.8	-8.5	-12.8	-1.8	3.8	7.0	Highest since 02.2018	3. Increase in a row

### Eastern Europe

	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	-7.6	-5.4	-10.4	-1.8	0.7	5.4	Highest since 05.2019	3. increase in a row
Headline Index								
- Current situation	-0.5	-2.3	-7.8	-1.0	0.3	3.8	Highest since 06.2019	3. increase in a row
- Expectations	-14.5	-8.5	-13.0	-2.5	1.3	7.0	Highest since 03.2018	3. Increase in a row

### Latin America

	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	-11.3	-19.2	-19.0	-17.4	-15.4	-9.5	Highest since 07.2019	4. increase in a row
Headline Index								
- Current situation	-10.5	-23.0	-23.3	-24.5	-25.0	-18.5	Highest since 08.2019	
- Expectations	-12.0	-15.3	-14.8	-10.0	-5.3	0.0	Highest since 05.2019	4. Increase in a row

### Global

	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	-2.3	-1.6	-6.3	3.0	6.4	12.1	Highest since 05.2019	3. increase in a row
Headline Index								
- Current situation	9.3	5.7	-0.3	6.9	9.0	14.5	Highest since 06.2019	3. increase in a row
- Expectations	-13.3	-8.7	-12.1	-0.7	3.8	9.8	Highest since 02.2018	3. Increase in a row

### Switzerland

	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	3.6	5.0	-10.4	10.3	15.5	14.4		
Headline Index								
- Current situation	24.0	21.3	-0.8	20.8	20.0	25.0	Highest since 07.2019	
- Expectations	-15.0	-10.0	-19.5	0.3	11.0	4.3		

### Austria

	Aug. 19	Sep. 19	Oct. 19	Nov. 19	Dec. 19	Jan. 20		
Overall index	13.0	11.5	1.4	4.0	8.1	24.4	Highest since 05.2019	3. increase in a row
Headline Index								
- Current situation	25.8	23.8	10.5	10.8	10.0	25.3	Highest since 08.2019	
- Expectations	1.0	0.0	-7.3	-2.5	6.3	23.5	Highest since 04.2018	3. Increase in a row



## Data availability

**Bloomberg L.P.**

**FACTSET**



**Macrobond**



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**sentix**   
expertise in behavioral finance

## 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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