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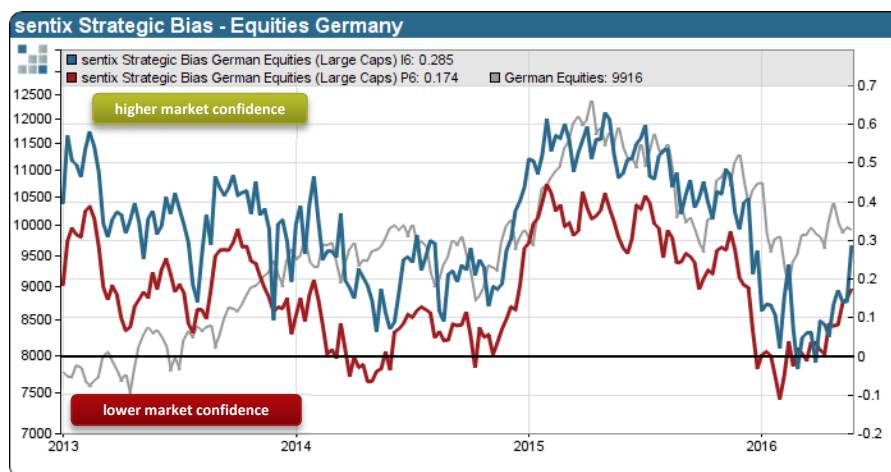
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Buy in May and stay?!

The latest sentix Global Investor Survey reveals an exceptionally positive signal for the German equity market. The prospects for a new bull market are increasing as especially the medium-term market expectation of institutional investors is on the rise.

The sentix Strategic Bias rises to a new 13 weeks high as it expresses regained medium-term conviction of German equities. Especially institutional investors' confidence gets a boost. The sub-index rises 13 points in comparison to previous weeks' survey. It is in principle a bullish market indication. However, it contradicts the conventional market wisdom "sell in May".



"Sell in May" describes the tendency of some investors to avoid period from May to October. In contrast, the increase of the sentix Strategic Bias points out that investors mentally prepare to buy instead to sell (refer to Background for a detailed explanation). Rising confidence, especially among institutional investors, is "apparently" neither caused by price indication nor by the news. Therefore, the latest signal should be taken seriously as emotions obviously were not the cause. Based on our statistical analysis, investors can theoretically expect an increase of around 2.3% over the next 16 weeks, on average, each time investors' confidence has reached a comparable level.



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 fundamental 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.

In the latest sentix Global Investor Survey was conducted from 19-May-2016 to 21-May-2016. 1032 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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