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sentix Economic Index: Euro zone defies Greek crisis

- **In July, the euro-zone composite index rises by 1.4 to +18.5 points.** Despite the crisis surrounding Greece investors perceive the euro-area economy as stronger than last month, and now actually behave as if the euro zone was in a boom!
- **Also of note is the jump of the US index, hitting +24.4 after +20.8 points.** The US thus leave their spring fever behind, making a rate hike by the Fed in the next months highly likely.
- **Once more, the weak spot is the emerging-markets regions.** Especially for Asia ex Japan investors' perceptions concerning the economy are becoming gloomier. As a result, the composite index for the "Global Aggregate" again decreases slightly.







Statistics

Poll running: **02.07.-04.07.2015**

Survey participants: **1012 investors**

(of which institutional investors: **253**)

In which economic regime* are we?

Region / Land	Regime	Region / Land	Regime
 Eurozone	boom	 USA	boom
 Germany	boom	 Japan	boom
 Switzerland	stagnation	Asia ex Japan	boom
 Austria	stagnation	Latin America	stabilisation
Eastern Europe	stabilisation	Global Aggregate	boom

* 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 page 6). 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.

Table of the **July 2015** results for the euro-zone economy

Euro area	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15
Overall Index	12.4	18.6	20.0	19.6	17.1	18.5
Headline Index						
- Current situation	-1.8	6.5	9.0	13.0	11.8	14.8
- Expectations	27.5	31.5	31.5	26.5	22.5	22.3

