



This is an official press release of sentix GmbH. Please mind the disclaimer at the end of the document!



Dr. Sebastian Wanke

Senior Analyst

sebastian.wanke@sentix.de



sentix GmbH

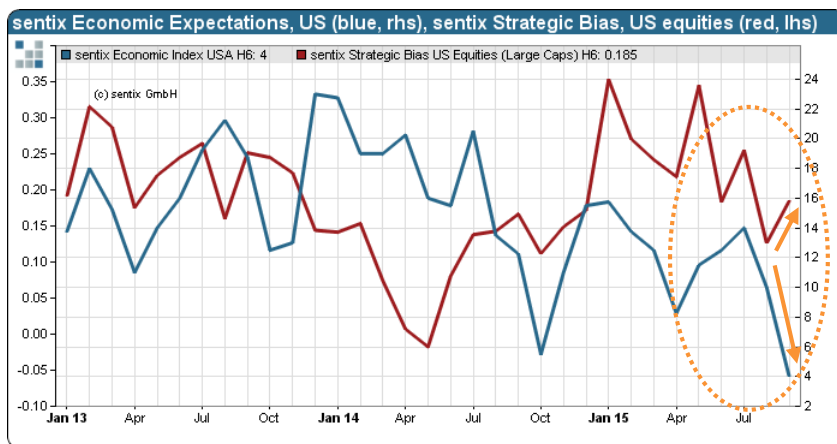
Wiesenhüttenstraße 17, 60329 Frankfurt am Main

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

Attention: Investors lacking risk awareness on equities!

The latest sentix data set reveals an alarming discrepancy: investors' fundamental belief in equity prices still rising despite economic expectations falling. Potential risks are especially lurking in the US market. Investors turning a blind eye on possible adverse effects for equities as economic optimism fades.

The **sentix Economic Index** for September has dropped significantly for all major markets and regions. Notably expectations of economic acceleration have been on the decline. Such drops in investors' expectations are usually early warning signs for declining equity markets. By itself, economic expectations conveyed an alarming message. However, in combination with results shown by the **sentix Strategic Bias for Equities**, which aims at capturing investors' fundamental belief in equities, the signal is even more puzzling. Strategic Bias has risen, especially for US markets (see figure).



Discrepancies of such magnitude reflect serious **risks**. Though, rising skepticism about economic expectations has not raised investors' awareness regarding equity price developments – investors still perceive an engagement in equities as an investment without alternative. Moreover, investors' blind trust in the power of central bank interventionism is threatening. **Would behavior be consistent with expectations should reactions follow suit – with negative consequences for equity price developments.**



Background

The **sentix Economic Index** comprehends the economic expectations of respondents about nine major countries and regions. The survey takes place every first Friday of the month as part of the **sentix Global Investor Surveys**. The sentix Economic Index is considered a leading indicator in terms of capturing economic developments and provides investors and analysts an edge over its peer indices ("first mover" advantage). The sentix Economic Index should be interpreted directional and reflects the wisdom of the crowd, alike the sentix Strategic Bias.

The **sentix Strategic Bias** reflects the strategic opinion of market participants as well as their basic convictions and perceptions of value for a given market for a rolling 6-month period. As this indicator represents investors' general willingness to buy or sell it should not be interpreted as a contrarian signal. Rather it is usually leading the market by several weeks.

The latest survey was conducted from September 3rd until September 5th 2015 and incorporated market opinions of 981 private and institutional investors.

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.



Disclaimer

Important information concerning liability, compliance, protection of investors and copyright

This information is meant only for distribution in countries in which this is permitted by law.

This analysis is for information purposes only and (i) does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any financial, money market or investment instrument or any security, (ii) is neither intended as such an offer for sale or subscription of or solicitation of an offer to buy or subscribe for any financial, money market or investment instrument or any security nor (iii) as an advertisement thereof. The investment possibilities discussed in this report may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. The investments discussed may fluctuate in price or value. Investors may get back less than they invested.

Changes in rates of exchange may have an adverse effect on the value of investments. Furthermore, past performance is not necessarily indicative of future results. In particular, the risks associated with an investment in the financial, money market or investment instrument or security under discussion are not explained in their entirety.

We assume no liability for the information contained in this analysis. The analysis is no substitute for personal investment consultation. Even on the basis of the depicted opportunities and risks, investors must individually assess – on the basis of their own personal investment strategies, their financial, legal and fiscal situation – whether an investment in the financial instruments depicted here is sensible for them. As this document is in no way a direct investment recommendation, this document or parts of it should not be used as the basis for any conclusion of contract or for any commitment to obligations of any kind. Investors are asked to contact the investment analysts of their banks for individual investment advice and other individual explanations and advice. Neither the sentix GmbH nor any of its managing directors, employees or other persons assume liability for losses or damages caused in connection with the use of this document or its contents.

The sentiment analysis is made available via the internet to those sentix participants of which is assumed that they do not base their investment decisions inappropriately on the basis of this analysis.

Statements or conclusions made through data or services do not include warrants or guarantees for future market or price changes. The opinions and assessments expressed therein can change without prior notice.

The sentix GmbH explicitly points out that both the sentix GmbH, its legal agents as well as their employees (in the following: the Involved) regularly conduct transactions in equity and other financial instruments which the data and services refer to. They do this both in their own names and for their own accounts as well as in the name and accounts of third parties. Should the Involved have been involved in an emission of instruments for the finance markets in the past 12 months, this is separately indicated at the corresponding place.

All rights of use for this analysis, its data and services are property of the sentix GmbH and are copyrighted. The sentix GmbH reserves its right to inflict penalties for the unauthorized usage of data and services, especially unauthorized commercial use. A reproduction or subsequent processing of website elements, analyses, data or services in electronic, written or other form is prohibited without prior consent by the sentix GmbH. Analyses that are only available in the secure customer area may not be quoted, neither in full, nor in part. An exception to this are analyses, data or services which have been posted by the sentix GmbH via the press mailing list or which have been presented in other form for public propagation.

This analysis must not – either in full or in part, regardless of underlying intent – be forwarded, reproduced or published.

„sentix“ is a registered trademark of sentix Holding GmbH.

DAX, TecDAX, Xetra und Eurex are registered trademarks of the Deutsche Börse AG. Dow Jones EURO STOXX 50 is a registered trademark of the STOXX Limited. Other names of products and companies which may be mentioned in this publication could also be protected or be registered trademarks of other companies.

ANALYST DECLARATION

Neither in the past, present or future is the remuneration of the author linked – either directly or indirectly – to his or her recommendations or views expressed in this context.

Responsible according to the press law: Manfred Hübner