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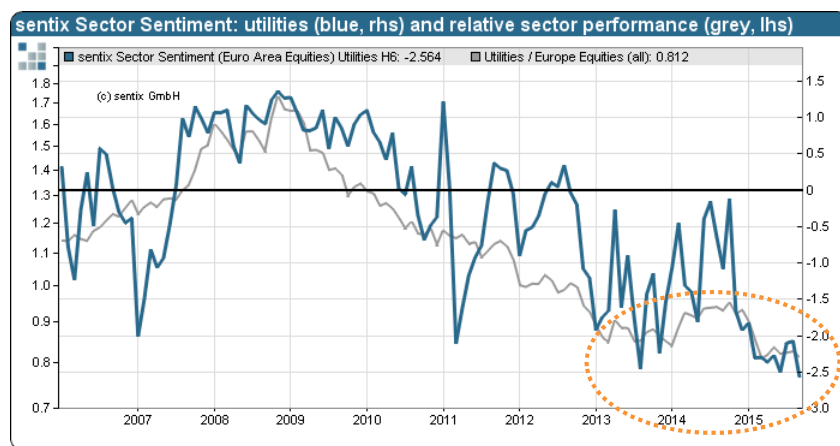
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Utilities – investors' denial

The latest sentix data set reveals further deterioration in investors' sentiment for the European utilities sector. It has reached a record low and predominantly reflects the condition of distinct German utility companies – an investment opportunity!

The **sentix Sector Sentiment for Europe's utilities shares** fades and marks a historical all-time low (see figure below). Never before has such a depressed industry mood been recorded. A possible explanation for investors' perception are ill-shaped **German utility companies**, still heavy weights in the corresponding STOXX 600 sector index. Accordingly, with regards to relative performance, European utilities excluding RWE and e.on perform not that bad. **In the eyes of investors, only two stocks overshadow the performance of a whole sector – an intriguing issue.**



In addition, the extremely negative sentiment shows that a vast majority of market participants have already turned their backs on utility stocks. This is usually a sign of a coming recovery in relative performance. For the European utilities sector this phenomenon was observed in 2013/ 2014, for instance (see again figure). **Thus, the industry looks like an attractive opportunity for contrarian investors.**



Background

sentix Sector sentiment is a monthly survey conducted since 2002 among individual and institutional investors as part of the sentix Global Investor Survey. The survey is run around the second Friday of each month. Investors are asked about their 6-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 latest survey was conducted from September 10th until September 12th 2015 and incorporated market opinions of 1,001 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.



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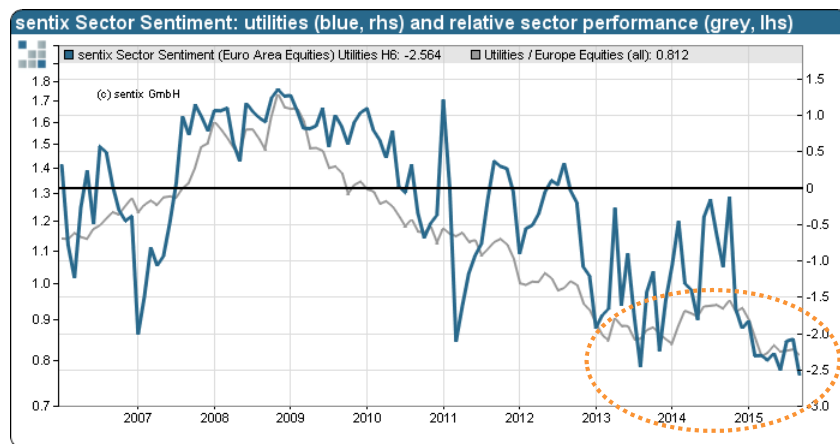
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