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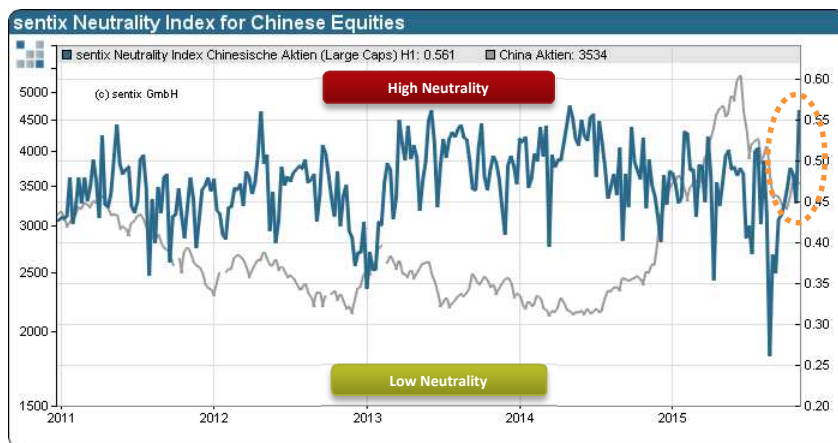
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Chinese Equities– Volatility ahead!

Investors' uncertainty about the Chinese equity market index CSI300 mounts to a 52 weeks high. The sentix Global Investor Survey shows that investors react paralysed to recent Chinese macroeconomic environment.

The latest **sentix Neutrality Index for the Chinese equities market**, which captures the percentage of investors indifferent to current market conditions in China, reaches the highest reading since 52 weeks (please see Chart, blue line). In the past four to six weeks, the investors' sentiment towards Chinese equities was significantly more optimistic than recently. Intriguingly, neutrality has more than doubled since mid of August 2015. Chinese stock market's rapid recovery affected investors twofold: it ended market's oversold status. Though, apparently have seeded disbelief as well as lack of orientation among investors concerned with the long-term market perspective. The recent "summer-crash" experience has deeply anchored. Moreover, suspiciousness finds futile ground as news about China's "weakening" economy hit the tickers. **High sentix Neutrality index readings are indications of upcoming market volatility**, accompanied by repositioning.



Relevant from a technical analysis perspective is whether the CSI300 successfully crosses the resistance at 3650 points at a first lunge. Conversely, the support at 3400 points must counter a failed attempt.



Background

The **sentix Neutrality Indices** represent the share of neutral investors in the market. A high percentage of such investors points to irritation and to higher volatility in the near future. A low reading shows that investors have understood “the market”. In the camp of “neutrals” there is always an important part of investors who are not or only marginally invested. Those are important as they are potential future buyers or sellers! For sentix Neutrality Indices, the interpretation of the short-term and the medium-term are most of the time similar. Consequently, the case is strengthened when both time horizons reach extreme readings.

The current **sentix Global Investor Survey** was conducted from October 29 to October 31, 2015. 1,020 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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