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sentix Economic Index: Small ray of hope, but no all-clear

- The sentix economic index for the Eurozone rises by 3.4 points to -18.6 points in November. The assessment of the current situation remains weak at -26.8 points, while economic expectations have surprisingly risen by 6.8 points to -10.0 points.
- We measure a similar trend for Germany: the current assessment remains in recessionary territory at -37.8 points, while expectations are able to recover even more dynamically. The sub-index rose here by 8.3 points to -14.0 points.
- There are also small rays of hope in the international data: economic expectations are recovering across almost the entire globe, with the current assessment in the USA attracting particular attention with an increase of 6.3 points. Despite these glimmers of hope, the all-clear cannot yet be given globally.

Statistics

Poll from **2nd Nov. to 4th Nov. 2023**
Survey participants: **1,203 investors**
(**253** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

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

* 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: November 2023

Euro Area	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	-17.0	-22.5	-18.9	-21.5	-21.9	-18.6	Highest since 06.2023
Headline Index							
- Current situation	-15.8	-20.5	-20.5	-22.0	-27.0	-26.8	
- Expectations	-18.3	-24.5	-17.3	-21.0	-16.8	-10.0	Highest since 02.2023



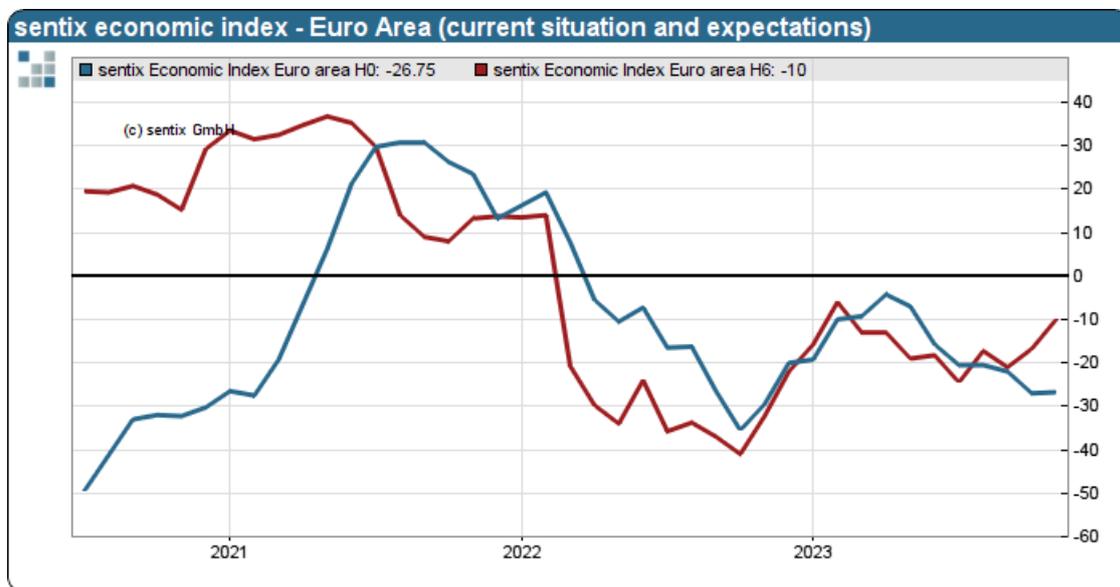
Commentary on the survey results for November 2023

Small ray of hope, but no all-clear

The November data provides some hope: the economic index for the eurozone rises by 3.4 points to -18.6 points. Economic expectations in particular are surprising with an increase of 6.8 points. A similar trend can be seen for Germany. While the current assessment remains in recessionary territory, expectations are recovering even more dynamically. There are also small rays of hope in the international data. Economic expectations are rising almost everywhere, with the situation figures in the USA even showing an exclamation mark. Despite these glimmers of hope, the issue of stagnation is not yet off the table.

Euro area: Surprising recovery in expectations

There is a small ray of hope in the November data: The overall index for the eurozone rises - contrary to the consensus forecast - by 3.4 points to -18.6 points. The development of the sub-indices varies: The assessment of the current situation moved only slightly by +0.3 points, meaning that the issue of recession is by no means a thing of the past. On a positive note, the professional and private investors surveyed by sentix are scaling back their medium-term skepticism: economic expectations have recovered by 6.8 points to a value of -10 points. This is the second increase in a row and the highest level since February 2023. The decrease in negative momentum is an initial sign of improvement. However, in order to ultimately give the all-clear, the expectation values must turn positive. Otherwise, negative expectations mean that in six months' time, investors will still rate the economy as weaker than the current very weak situation. So far, therefore, only the downward forces are easing.



