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**Dr. Sebastian Wanke**

Senior Analyst

sebastian.wanke@sentix.de



sentix GmbH

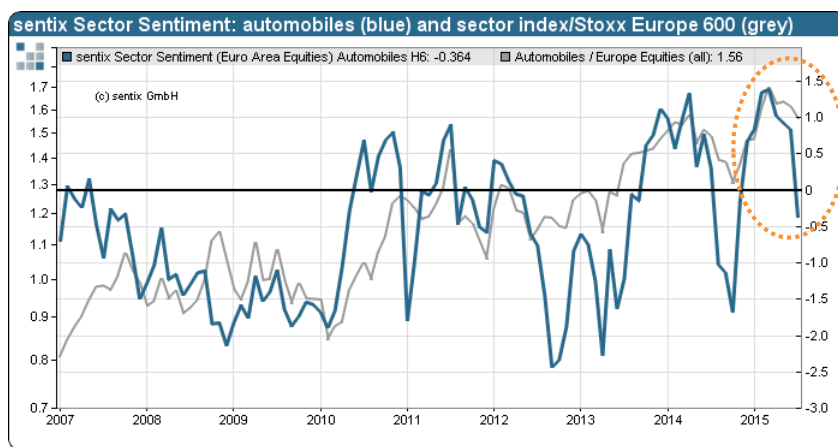
Wiesenhüttenstraße 17, 60329 Frankfurt am Main

Tel. +49 (69) 3487 961-0, info@sentix.de

## China effect hits automobile sector

In July, sentix Sector Sentiment for Europe's automobile stocks falls more strongly than for any other sector. It is the sorrows concerning a fading demand from China, spurred by the latest market turbulences, which can be felt here. But the positive trend in automobile stocks is still not to be put into question.

sentix Sector Sentiment for Europe's automobile sector falls by 1.2 to only -0.36 standard deviations (see "background"). This is an **extraordinary setback**, in the current month no other sector suffers more strongly. For automobile shares investors now expect an underperformance over the next six months.



An important reason for the worsening in sentiment can be found in the growth market **China**. There, authorities have – also against the backdrop of the latest stock exchange turbulences – significantly lowered their forecasts for new car sales. But the current consolidation which can be observed in the relative performance of European automobile stocks still looks constructive (see graph). Consequently, we see the **cooling in sentiment** – which was heavily influenced by the **panic-like reaction** at the Chinese equity markets – as an opportunity. **Thus, the positive trend in Europe's automobile stocks is – from a sentix point of view – still not to be put into question.**



## Background

**sentix Sector sentiment** is a monthly survey being conducted since 2002 among individual and institutional investors via the internet. The survey is run around the second Friday of each month. Investors are asked about their six-month expectations regarding 19 European stocks sectors. They can indicate whether they expect a sector to outperform, to perform as the market or to underperform. The survey results are normalised over all sectors and calculated as so-called z-scores. Z-scores are standard deviations from the mean of a given sample. A value of +1 for a sector sentiment means, for instance, that the expectations for the sector stand one standard deviation above the mean expectation for all sectors.

The current sentix Sector Sentiment survey was conducted from July 09 to July 11, 2015. 992 individual and institutional investors took part in it.

## About sentix

sentix is the pioneer and leading provider of sentiment analyses (behavioral 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 large 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 via Bloomberg. sentix clients thus are able to use sentix data almost in real time in order 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 Behavioral Finance.



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