Highest since
July 2011

Lowest since
January 2015



Commentary on the survey results for July 2015

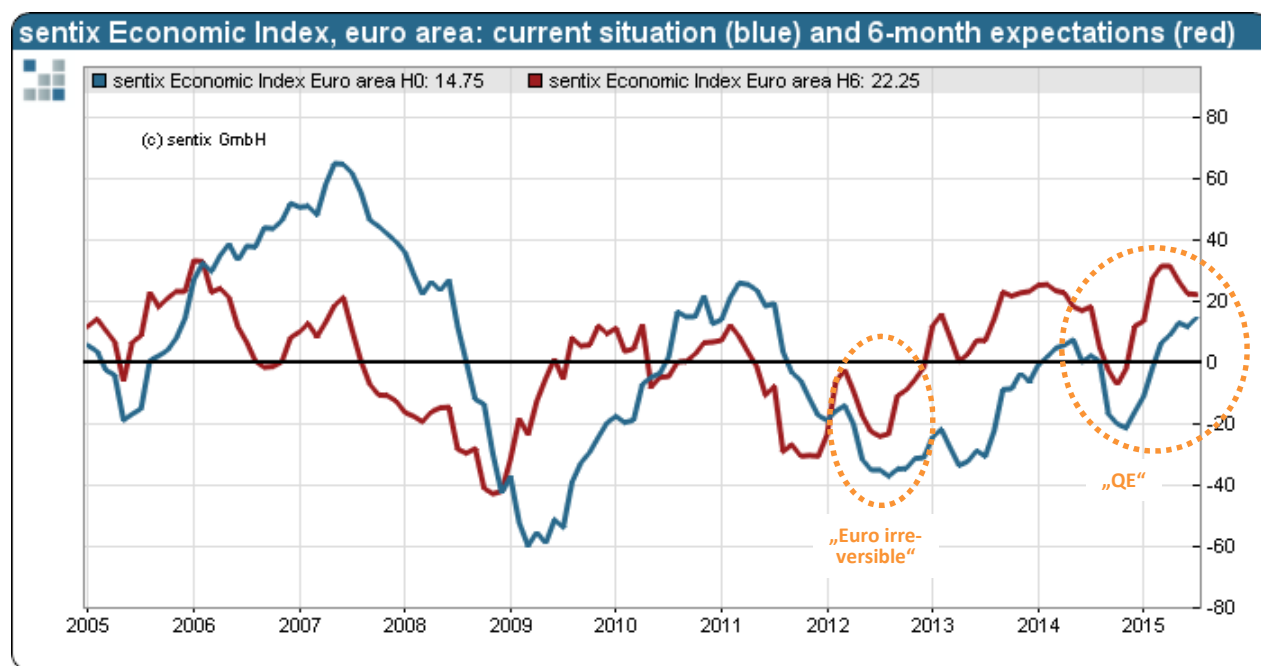
Euro zone defies Greek crisis

Despite the increasing confusion surrounding the fate of Greece the composite index for the euro zone rises in July. While investors' 6-month expectations remain about stable, their assessments of the current situation improve significantly. This constellation signals that market participants already behave as if the euro area was in a boom! In addition, the strong rise of the US index stands out. At the same time, though, the picture for the emerging-markets regions gets ever cloudier which, all in all, points to a world economy losing further steam.

Euroland – boom-like conditions despite Greece

The increase of the composite index for the euro zone from +17.1 to +18.5 points is driven by a significant improvement in investors' assessments of the current situation. The corresponding index rises by three points to +14.8 and thus to its highest level since July 2011! At the same time the downward movement which could be observed for the 6-month expectations comes more or less to a standstill: The index recedes just marginally and now stands at 22.3 points (after 22.5 points in June).

The distinct – and in the case of the assessment of the current situation: increasing – strength of both components of the composite index signals that investors now act (and thus allocate their capital) as if the euro area was in a boom (in the table on page 1 the regime for Euroland shifts from “upturn” to “boom”)! This is all the more remarkable as the intensifying Greek crisis has recently led to higher uncertainty among market participants. **Consequently, the Hellenic drama does quite obviously not stand in the way of strong dynamics in the euro-zone economy as a whole!**



sentix Economic Index, euro zone: **assessment of the current situation (blue)** and **expectations (red)**



United States – comeback after spring fever

The US indices had mainly fallen in the first half of the year, now they are back on the rise. In July, the US composite index increases for the second month in a row. To be more precise: It actually jumps by 3.6 to +24.4 points as both components improve. **The US spring fever is thus over!** This is good news for the world economy. **Furthermore, there should now be no obstacles anymore for a first rate hike by the Fed in the coming months.**

USA	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15
Overall Index	29.4	28.8	22.6	17.2	20.8	24.4
Headline Index						
- Current situation	46.3	46.3	38.0	23.0	29.5	35.3
- Expectations	13.8	12.5	8.3	11.5	12.5	14.0

Highest since January 2015

Global Aggregate – Asia ex Japan adds clouds to the overall picture

While this month the “old” industrial countries (US, euro zone, Japan) show improvements in their composite indices, the opposite holds true for the emerging-markets regions (Asia ex Japan, Eastern Europe, Latin America). Especially pronounced is the decline of the index for Asia ex Japan including China (see table below). It falls by 4.4 to +15.0 points, its lowest reading since May 2014. The hefty price movements at the Chinese stock exchanges have unsettled investors and fed doubts about the robustness of the economy in China.

Overall the dynamics of the world economy fade again, shown by the receding composite index of the “Global Aggregate” (see table on next page). In July it is investors’ 6-month expectations which again ease. They now have receded to a level last seen around the year’s turn. These are healthy figures after all. But more setbacks, especially of the 6-month expectations, could quickly change the picture of currently still solid dynamics of the global economy.