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

The logic behind this "improvement" comes from the interest rate complex. The sentix theme barometers clearly show that the weak economic development and the improved inflation outlook are fueling hopes for an end to the central banks' cycle of rising interest rates. This would significantly reduce the potential threat to certain economic sectors. It is true that the usual reaction pattern of the central bank lending a helping hand to a weakening economy is still a long way off. However, there are increasing signs that inflation is becoming less important as a negative influencing factor. At +6.5 points, the sentix "Inflation" theme index is back in the positive zone for the first time since the start of 2020. The restrictive pressure on the ECB to act is easing noticeably.



Germany: Situation remains recessionary, recovery in expected values more dynamic

In Germany, the trend is very similar to that in the eurozone, only more dynamic. The increase in the sentix overall economic index is 4.8 points higher. Here, too, a two-part development is evident: the economic climate in Germany remains tense and the German economy is in a recessionary phase. At -37.8 points, the assessment of the current situation remains extremely weak in November despite a small increase. On the other hand, the improvement in expectations by 8.3 points is more positive. At -14 points, the vector is still pointing downwards - albeit to a lesser extent.

Germany	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	-21.1	-28.4	-30.7	-33.1	-31.1	-26.3	Highest since 06.2023
Headline Index							
- Current situation	-22.0	-28.0	-35.3	-38.3	-39.5	-37.8	
- Expectations	-20.3	-28.8	-26.0	-27.8	-22.3	-14.0	Highest since 04.2023

USA: Current situation sets an exclamation mark

The US economy remains robust. The assessment of the current situation rose surprisingly sharply in November. The sub-index improved by 6.3 points to +18.0 points. This is the highest level since February 2022! However, expectations do not indicate any further recovery here. The US economy is holding up well despite the restrictive monetary policy.

United States	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	-3.7	-3.7	5.1	2.2	0.8	5.0	
Headline Index							
- Current situation	5.5	7.8	16.0	14.0	11.8	18.0	Highest since 04.2022
- Expectations	-12.5	-14.5	-5.3	-9.0	-9.5	-7.3	

Global: Stagnation tendencies remain

Despite these glimmers of hope, the picture for global economic development has changed only marginally. The stagnation tendencies remain immanent, with the sentix Global Aggregate Economic Index remaining in negative territory at -3.3 points. The expectations component is also still in negative territory (albeit to a lesser extent), meaning that the all-clear cannot be given for the global economy.

Global	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	-5.0	-7.6	-1.0	-5.4	-5.8	-3.3	
Headline Index							
- Current situation	-2.6	-3.7	0.0	-3.9	-5.0	-3.8	
- Expectations	-7.4	-11.4	-2.1	-6.8	-6.6	-2.8	



Further result tables

Japan	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	2.1	0.4	3.5	3.5	3.3	4.5	Highest since 03.2022
Headline Index							
- Current situation	7.5	9.3	8.0	10.5	10.3	8.5	
- Expectations	-3.3	-8.0	-1.0	-3.3	-3.5	0.5	Highest since 02.2022

Asia ex Japan	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	3.7	0.2	7.7	0.9	0.7	2.7	
Headline Index							
- Current situation	6.3	3.5	7.5	0.3	1.0	1.3	
- Expectations	1.3	-3.0	8.0	1.5	0.5	4.3	

Eastern Europe	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	-23.6	-25.7	-20.8	-22.5	-23.1	-21.1	
Headline Index							
- Current situation	-29.5	-30.0	-27.8	-28.8	-30.0	-29.0	
- Expectations	-17.5	-21.3	-13.5	-16.0	-16.0	-12.8	Highest since 02.2023

Latin America	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	-13.1	-13.6	-8.4	-11.6	-11.5	-11.5	
Headline Index							
- Current situation	-16.0	-14.0	-11.0	-14.0	-15.0	-16.8	Lowest since 01.2023
- Expectations	-10.3	-13.3	-5.8	-9.3	-8.0	-6.0	3. decline in a row

Switzerland	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	1.8	8.2	2.3	-5.6	-3.7	-2.3	
Headline Index							
- Current situation	21.0	23.5	15.5	5.8	0.5	3.5	
- Expectations	-15.8	-6.0	-10.0	-16.3	-7.8	-8.0	

Austria	Jun. 23	Jul. 23	Aug. 23	Sep. 23	Oct. 23	Nov. 23	
Overall index	-8.3	-12.6	-17.4	-13.3	-26.3	-20.7	
Headline Index							
- Current situation	-5.0	-10.5	-16.5	-14.0	-29.5	-26.3	
- Expectations	-11.5	-14.8	-18.3	-12.5	-23.0	-15.0	



Data availability

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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 6.600 investors from over 20 countries (comprising over 1.200 institutional and almost 5.400 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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