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## sentix Economic Index: Hard hit, soft recovery







- The economy in Euroland is in the middle of a deep crisis. For the fourth time in a row, the economic situation is falling to an all-time low of -73 points.
- The fact that the overall index nevertheless improves slightly to -41.8 is due to expectations that are rising by 12.8 points. We are at the beginning of a stabilisation phase, which is already clearly visible in Germany and especially Austria.
- Internationally, hopes rest on the Asian region. In China, where the corona crisis began, the signs are already pointing to an economic upturn. Japan is also stabilising. Other regions of the world, including the USA, are still in recession.

### Statistics

Poll running: **30-Apr to 02-May 2020**

Survey participants: **1,213 investors**  
(277 of those are institutional investors)

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

Region / country	Regime	Region / country	Regime
 Eurozone	Recession	 USA	Recession
 Germany	Stabilization	 Japan	Stabilization
 Switzerland	Recession	Asia ex-Japan	Recovery
 Austria	Recovery	Latin America	Recession
Eastern Europe	Recession	Global Aggregate	Stabilization

\* 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 2020

Euro Area	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20	
Overall index	0.7	7.6	5.2	-17.1	-42.9	-41.8	
Headline Index							
- Current situation	-1.0	5.5	4.0	-14.3	-66.0	-73.0	Alltime Low! 4. decline in a row
- Expectations	2.5	9.8	6.5	-20.0	-15.8	-3.0	



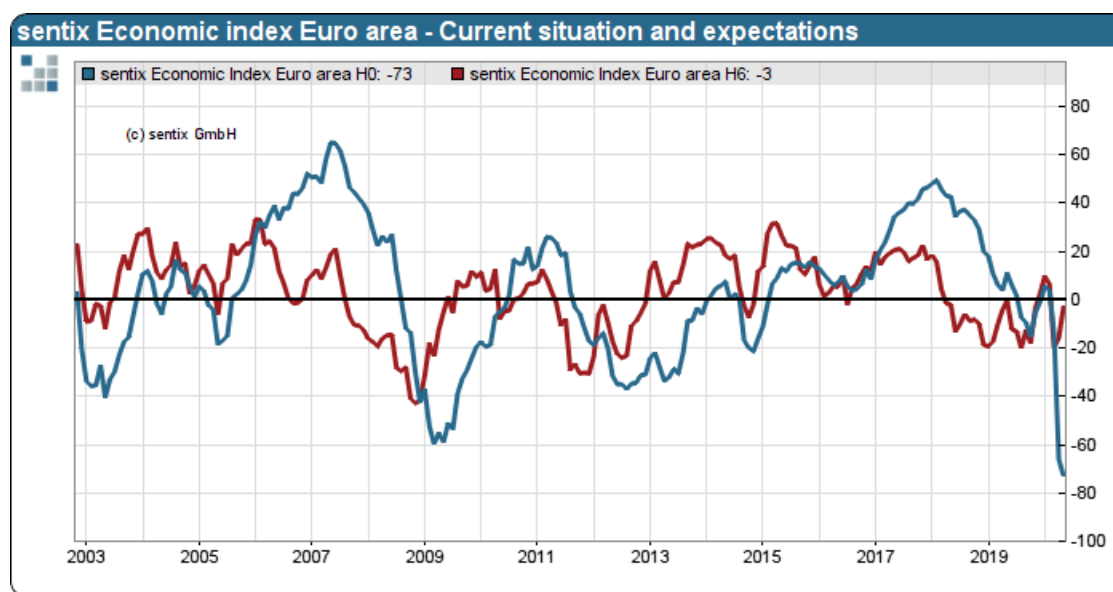
## Commentary on the survey results for May 2020

### Hard hit, soft recovery

The Corona crisis has sent the world economy into recession and is presenting the global economy with unprecedented challenges. The global situation continues to fall at the beginning of May, marking new all-time lows in many regions of the world. The Global Aggregate Index is also at an all-time low of -60.5 points. Nevertheless, there are glimmers of hope. Expectations may improve across the board. In some regions, they are even positive again, giving rise to hopes that a stabilization phase will begin. Compared to the hard impact of the situation, the upswing is proceeding rather gently. Austria deserves special attention.

### Euro area: When the night is at its darkest ...

The economy in the euro zone has experienced a breath-taking crash in recent weeks. The administrative order to halt social and economic activities has led to a considerable economic slump. In the meantime, this collapse goes far beyond the distortions caused by the financial crisis. At the beginning of May, the assessment of the situation by the investors surveyed by sentix falls to an all-time low of -73 points, a further drop of 7 index points. But whenever the night is at its darkest, dawn is approaching. This also applies to the economy now. This dawn comes in the guise of easing the hard restrictions on economic activity. Countries like Germany and Austria are in a position to gradually lift the often drastic measures. In the sentix economic index, this light at the end of the tunnel is shown by an increase in the expectation values from -15.8 to -3 points.



