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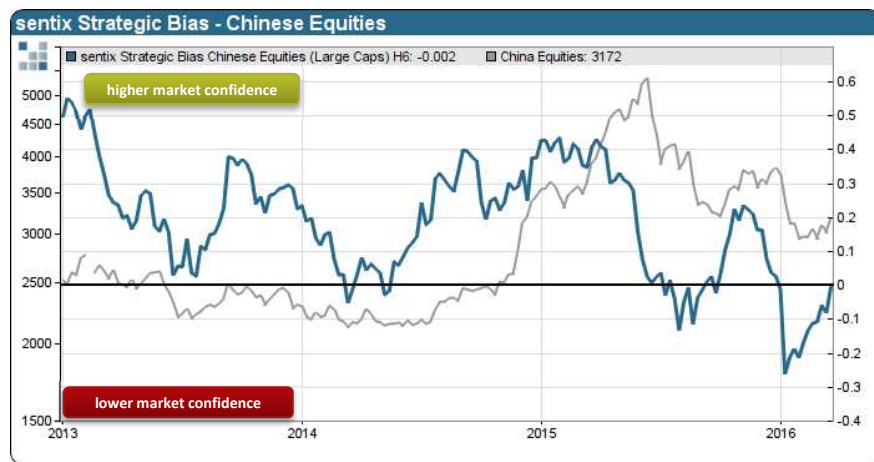
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Growing confidence in China

Investors reassess their bearish position on the Chinese equity market. The medium-term expectations have been on the rise since the beginning of 2016. The sentix indicator hints to rising markets ahead.

The latest sentix Strategic Bias for Chinese equities has climbed by 8 percent in comparison to previous week. The indicator hits the zero-line, for the first time since January, which is noteworthy considering the ongoing bear market. The sentix indicator measures investors' medium term market confidence for a six-month horizon and indicates the general willingness to buy or sell a security. As the latest rise in investors' willingness to buy improves, it expresses growing confidence, thus, promotes the accumulation of long positions. Subsequent buy orders propel equity prices.



Furthermore, time series analysis underpins that comparably dynamic increases of the sentix Strategic Bias for Chinese equities yielded CSI 300 stock index returns of on average 4.3 percentage points within the subsequent 16 weeks. Hence, the likelihood of a retest of the June 2015 down trend at the 3350 level is high. Should the index even break its downward trend, the market has potential for more gains.



Background

The **sentix Strategic Bias** (investors' six-month market confidence) is polled on a weekly basis since 2001 as part of the sentix Global Investor Survey. It reflects the strategic view of market participants as well as their basic convictions and perceptions of value for a given market. 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 current **sentix Global Investor Survey** was conducted from 16-Mar 16 to 19-Mar 16. 1079 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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