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sentix Economic Index: Upswing without momentum - 8th rise in a row

- The sentix economic index for the eurozone continued its recovery in triple steps in June. With the eighth increase in a row, it has now reached the zero line (index level of +0.3 points). Both sub-components move with.
- The economic recovery is also continuing in Germany - albeit only in slow motion. At -26.3 index points, the situation remains weak, while expectations are struggling to recover to +2.3 points.
- Internationally, the "Asia ex Japan" region is convincing. The expectations component there rose for the eighth time in a row to 19.5 points. Latin America and Eastern Europe are also slowly improving. US stocks maintain their expansion level.

Statistics

Poll from **6th June to 8th June 2024**
Survey participants: **1,174 investors**
(**241** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
Eurozone	Stabilization	USA	Upswing
Germany	Stagnation	Japan	Upswing
Switzerland	Boom	Asia ex-Japan	Boom
Austria	Stagnation	Latin America	Stabilization
Eastern Europe	Stabilization	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: June 2024

Euro Area	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24		
Overall index	-15,8	-12,9	-10,5	-5,9	-3,6	0,3	Highest since 02.2022	8. increase in a row
Headline Index								
- Current situation	-22,5	-20,0	-18,5	-16,3	-14,3	-9,0	Highest since 05.2023	8. increase in a row
- Expectations	-8,8	-5,5	-2,3	5,0	7,8	10,0	Highest since 02.2022	9. Increase in a row



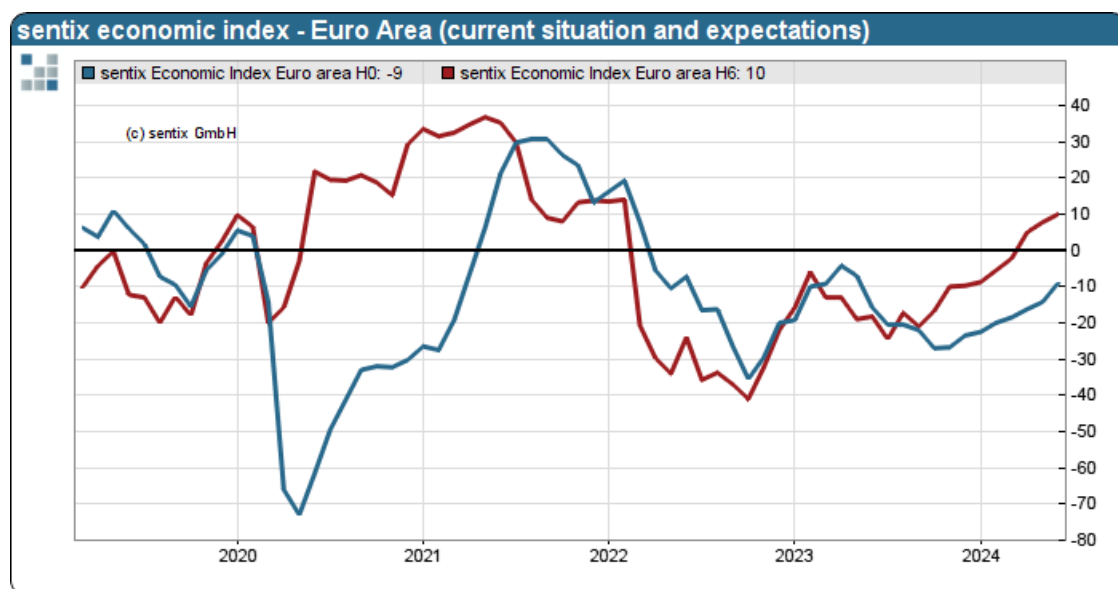
Commentary on the survey results for June 2024

Upswing without momentum - 8th rise in a row

The sentix economic index for the eurozone continued its recovery trend in June: however, the recovery is only proceeding slowly in triple steps. With the eighth increase in a row, the overall index has only just reached the zero line. Nevertheless, at +0.3 points, it is no longer negative for the first time since February 2022. However, the situation values remain in negative territory despite the increase (-9.0 points), while the expectations component rose by 2.2 points to +10.0 points. This means that the Eurozone has significantly better economic momentum than the USA. Although the current situation there is still considered to be extremely good at +28.3 points, the 6-month expectations have fallen slightly and are only showing a small increase (+2.3 points). Nevertheless, the level of expansion is likely to be maintained overall. Internationally, the "Asia ex-Japan" region is still convincing. The expectations component there has risen for the eighth time in a row to 19.5 points.

Euro area: Ascent no. 8

The recovery continues, but the upswing lacks momentum. After a series of eight consecutive improvements, the overall index for the eurozone just reached the zero line in June. Nevertheless, this is the highest level since February 2022, which means that the European economy is trying hard to crawl back to the level that prevailed before the outbreak of the war in Ukraine. At that time, the sentix overall index stood at 16.6 points and has been in negative territory ever since. The assessment of the current situation is also continuing to improve. However, an index level of -9 points emphasises the statement that the recovery is only proceeding with difficulty and is taking a long time to make progress in triple steps. The expectation values have risen by 2.2 points. This provides some encouragement that the trend may continue in the coming weeks. Germany's economy would have to send out a signal to generate more momentum. However, this signal has yet to materialise



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

The slow improvement in the current situation is certainly one of the main arguments in favour of the ECB being able to cut interest rates further. However, the window of opportunity for this does not appear to be too large. In addition to the economic improvement, the sentix inflation barometer also indicates an unfavourable inflation environment, which could put the ECB under increasing pressure to justify itself. Investors tend to see this as an interest rate burden.