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

**Felix Austria!** Austria is currently following by far the most consistent path. Not only in the imposition of the measures was action taken quickly and consistently. Also, in the current phase of easing, courage and consistency are being shown. Investors acknowledge this course with a rise in expectations to +11.8 points. Austria is thus on the road to economic recovery! But even in the Alpine republic, the road back to old strength is likely to be long. But it should encourage other eurozone countries and serve as a model. On the part of the ECB, investors expect a continued expansionary monetary policy, while fiscal policy is increasing the burden on the bond market.



## Germany: A little more courage please!

From a health policy point of view, Germany has done many things right in recent weeks. The consistent approach has been rewarded with low death rates and a successful containment of the virus so far. Economically, however, this policy has led to serious cuts. There is now a danger that recessionary tendencies will become entrenched if the economy is too slow to recover. Although the first steps towards easing tensions have been taken, Germany should follow Austria's consistent course. A little more courage could pay off. After all, the expectation values are already slightly positive. The way out of the crisis is long, but it has begun.

Germany	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	-1.4	6.9	4.5	-16.9	-36.0	-35.3		
Headline Index								
- Current situation	-3.3	6.0	4.3	-13.3	-59.3	-66.0	Alltime Low!	4. decline in a row
- Expectations	0.5	7.8	4.8	-20.5	-9.0	2.5		

## USA: Still recessive

The US has been hit later than other countries from the full force of the virus spread and thus from the restrictive measures taken to contain the spread of the virus. Millions of jobs have thus been lost for the time being. The severity of the slump is visible in the situation values, which are also very low in the USA at -66.8 points. However, May should also mark the beginning of a stabilisation phase for the USA. At least that is how investors surveyed by sentix see it. The index of expected values stands at 0 points, 16.5 points higher than in the previous month. As soon as the health politicians have done their job, it will be interesting to see whether Trump can stimulate the economy. The time until the presidential election is short.

United States	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	11.6	15.9	20.3	0.2	-39.1	-36.8		
Headline Index								
- Current situation	27.0	31.0	38.3	17.8	-59.0	-66.8	Lowest since 03.2009	3. decline in a row
- Expectations	-2.8	1.8	3.8	-16.0	-16.5	0.0		

## Asia ex Japan: The upswing has begun

How deep the current economic crisis is and thus also how long the path out of this dislocation is, is evident in the Asian region. Although large parts of China's economy have already started up again, we have noted a further decline in the region's situation index to -50 points. At +9.8 points, the expected values at least send a clear signal for an incipient upswing.

Asia ex Japan	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	12.0	18.4	7.1	-13.5	-21.8	-22.6	Lowest since 12.2008	4. decline in a row
Headline Index								
- Current situation	14.3	20.3	6.8	-14.5	-41.3	-50.0	Alltime Low!	4. decline in a row
- Expectations	9.8	16.5	7.5	-12.5	0.0	9.8		



## Further result tables

Japan	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	2.9	7.4	7.0	-17.5	-30.5	-31.7	Lowest since 05.2009	4. decline in a row
Headline Index								
- Current situation	2.0	7.8	8.5	-16.8	-50.5	-59.5	Lowest since 05.2009	3. decline in a row
- Expectations	3.8	7.0	5.5	-18.3	-7.8	1.5		
Eastern Europe	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	0.7	5.4	5.5	-12.9	-38.6	-37.2		
Headline Index								
- Current situation	0.3	3.8	5.3	-10.8	-58.5	-65.0	Lowest since 03.2009	3. decline in a row
- Expectations	1.3	7.0	5.8	-15.0	-16.0	-3.8		
Latin America	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	-15.4	-9.5	-6.9	-20.4	-45.5	-47.3	Alltime Low!	3. decline in a row
Headline Index								
- Current situation	-25.0	-18.5	-14.5	-22.5	-65.0	-74.8	Alltime Low!	3. decline in a row
- Expectations	-5.3	0.0	1.0	-18.3	-23.3	-13.8		
Global	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	6.4	12.1	8.1	-12.0	-32.2	-32.0		
Headline Index								
- Current situation	9.0	14.5	10.5	-8.8	-52.3	-60.5	Alltime Low!	4. decline in a row
- Expectations	3.8	9.8	5.8	-15.3	-9.3	2.4		
Switzerland	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	15.5	14.4	14.0	-9.4	-32.9	-35.1	Lowest since 03.2009	5. decline in a row
Headline Index								
- Current situation	20.0	25.0	27.0	-6.0	-46.0	-56.8	Alltime Low!	3. decline in a row
- Expectations	11.0	4.3	1.8	-12.8	-18.8	-10.3		
Austria	Dec. 19	Jan. 20	Feb. 20	Mar. 20	Apr. 20	May. 20		
Overall index	8.1	24.4	20.2	-3.0	-37.3	-24.9		
Headline Index								
- Current situation	10.0	25.3	28.0	11.5	-63.8	-55.3		
- Expectations	6.3	23.5	12.8	-16.5	-5.8	11.8		



## Data availability

**Bloomberg L.P.**

**FACTSET**

**REFINITIV™**



**Macrobond**



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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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