Asia ex Japan	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15
Overall Index	22.4	24.0	23.0	22.8	19.4	15.0
Headline Index						
- Current situation	27.3	28.5	26.5	27.0	24.8	19.0
- Expectations	17.8	19.5	19.5	18.8	14.3	11.0

Lowest since May 2014

Lowest since May 2014

Lowest since October 2014



More tables

Global Aggregate	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	
Overall Index	15.9	18.1	16.6	15.0	14.6	14.2	Lowest since January 2015
Headline Index							
- Current situation	16.9	19.6	17.4	14.6	16.2	16.1	
- Expectations	15.0	16.7	15.8	15.4	13.1	12.4	Lowest since December 2014

Germany	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	
Overall Index	35.0	39.5	31.4	28.2	26.8	26.8	
Headline Index							
- Current situation	42.4	49.9	40.8	39.4	40.3	39.1	Lowest since January 2015
- Expectations	27.8	29.5	22.4	17.5	14.1	15.1	

Japan	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	
Overall Index	5.8	11.7	10.9	8.7	13.4	14.1	Highest since January 2014
Headline Index							
- Current situation	1.0	9.3	9.0	8.0	15.3	17.3	Highest since January 2014
- Expectations	10.8	14.3	12.8	9.5	11.5	11.0	

Eastern Europe	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	
Overall Index	-11.0	-6.6	-3.9	-2.0	-3.0	-5.1	
Headline Index							
- Current situation	-21.8	-17.8	-15.5	-12.3	-11.0	-13.3	
- Expectations	0.5	5.3	8.5	8.8	5.3	3.5	

Latin America	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	
Overall Index	-7.2	-7.8	-8.1	-6.5	-8.4	-10.0	Lowest since May 2009
Headline Index							
- Current situation	-16.5	-18.0	-19.3	-17.5	-17.5	-21.5	Lowest since May 2009
- Expectations	2.5	3.0	3.8	5.3	1.3	2.3	



Press release sentix Economic Index

06th July 2015

Switzerland	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15
Overall Index	-17.1	-1.6	7.9	6.9	-4.8	-2.2
Headline Index						
- Current situation	1.3	13.1	13.3	8.7	-6.6	0.7
- Expectations	-33.7	-15.4	2.6	5.1	-3.0	-5.0

Austria	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15
Overall Index	-1.7	4.3	-1.3	7.4	1.8	-0.9
Headline Index						
- Current situation	-13.2	-2.7	-9.6	-1.8	3.6	-0.1
- Expectations	10.6	11.6	7.5	17.0	0.0	-1.7

Lowest since November 2014



Data availability

Bloomberg

FACTSET



Macrobond



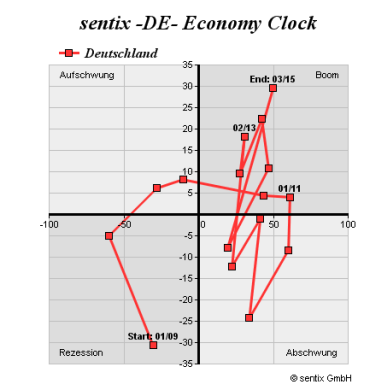
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About sentix

On a weekly basis, almost 5.000 registered investors (of which over 1,000 are institutional investors) supply us with their market assessments. Out of this data, sentix calculates sentiment indexes, which mirror the sentiment of equity markets (DAX, EuroSTOXX 50, Nikkei 225, S&P 500), bond markets (Bund-Future, US-Treasury-Future) and currencies (EUR/USD, USD/YEN). These sentiment indexes are setting the standard, held in high regard by many renowned financial players and are used by investment professionals in their analyses and investment processes. A history of more than 13 years and the simple access to data via reputable data providers as well as a website document the outstanding position of sentix as the leading independent sentiment data base.

Background, methodology and more

See <http://economics.sentix.de>



The idea of the „economy clock“

The sentix economy clock show the assessment of the current situation and investors' 6-month expectations in a x-y diagram. The assessment of the current situation is displayed on the x-axis and 6-month expectations on the y-axis. An upturn, for instance, is characterised by still negative readings for the assessment of the current situation but already positive values for investors' expectations. This is why the upturn area lies in the upper left part of the clock. The graph on the left hand side shows Germany starting in 2009 from a recession ending in 03/15 in a boom.



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