Germany: The current situation values are the problem

The stabilisation of the German economy is only making moderate progress. At -26.3 points, the assessment of the current situation is still in the deep red. The increase in expectations to +2.3 points shows that the German economy's dire state is only gradually easing and that the topic of stagflation is likely to remain on the agenda in the coming months. The weak economic momentum is preventing a "self-sustaining" upswing.

Germany	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24		
Overall index	-26,1	-27,1	-27,9	-20,5	-17,5	-12,5	Highest since 04.2023	3. increase in a row
Headline Index								
- Current situation	-35,5	-39,3	-40,5	-36,0	-33,5	-26,3	Highest since 06.2023	3. increase in a row
- Expectations	-16,3	-14,0	-14,3	-3,5	0,0	2,3	Highest since 02.2022	3. Increase in a row

USA: Expansion level maintained

Economic expectations in the US continue to weaken. However, as long as the current situation remains so strong, it must be assumed that the US will deliver decent economic growth, even if the forward momentum slows. The US labour market remains stable despite the Fed's restrictive interest rate policy. The diametrically opposed development of the expected values to the international trend is also likely to become increasingly important for the further development of the US dollar. The difference in economic momentum now favours the euro common currency compared to the US dollar.

United States	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24		
Overall index	6,2	12,1	16,9	18,9	16,3	14,9		
Headline Index								
- Current situation	17,5	25,3	29,5	31,5	30,5	28,3		
- Expectations	-4,5	-0,3	5,0	7,0	3,0	2,3		

Asia ex Japan: Model pupil

Economic growth is picking up in Asia ex Japan. Following the setbacks caused by the coronavirus pandemic and the subsequent problems on the Chinese property market, the Chinese economy is now continuing to score points. At +19.5, the expected values there are the highest in an international comparison. The situation there is now also rated as extremely good at +16.5. Global hopes are therefore still pinned on China and the Asian region.

Asia ex Japan	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24		
Overall index	6,7	6,7	13,0	15,6	15,9	18,0	Highest since 02.2022	4. increase in a row
Headline Index								
- Current situation	4,8	3,3	10,3	14,0	14,0	16,5	Highest since 03.2022	
- Expectations	8,8	10,3	15,8	17,3	17,8	19,5	Highest since 02.2022	8. Increase in a row



Further result tables

Japan

	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24	
Overall index	6,8	13,2	12,5	13,9	12,0	10,0	Lowest since 01.2024
Headline Index							
- Current situation	10,3	18,5	14,5	16,8	14,3	12,0	Lowest since 01.2024
- Expectations	3,5	8,0	10,5	11,0	9,8	8,0	Lowest since 01.2024

Eastern Europe

	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24	
Overall index	-17,9	-15,7	-11,8	-9,7	-8,6	-7,2	Highest since 02.2022 8. increase in a row
Headline Index							
- Current situation	-25,3	-23,8	-18,8	-18,8	-17,5	-15,5	Highest since 02.2022
- Expectations	-10,3	-7,3	-4,5	-0,3	0,8	1,5	Highest since 02.2022 8. Increase in a row

Latin America

	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24	
Overall index	-6,5	-5,7	-2,6	-1,6	-0,9	-0,4	Highest since 07.2021 9. increase in a row
Headline Index							
- Current situation	-10,5	-11,8	-8,8	-8,0	-7,8	-7,5	Highest since 03.2019 4. increase in a row
- Expectations	-2,5	0,5	3,8	5,0	6,3	7,0	Highest since 07.2021 9. Increase in a row

Global

	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24	
Overall index	-0,1	2,0	6,6	9,2	9,2	10,5	Highest since 02.2022 8. increase in a row
Headline Index							
- Current situation	-0,8	0,9	5,5	8,0	8,1	9,6	Highest since 03.2022 8. increase in a row
- Expectations	0,5	3,2	7,7	10,4	10,4	11,4	Highest since 02.2022

Switzerland

	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24	
Overall index	2,9	4,1	11,8	14,7	9,9	18,5	Highest since 02.2022
Headline Index							
- Current situation	11,8	12,0	15,3	19,8	13,0	20,3	Highest since 07.2023
- Expectations	-5,5	-3,5	8,5	9,8	6,8	16,8	Highest since 02.2022

Austria

	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May. 24	Jun. 24	
Overall index	-17,1	-12,6	-10,5	-20,9	-7,4	-8,1	
Headline Index							
- Current situation	-28,8	-22,0	-21,3	-34,0	-17,8	-15,5	Highest since 09.2023
- Expectations	-4,8	-2,8	1,0	-6,8	3,5	-0,5	



Data availability

Bloomberg L.P.

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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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